

TenneT Holding B.V.  
Integrated  
Annual Report  
2025

# Powering for prosperity





# Contents



4



17



94



126

## TenneT at a glance

- Key figures
- Key events of 2025
- Letter from the CEO
- Organisational and funding developments
- Our profile

## 4 Executive Board report

- 5 Trends and developments
- 7 Our purpose and strategy
- 9 Our stakeholders
- 13 How we create value
- 15 Value chain and impacts
- Our contribution to the SDGs

### Our performance 2025

- Building the electricity grid of tomorrow
- Utilise the grid to empower society
- Deliver more grid capacity together for our customers and to serve society
- Create a safe and inspiring workplace
- Transition to a brighter energy future within social and planetary boundaries
- Safeguard sustainable financial performance

## Risk management

76

## 17 Corporate governance

- 18 Corporate governance structure
- 20 Compliance and integrity
- 22 Executive Board
- 24 Executive Board biographies
- 27 Supervisory Board
- 30 Supervisory Board biographies
- Supervisory Board report
- 31 Remuneration report

## 94 Sustainability statements

- 95 General information
- 98 Environmental
- 99 Social
- 107 Governance
- 109 Appendices
- 110
- 113
- 121

126

Cover: The electricity grid is the backbone of our society: resilient, reliable, and built to last. The cyclist in motion reflects the pace of change – people, businesses, and communities moving forward. Together, they symbolise our responsibility: safeguarding energy security today, while enabling progress and prosperity for tomorrow.

The Executive Board Report and the Sustainability statements reflect the director's report as mentioned by Part 9 of Book 2 of the Dutch Civil Code.

Disclaimer PDF print – Statement – This copy of the Integrated Annual Report of TenneT Holding B.V. for the year 2025 is not in the ESEF-format as specified by the European Commission in Regulatory Technical Standard on ESEF (Regulation (EU) 2019/815). The ESEF reporting package is available at <https://www.tennet.eu/investor-relations/financial-reports>. In case of any discrepancies between this 'printed version' and the ESEF reporting package, the ESEF reporting package prevails.



# Contents



188

## Green Finance reporting

Realising the backbone of a climate-neutral energy system	
Our performance	
Notes to the Eligible Green Investments performance table	
Appendices	



196

## 188 Financial statements

189 Consolidated financial statements	
Notes to the consolidated financial statements	
191 Company financial statements	
192 Notes to the company financial statements	
194	



250

## 196 Other information

197 Profit appropriation	
201 Independent auditor's report	
244 Company addresses	
246	



260

## 250 Supplementary information

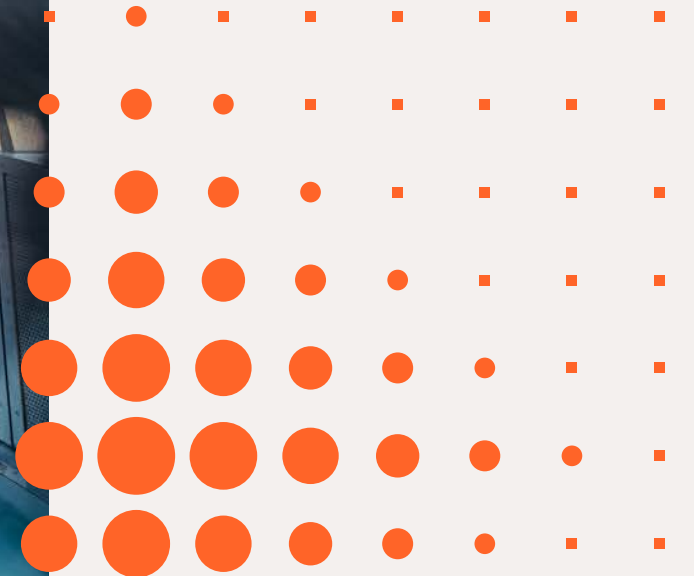
251 Limited assurance report of the independent auditor on the sustainability statement	261
252 Limited assurance report of the independent auditor on the Green Finance reporting	264
About this report	266
Key figures: five-year summary	268
Glossary	269
Colophon	273



# TenneT at a glance



Key figures	5
Key events of 2025	7
Letter from the CEO	9
Organisational and funding developments	13
Our profile	15





# Key figures



## Building the electricity grid of tomorrow

### Future-proof grid

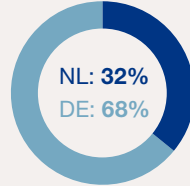
Investments (EUR million)

# 14,819

NL: 4,869 | DE: 9,948 | NR\*: 2

2024: 10,637

Target: 18,035



### Newly installed circuit length

In kilometres

# 508

NL: 28 | DE: 480

2024: 245

Target: 548

### Newly installed GW offshore

# 2.5 GW

NL: 0.7 | DE: 1.8

2024: 0.0 GW

Target: 2.5 GW

\* NR = non regulated



## Utilise the grid to empower society

### Grid availability (onshore)

# 99.99977%

NL: 99.99977% | DE: 100.00000%

2024: 99.99988%

Target: 99.99962%

### Grid availability (offshore)

# 96.85%

NL: 95.29% | DE: 97.77%

2024: 97.09%

Target: 95.07%

### Number of Time-dependent transport rights (TDTR) contracts signed (NL)

# 9

2024: 3



## Deliver more grid capacity together for our customers and to serve society

### Number of initiatives\*\*

# 25

NL: 17 | DE: 9

2024: 30

2023: 27

### Reputation score NL\*\*\*

# 7.4

### Reputation score DE\*\*\*

# 8.0

\*\*Both TenneT Germany and TenneT Netherlands are participating in the InterOPERA project and so cannot be counted twice.

\*\*\* New key figure; information not available for 2024.



# Key figures



## Create a safe and inspiring workplace

### Safe workforce

Total Recordable Incident Rate

# 4.1

NL: 2.2 | DE: 5.4  
2024: 4.0  
Target: 3.1

### Healthy workforce

Absentee rate

# NL 4.1 DE 3.0

2024: NL 3.6 | DE 3.3  
Target\*: 3.0

### Diverse workforce

% Female inflow of total inflow

# 32%

NL: 31% | DE: 33%  
2024: 32%  
Target: 33%

% Non-Dutch/non-German inflow

# 11%

NL: 13% | DE: 11%  
2024: 11%  
Target: 11%

\* No target value for absentee rates, however a maximum value TenneT strives for.



## Transition to a brighter energy future within social and planetary boundaries

### Environmental impact

Reduction of carbon footprint compared to base year 2019 (Scope 1 and scope 2 market-based emissions)

# 92%

2024: 89%  
Target 2030: 95%

Percentage of non-virgin materials procured

# 1.2%

NL: 0.5% DE: 2.3%  
2024: 2.4%  
Target: N/A

Percentage of recoverable waste

# 97%

NL: 100% DE: 96%  
2024: 98%  
Target: N/A

### Social impact

Share of significant suppliers with an Ecovadis scorecard

# 4.2%

NL: 3.6% | DE: 4.5%  
2024: N/A  
Target: N/A



## Safeguard sustainable financial performance

### Healthy financial operations

Underlying EBIT group (EUR million)

# 2,746

NL: 992 | DE: 1,588 | NR: 166  
2024: 1,745  
Target: 2,455

### Safeguarded capital structure

Adjusted FFO/Net debt group

# 6.6%

NL: 9.4% | DE: 7.0%  
2024: 8.2%  
Target: Well above 5.0%

### Satisfied capital providers

ROIC group (%)

# 6.5%

NL: 6.7% | DE: 5.4%  
2024: 5.5%  
Target: 4.3%



# Key events of 2025



March 2025

## New TDTR contracts enable off-peak grid capacity for flexible users

TenneT Netherlands introduced Time-Dependent Transmission Rights (TDTR), an alternative transport-rights product developed with market parties under the National Action Plan on Grid Congestion. TDTR enables users to secure electricity transport rights for a fixed number of hours per year, guaranteed at least 85% of the time.

During the remaining 15%, TenneT Netherlands may apply temporary restrictions, announced at least one day in advance. An April 2025 analysis showed that TDTR could unlock up to 9 gigawatts of off-peak grid capacity. The product is particularly attractive to flexible users, such as battery storage operators, who can benefit from discounted tariffs of 50 to 65% and help improve overall grid efficiency through better use of unused capacity.



April 2025

## TenneT advances European offshore grid cooperation

TenneT and 11 other transmission system operators (TSOs) from the North Sea region presented the first results of a joint pilot study under the Offshore TSO Collaboration (OTC). The study outlines a vision for an integrated offshore grid with the North Sea becoming Europe's 'green power plant'. This is to strengthen Europe's energy independence, affordability, and decarbonisation vision. The initiative supports the goals of the Esbjerg and Ostend Declarations and proposes a coordinated regional planning process. A set of conceptual cross-border projects will be submitted to the Ten-Year Network Development Plan (TYNDP) 2026, laying the groundwork for future joint infrastructure and cost-sharing agreement.



August 2025

## TenneT Germany and state farmers' associations agree on compensation framework in Germany

TenneT Germany reached an agreement with the farmers' associations of Bavaria and Hesse on a compensation framework for the Fulda–Main transmission project. The framework sets out uniform rules for compensating landowners and land managers affected by construction activities and long-term land use. The agreement provides greater planning certainty for the project, which aims to increase transmission capacity between Hesse and Bavaria.

TenneT Germany has held nine public information events along the planned route to support transparency and provide project-related updates.



June 2025

## Installation of BorWin Epsilon and DolWin Epsilon platforms completed in the North Sea

In the second quarter of 2025, TenneT Germany completed the installation of the offshore converter platforms BorWin Epsilon and DolWin Epsilon, key components of the BorWin5 and DolWin5 grid connection system. These platforms convert electricity generated by offshore wind turbines from 66 kV AC to 320 kV DC for transmission to the mainland. This brings TenneT Germany's transmission capacity to almost 10 GW in the German North Sea.



September 2025

## New pilot with oyster reefs in the North Sea

TenneT Netherlands and partners launched a large-scale pilot to restore flat oyster reefs in the North Sea, releasing over half a million oysters in the Port of Rotterdam.

Using a 'remote setting' method, larvae are cultivated on stones and then deployed at sea to form reefs that enhance water quality and create habitats for diverse marine life. The project shows how offshore energy infrastructure can support biodiversity. With broad collaboration across companies, research institutes, and nature organisations, the pilot lays the groundwork for integrating nature restoration into future offshore construction and maintenance activities.



September 2025

## TenneT secures equity funding for TenneT Germany through future partnership with large institutional investors in Europe

On 24 September, TenneT Holding announced that it has reached agreement with three large institutional investors in Europe regarding their investment in TenneT Germany: APG (investing on behalf of Dutch pension fund ABP), Singapore sovereign wealth fund GIC and Norges Bank Investment Management (NBIM). With this transaction TenneT and its sole shareholder the Dutch state secure the equity requirement for the expansion of TenneT Germany's high-voltage grid for the years to come. Read more about our organisational and funding developments on page 13.





# Key events of 2025

## October 2025 SuedLink secures final approvals for full construction



SuedLink, Germany's largest energy-transition infrastructure project, reached a key milestone in October with final construction approvals granted in all six federal states. TransnetBW received plan approval for the section from Gerstungen (Thuringia) to Mellrichstadt (Bavaria), while TenneT Germany obtained its final approval for the section from Schœßel to the Heidekreis/Region Hannover border. With permitting completed, full construction of the approximately 700-km, 525 kV underground DC connection commenced. In parallel, TenneT Germany progressed construction on one of SuedLink's most technically complex sections, including tunnelling beneath the Elbe. Once completed, SuedLink will transmit up to 4 GW of wind energy from northern to southern Germany, strengthening grid stability and supporting future electricity demand.

## October 2025 700 MW offshore program successfully completed

With the completion of Hollandse Kust (west Beta), TenneT Netherlands has finalised its 700 MW offshore wind connection program. The west Beta connection received its grid readiness certificate, confirming compliance with all high-voltage standards and readiness for operation. Over recent years, TenneT Netherlands delivered seven standardised 700 MW offshore



grid connection systems, delivering one each year since 2019. The final connection was completed five months ahead of schedule, within time and budget. The completion of the 700 MW program is an important step toward the Dutch offshore wind targets and as the foundation for the next phase of offshore grid development, the 2 GW connection standard.

## October 2025 TenneT partially terminates contract with offshore projects consortium

In March 2023, TenneT signed a framework cooperation agreement with Hitachi Energy and Petrofac for six 2 GW grid connection systems under the 2GW Program. Since 2024 Petrofac has been working on a financial restructuring of its business. In the past period TenneT has worked extensively with the Petrofac/Hitachi Energy consortium on mitigation measures. Since Petrofac has not been able to meet its contractual obligations, TenneT has exercised its right to partial termination of the contract related to the Petrofac scope. A replacement contractor has been arranged to take over this portion of the work. The revised consortium will continue delivering the six Dutch (5) and German (1) offshore grid connection systems.



## November 2025 TenneT Netherlands Investment Plan: more projects than ever, but grid expansions under pressure

TenneT Netherlands presented its Investment Plan 2026–2040, outlining a record number of grid expansion projects while noting that grid expansions are taking longer than planned. Currently, about 60% of projects are projected to be completed an average of 2.5 years behind schedule. Despite strong cooperation with government bodies, lengthy procedures, complex site selection, and slow land acquisition continue to hinder progress. Decisive action is required, and a major step is the new acceleration package developed jointly by TenneT Netherlands and the Ministry of Climate Policy and Green Growth. This package aims to cut project timelines by up to 50%, helping to relieve grid congestion and deliver significant societal benefits. Also, TenneT is adapting its internal processes to start and implement projects more efficiently.



## November 2025 New DataFlex project boosts grid stability through digital integration

TenneT Germany launched DataFlex, a new research project funded by the Federal Ministry for Economic Affairs and Energy to drive digital sector coupling across electricity, mobility and heating. The project aims to integrate millions of decentralised flexible assets, such as EVs, heat pumps and home storage, into the energy system through cross-sector data exchange. In model regions, DataFlex will demonstrate how over one megawatt of decentralised flexibility can support redispatch and grid stability. The consortium will also develop new market mechanisms to activate these resources, helping reduce grid congestion, lower system costs and advance climate goals.





Manon van Beek, Chief Executive Officer

# Powering for prosperity

TenneT's work in the Netherlands and Germany places us at the centre of Europe's energy transition. Every day, we help execute political ambitions to shape a more sustainable and secure energy future for society: by unlocking the vast offshore potential of the Dutch and German North Sea for the benefit of our continent's prosperity, by strengthening the north-south backbone of the German grid and by investing in the Dutch grid to relieve congestion and connect more customers. Across Europe, momentum is building, reflected in the continued progress of the EU, Germany and the Netherlands towards their goal to become climate-neutral and more energy independent by 2045-2050.



In 2025, it has become clearer than ever that the energy transition is about more than climate alone. It now sits at the core of our independence, strategic relevance and ultimately safeguards our prosperity. It is also important in terms of economic and political security in Europe. To this end, thousands of skilled and dedicated people work tirelessly every day on the electricity system to prepare it for a future with clean energy. For us, the physical safety and well-being of the people who work for and with TenneT has our unrelenting focus. Their essential work contributes to ensuring long-term security. Public debates increasingly prioritise topics such as the cost of housing, the investment climate and purchasing power. Yet these issues are, among other things, dependent on a robust, future-proof electricity infrastructure. Investing decisively in a grid that is the backbone of a sustainable energy system is a foundation for safeguarding Europe's economic strength and quality of life in the years ahead.

As also highlighted in the Draghi Report on European Competitiveness, continued and substantial investments in sustainable electricity infrastructure and cross-border connections are essential to strengthen

Europe's competitiveness, resilience, and long-term prosperity. They are investments that deliver far more than grid assets and infrastructure – they are critical to the future of Europe, our economic health and geopolitical security.

Our power system is already rapidly decarbonising – 24 years before the EU's net zero milestone, 47% of the EU's electricity was already generated from low-carbon sources in 2024. Germany and the Netherlands are leading the way, with a share of clean electricity of approximately 54% for the Netherlands and 59% for Germany, compared to the global average of 41%. These figures show that the share of fossil fuels in our grid mix is at an all-time low. Electrification from renewable sources is becoming the most effective route for companies to decarbonise, and to stay globally competitive.

However, the move towards clean and competitive electrification is conditional on the success of TenneT. This is why – as a committed and socially responsible transmission system operator – we chose 'Powering for prosperity' as the theme of this year's Integrated Annual Report.

### Energy transition at a crossroads

As the energy transition becomes more tangible in daily life, the road to net zero is at a crossroads.

Electrification and demand for capacity on the electricity grid are growing faster than the grid can expand, creating congestion queues for grid connections, and restricted transmission capacity, especially at peak times. This is not unique to the Netherlands or Germany – many European TSOs face the same obstacles – and we can turn this challenge into an advantage if we act decisively, at speed and scale.

At the same time, the scale and cost of the required grid expansion – both onshore and offshore – are under scrutiny, given the significant upfront investments needed to transform our electricity system, particularly as geopolitical tensions underscore Europe's vulnerability to continued dependence on fossil fuels. This calls for a responsible, well-sequenced pace of delivery, aligned with demand and system needs. However, an uncoordinated or prolonged slowdown would ultimately increase costs, undermine Europe's economic resilience and competitiveness, and delay the achievement of our climate objectives

Ultimately, our determination to maintain the pace and scale of our investments is not because we insist on it, but because it is what politics and society expect from us. European and national climate goals depend on us delivering the infrastructure as backbone for a climate-neutral electricity system by 2050 and there is no time to waste.

To help us get there, and navigate the challenges ahead, TenneT is working across a broad coalition of partners and brings many different voices to the table – customers, suppliers, investors, governments, regulatory bodies, DSOs, TSOs, academic institutions and technological innovators. This pan-European cooperation is essential for delivering the long-term value and prosperity that a successful energy transition promises.



*'We share a joint responsibility to reach a climate-neutral energy system in 2050. No stakeholder can achieve this alone. At TenneT, everything is focused on accelerating the expansion of our grid, making better use of the existing network, and enhancing it through digitalisation, a step towards becoming a modern, customer-oriented, data-driven TSO.'*

**Maarten Abbenhuis**, COO TenneT Holding B.V.

On a national level, we are also developing smart flexible solutions that help us utilise the grid better and unlock additional capacity for customers. For example, in April 2025, we announced a gain of 9.1 GW of grid capacity during off-peak hours with the introduction of Time-Dependent Transmission Right (TDTR) contracts. Thanks to this new approach, TenneT can provide much-needed capacity on the high-voltage grid to customers.

As Europe's energy transition journey becomes more complex, one thing is clear: we must not slow down. There is no doubt that investments in electricity grids are essential and costly, but the cost of under-investing is far greater. Every year of delay means lost economic output, slower industrial electrification and higher societal costs.

This is critical work that not only keeps the lights on but also underpins European security. Geopolitical tensions, caused by conflicts in Ukraine and the Middle East, show the risks of fossil fuel dependence. Investing in renewable sources, electricity infrastructure, and a robust, connected cross-border network is essential for European energy independence.

In Northern Europe, we are fortunate to have the North Sea as a clean energy powerhouse that strengthens European security. With the political ambitions of the North Sea countries to exploit the potential of 300 GW of future installed wind energy capacity — and TenneT's plan to more than double our offshore grid capacity by 2032 — the North Sea is not only a climate solution but a strategic instrument for energy independence and economic competitiveness.

#### What we need

The success we see in the European energy transition so far is no guarantee to a competitive energy supply. To reach this goal, we need political and regulatory support, a rising demand for clean electricity and investors' appetite to maintain momentum. Governments play an essential role in helping to maintain this momentum. To that end, we propose structural investment mechanisms — such as state guarantees, EIB credits of the public Energy Transition and Resilience Fund — to safeguard long-term energy independence.

*'Through investments in our critical high-voltage infrastructure, we are strengthening the transition to clean energy and enhancing economic agility. Failing to invest, or investing too slowly, is simply not an option if we want to power societal and economic prosperity. However, we remain focused on affordability through amongst other things efficient management of our capital and operating expenditure.'*

**Dieuwert Inia**, CFO TenneT Holding B.V.



In particular, we require policy support to enable us to implement the accelerated expansion of our networks, as desired by politics and society. Currently, the construction of large onshore electricity infrastructure projects takes 8 to 12 years, with 70-80% of that time taken up by permitting and licensing procedures. The EU Emergency Regulation, introduced after Russia's invasion of Ukraine and applied by the German state, helped to fast-track permitting procedures for many grid development projects in our German portfolio, but its expiry in June 2025 risks a return to slower timelines. Meanwhile in the Netherlands we expect 60% of our expansion projects to be completed 2.5 years later than planned, largely attributable to excessively long permit and appeal procedures. We also have high expectations for the European Grids Package published in December 2025. The proposed rules are expected to have a positive impact on network planning, permitting procedures and the financing of cross-border projects.

To prevent delays throwing us off track, we welcome collaborations with governments such as the Acceleration package, jointly developed by TenneT and the Ministry of Climate Policy and Green Growth in the Netherlands. This package contains a comprehensive set of

measures designed to substantially shorten the lead time of crucial grid projects. Studies show that accelerating grid expansion in this way not only strengthens energy security, but also economic benefit — up to EUR 30 billion per year in prosperity value.

#### What we can do

Of course, there are many things that we, as TenneT, can do to help us build the grid faster and connect more customers. As with any large and growing organisation, we know there is a risk of our work being slowed by bureaucracy, complex processes and unclear ownership. To prevent this, we are taking clear action to make TenneT simpler, faster and more results-driven. By changing our structure and culture, as well as by harnessing the full power of data, technology and AI, we will use our grid more intelligently, improve decision-making, and accelerate, paving the way for a future-proof TenneT.



### Support for offshore wind

Political support is also needed to ensure the development of offshore wind energy. We already see offshore wind farm development slowing as the business case for new wind farms weakens under rising costs and uncertain demand. This is partly caused by more European energy-intensive companies delaying their shift to electrification, or relocating operations, as concerns grow about rising energy costs in Europe.

To ensure that offshore wind remains Europe’s key strategic asset for energy independence and competitiveness, we advocate for a Green Industrial Pact, with coordinated, cross-sectoral cooperation between governments, industry, and system operators to secure demand, accelerate industrial electrification, and stabilise offshore investment.

We see interconnections with neighbouring countries as essential for a secure, affordable, and efficient energy system. The combination of an interconnected North Sea grid with cross-border electricity trading will reduce energy costs, increase resilience, and strengthen energy security. To this end, our work in the Offshore TSO Collaboration (OTC), of which we are a founding member, is an example of how we are working with partners to strengthen the future for offshore wind.

Through our work in the OTC, we are creating a more integrated cross-border offshore grid, not only in terms of infrastructure but also by building a unified regulatory and technical framework to support innovation and also cost and benefit sharing. We are mapping promising hybrid and cross-border projects to maximise efficiency, reduce costs, and enhance system reliability.

Building on these kinds of initiatives, we will use the depth of our experience and strength of our voice to advocate for fair, cross-border cost sharing, stronger market signals for green electricity generation, and robust EU-UK cooperation.

### People and society at the heart

Ultimately, the energy transition will only succeed if citizens and businesses share in its benefits. That means transparency, participation, and involvement in decision-making. And a clear understanding that every euro invested today strengthens Europe’s prosperity tomorrow.

TenneT’s responsibility is clear: on behalf of and in collaboration with our governments, shareholders and society, we are accelerating the build-out of a robust, connected and future-proof electricity system that delivers

reliable, affordable, and renewable electricity for millions of people — in the Netherlands, Germany and across Europe. In doing so, we also act as a trusted advisor, sharing our system expertise and long-term perspective to support policymakers and stakeholders in making informed choices. The energy transition offers us plenty of opportunities. And the success of our work is thanks to the daily dedication of our people and partners, helping us overcome challenges and make progress towards our shared goal. I would like to thank each and every one of them – their essential work is helping to make a brighter, cleaner and more secure energy future possible.

As TenneT, we have a critical and leading role, delivering on our responsibility to enable reliable, affordable, and renewable electricity throughout Europe. We are investing in a future that combines prosperity, sustainability, and energy independence: *Powering for prosperity.*

With warm regards, heartfelt thanks and confidence in the journey ahead of us,

On behalf of TenneT Holding's Executive Board,

Manon van Beek (CEO)



*‘The energy transition is increasingly about prosperity, security and strategic relevance. A future-proof electricity grid underpins a strong investment climate and a competitive European industry. Slowing down is not an option: the costs of underinvesting in infrastructure outweigh the investments needed today. That is why we are committed to acceleration, smart solutions and a robust, cross-border electricity system. With the North Sea as a hub for sustainable energy, we are building a resilient and energy-independent Europe — the essence of Powering for prosperity.’*

**Manon van Beek**, CEO TenneT Holding B.V.

# Organisational and funding developments

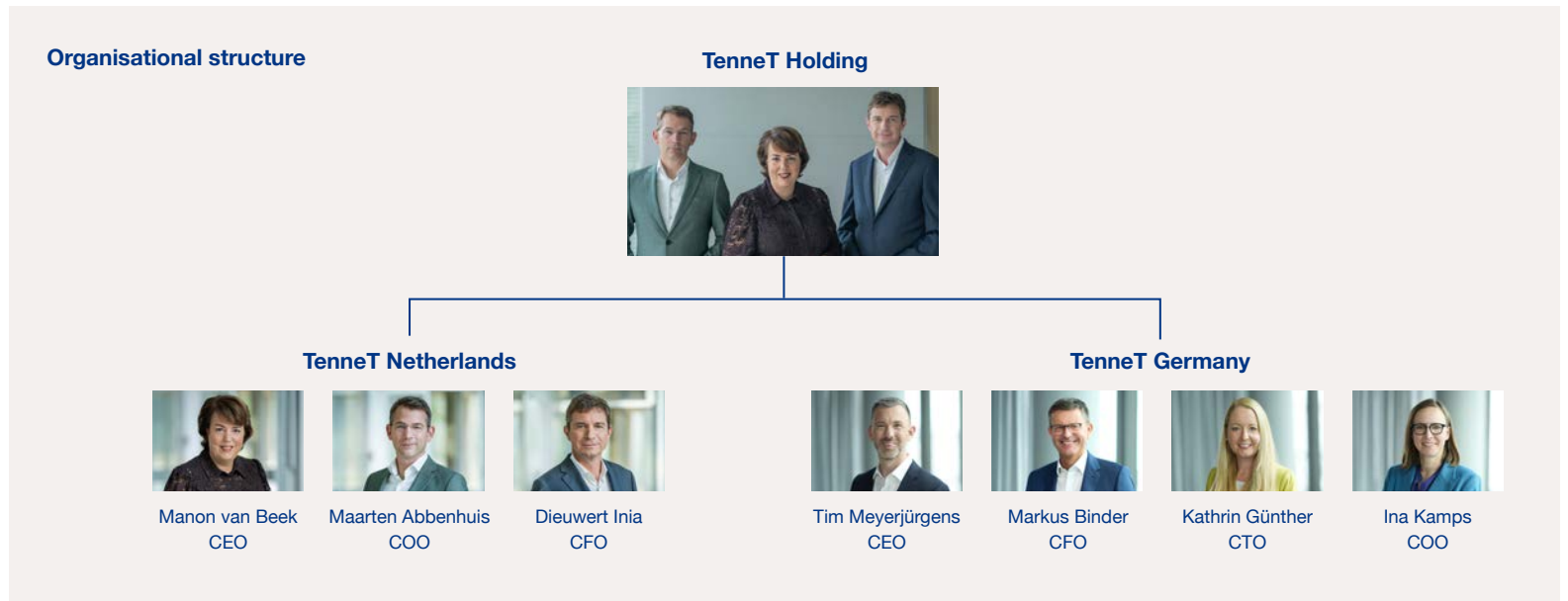
In 2025, TenneT realised significant milestones in the process of securing both equity and debt solutions for its operations in Germany and the Netherlands. The new funding structure, strengthened strategic partnerships, leadership realignment and organisational transformation have collectively positioned the Group to further support the energy transition, drive sustainable growth, and reinforce the affordability, stability and reliability of electricity supply.

## Organisational developments

TenneT has undertaken significant organisational changes in preparation for operating as two independent companies within the Group. This realignment was a strategic step to ensure the Group is well positioned to meet future challenges and opportunities, including welcoming additional shareholders in TenneT Germany. In this structure, each company is able to focus on its national responsibilities while continuing to collaborate and benefit from synergies across the Group. As a consequence of this realignment, there have been changes made at the Executive Board levels of TenneT Holding, TenneT Netherlands and TenneT Germany.

### Executive Board changes at TenneT

On 30 April 2025, Tim Meyerjürgens stepped down as COO of TenneT Holding to focus on his responsibilities as CEO of TenneT Germany, a role he has held since 1 January 2025. The Executive Board of TenneT Germany welcomed Markus Binder as CFO on 1 May 2025, succeeding Arina Freitag, who stepped down from the board of TenneT Germany



on 30 April 2025 to focus on her CFO duties for TenneT Holding and TenneT Netherlands.

Further strengthening the leadership, Kathrin Günther was appointed as Chief Transformation Officer (CTO) and joined the Executive Board of TenneT Germany effective 1 September 2025. The board reached completion with the appointment of Ina Kamps as COO, effective 1 December 2025.

The Executive Boards of TenneT Holding and TenneT Netherlands continue under the leadership of CEO Manon van Beek and COO Maarten Abbenhuis. Arina Freitag's term as CFO expired per 31 December 2025. Dieuwert Inia has been appointed as her successor and started in the role on 1 January 2026. The organisational structure of TenneT Holding, TenneT Netherlands and TenneT Germany per date of this report, 2 March 2026, is presented above.

In 2026, TenneT has started the recruitment and selection process for a new CEO, as Manon van Beek's second term will end in 2026.

### Organisational transformation programme

In combination with our new top level structure, and our strategy to deliver faster and utilise the grid better, we have also developed an organisational transformation programme which includes driving a target operating model for the TenneT organisation, to be implemented in 2026. The aim is to make TenneT simpler, faster, and more efficient by moving from a functional structure to an end-to-end approach. This new model supports these objectives by assigning clear responsibilities, enhancing collaboration across teams, strengthening performance management, and digitalisation of our processes. One example of the end-to-end approach in practice is the production flow we are building for project execution, ensuring stable and predictable delivery across a growing project portfolio. As a result, we can deliver grid capacity to our customers and society with greater speed and reliability.



The programme also emphasises behavioural change and cooperation, fostering a shift from working in 'isolation' to delivering together. Furthermore, it reinforces our ambition to become a digital TSO by strengthening digital and technology capabilities across the organisation. This will enable more data-driven execution through better use of data, technology and artificial intelligence, positioning TenneT to stay resilient and fit for the future.

### Funding developments

By implementing a new financing structure within the TenneT Group and arranging a Dutch state guarantee for TenneT Netherlands, the way was paved to attract major institutional investors and Kreditanstalt für Wiederaufbau ('KfW') to TenneT Germany, as well as a sizeable revolving credit facility (RCF), ensuring robust financial flexibility.

#### Dutch state guarantee and new funding structure

In 2025, TenneT announced the approval and forthcoming execution of an irrevocable and unconditional institutional guarantee from the Dutch state for TenneT Netherlands B.V., which was formally established in April. This guarantee covers nearly all payment obligations of TenneT Netherlands arising under or in relation to any of TenneT Netherlands' financial indebtedness and is a cornerstone of the company's new funding structure. With the state guarantee in place, the credit risk of eligible debt instruments of TenneT Netherlands B.V. aligns with that of the Dutch state. The financing expenses remain to be based on the previous credit rating of A-/A3 as the interest rate difference between the newly issued AAA debt and the previous credit rating of A-/A3 will be paid as a guarantee premium to the Dutch state. The transfer of all outstanding existing senior debt financing from TenneT Holding B.V. to TenneT Netherlands B.V., amounting to approximately EUR 38 billion, was finalised in September. The shareholder loan facility between the Company and the Dutch state was transferred as well, in accordance with the contractual agreement.

The subordinated hybrid securities issued in July 2020 were redeemed, whereas the remaining outstanding subordinated hybrid securities of EUR 1.1 billion stay at TenneT Holding.

#### Equity funding and strategic partnerships for TenneT Germany

On 24 September 2025, TenneT Holding reached an agreement with three institutional investors - APG (on behalf of Dutch pension fund ABP), Singapore's GIC, and Norges Bank Investment Management ('NBIM') - to invest up to EUR 9.5 billion of equity in TenneT GmbH & Co. KG ('TenneT Germany'), based on the equity value per 31 December 2024, to be contributed partly at completion and partly in the years until 2029, for an equity stake of up to 46.0%. Upon completion, 46.0% of the voting rights in the General Meeting of TenneT Germany will be transferred to the institutional investors. At the end of the funding period, in 2029, a reassessment will be made of the voting rights to mirror the equity stake.

Kreditanstalt für Wiederaufbau ('KfW'), acting on behalf of the German state, and TenneT Holding, reached an agreement on 3 February 2026 for KfW to acquire an equity stake of 25.1% in TenneT Germany for approximately EUR 3.3 billion, based on the expected equity value per 30 June 2026. To maintain the 25.1% stake of KfW, primary equity commitments are agreed upon of up to EUR 2.3 billion. The terms of valuation and governance are the same as those agreed with the institutional investors. The proceeds received upon completion of the KfW transaction will be used to repay the shareholder loan from the Dutch state.

The transactions secure the equity required to obtain a credit rating on minimal BBB, so that TenneT Germany can issue debt on the capital markets to secure the financing for the expansion of TenneT Germany's high-voltage grid and positions the company for future growth. Furthermore, the transactions reflect a robust commitment to sustainable development and the energy transition, with all parties emphasising the importance of reliable, sustainable and affordable electricity supply.

Completion of both transactions is subject to customary conditions including regulatory clearances and is expected to take place by the end of the first half-year of 2026. Considering both transactions together, it is expected that the Company will lose control of TenneT Germany within one year as of 31 December 2025. As a result, TenneT Germany has been classified in the consolidated financial statements as held for sale, in accordance with IFRS Accounting Standard *Non-current Assets Held for Sale and Discontinued Operations* (IFRS 5). Next to the financial statements, the Integrated Annual Report remains unaffected.

Refer to [note 1](#) of the consolidated financial statements for more information.

#### Syndication of EUR 12 billion Revolving Credit Facility (RCF) for TenneT Germany

TenneT Germany successfully signed and syndicated in October 2025 a EUR 12 billion revolving credit facility ('RCF'), initially agreed with four major banks and subsequently expanded to a consortium of 21 international banks from Europe, Japan, and the USA. This facility is one of the largest of its kind in Europe. The five-year term, with two one-year extension options, provides TenneT Germany with the financial flexibility needed to support its ambitious investment programme. The RCF safeguards TenneT Germany's liquidity and can be used for general business purposes. The RCF is subject to closing conditions of the partial sale of TenneT Germany, including a contribution of at least EUR 1.5 billion of equity. The syndication demonstrates strong market confidence in TenneT Germany and lays the foundation for continued growth and infrastructure development. TenneT Germany aims to secure the targeted minimum credit rating of at least BBB / Baa2.

**‘Once completion is realised, structural financing solutions have been realised with securing both equity and debt solutions for its operations in Germany and the Netherlands.’**



# Our profile



‘Our role is to ensure a secure supply of electricity to over 43 million end-users, in the Netherlands and a large part of Germany.’

## Who we are

### We are a Transmission System Operator (TSO)

With over 26,000 kilometres of high-voltage connections both onshore and offshore, our role as a Transmission System Operator (TSO) is to ensure a secure supply of electricity to over 43 million end-users, in the Netherlands and a large part of Germany, and to create the infrastructure needed to secure supply today and tomorrow.

### Our end-users

End-users served

43<sup>mio+</sup>

### Our people

Number of colleagues

10,836

Number of nationalities

92

### Our results

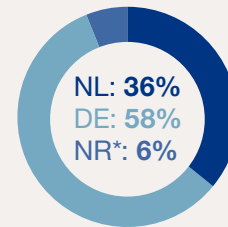
Underlying revenue (EUR million)

9,101

Underlying EBIT (EUR million)

2,746

Underlying EBIT per segment



\* NR = non regulated

## What we do

### TenneT as a European investor

With EUR 14.8 billion of investments, TenneT is one of Europe’s largest investors in national and cross-border electricity transmission capacity on land and at sea, bringing together the Northwest European energy markets and efficiently unlocking large-scale renewable electricity sources. We collaborate with a wide range of partners in the energy market to develop and apply new, smart technologies and to contribute to the energy transition in the future.

### Our offshore assets

Offshore connections

22

Interconnectors operated

17

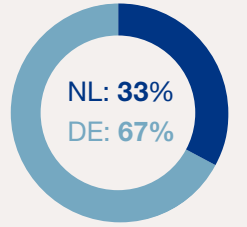
Installed offshore capacity

14.7<sup>gigawatt</sup>

International connections (interconnectors) in kilometres

2,048

Installed offshore capacity per country



### Our onshore assets

Kilometres of high-voltage connections operated

26,000+

Substations operated

481

Pylons for energy transmission owned (approximately)

28,000+



## Our core tasks

### Introduction

Our primary tasks are to secure electricity supply, provide transmission services and facilitate the electricity market. These tasks derive from our role as grid operator under the Dutch 'Elektriciteitswet 1998' (E-wet) — replaced by the 'Energiewet' (Energy law) on 1 January 2026 - and German — 'Energiewirtschafts-gesetz' (EnWG), and are structured around three pillars:

### Secure electricity supply

Secure electricity supply (system services) refers to our role in carefully managing the balance between the supply and demand of electricity and to keep the frequency at a constant level (50 hertz). To do this, we have control centres in the Netherlands and in Germany, where supply and demand are monitored and controlled 24 hours a day, seven days a week, providing security of supply.

### Provide transmission services

Our role is to transmit electricity and provide the necessary electricity infrastructure. We transmit electricity from where it is generated, either on land or at sea or imported from other markets. As electricity is often generated far away from where it is used, we need to transmit it over large distances without incurring major losses on the way. To achieve this, we transmit electricity at high voltages. Electricity is transmitted to our customers via our transmission system, being 110 kV and higher in the Netherlands and 220 kV and higher in Germany.

### Facilitate the electricity market

In addition, we contribute to ensuring that European electricity markets are set up in an efficient manner, enabling a liquid market where consumers can rely on security of supply at an affordable price. To this end, we build and operate, for example, offshore interconnections (such as NorNed, NordLink, BritNed and COBRACable) and onshore interconnections (such as Doetinchem-Niederrhein and Rilland-Zandvliet), to import and export electricity. We also work together with other European TSOs and electricity markets to guarantee grid reliability and to balance supply and demand across borders and markets.

## How we do it

### We drive the energy transition for society

The energy system is increasingly dependent on renewable sources. But renewables are, by nature, intermittent — the sun does not always shine, and the wind does not always blow. We need to move towards an electricity system that can cope with large fluctuations in supply in particular, but also flexibility in demand. TenneT, together with its stakeholders, is working to address these challenges, to safeguard the balance between supply and demand in the future. We build grids that integrate new energy sources, for example with the battery-storage of electricity, and unlock flexibility, both onshore and offshore.

### Our carbon footprint and the emissions we avoid by connecting renewables to the electricity grid in 2025

Total GHG emissions (market-based)

Total avoided GHG emissions

**3.5** mio tCO<sub>2</sub>eq

**18.4** mio tCO<sub>2</sub>eq

### Our societal impact in 2025

Equivalent number of households that in theory would have been able to receive 100% green electricity

**15.8** mio

## Our climate neutral objectives

### Our role in Europe: we drive the transition to a climate-neutral continent

By 2050, Europe aims to become the world's first climate-neutral continent. TenneT, along with European governments and other energy parties, is key to making this ambition a reality. In the transition to a climate-neutral continent, the transition of the electricity system is an important element to ensure that society has a sustainable supply of energy. Governments in the areas we serve have formulated ambitions to support Europe's climate targets, with the German government aiming for climate neutrality in 2045 and the Dutch government in 2050.

### Our long-term Target Grid vision: we strive for a climate-neutral energy system in 2045

As a key player in the energy market, we support the energy transition by sharing our insights to integrate and switch to more renewable energy sources to power society, while aiming to ensure that we are able to keep the lights on at all times. We are making sure that both offshore and onshore-generated electricity can be integrated into the grid properly, for example by reinforcing, renewing and greatly expanding our grid. To reach these goals, we launched our Target Grid Vision, our long-term vision of an integrated, onshore and offshore, cross-border electricity infrastructure, needed to operate a climate-neutral energy system in 2045, in line with political goals.

**'Our primary tasks are to secure electricity supply, provide transmission services and facilitate the electricity market.'**



# Executive Board report



Trends and developments	18
Our purpose and strategy	20
Our stakeholders	22
How we create value	24
Value chain and impacts	27
Connectivity table	29
Our contribution to the SDGs	30

**Our performance 2025** **31**

**Risk management** **76**

Corporate risk management and internal control	77
Risk universe	79
Risk appetite	80
Key risks and opportunities	83
Statements of the Executive Board	93



# Trends and developments

We are witnessing rapid changes in the economic, social and ecological landscape around us. In light of these shifts, it is essential to have a clear purpose, promise and set of principles that guide our decisions and actions. Hence, we must shape our strategy accordingly, ensuring resilience and relevance in a changing world. Several trends and developments are particularly impactful for our sector and demand close attention.

## Growing demand and complexity of the energy system due to renewable energy

In many regions, the demand for transmission and connection capacity is outpacing the ability of system operators to respond. System operators warn of a new phase in which access to the electricity grid may become increasingly constrained, potentially affecting climate goals and economic growth. This underscores the urgency of accelerating infrastructure development and implementing measures to safeguard system reliability, such as smart charging, flexible heating solutions, and peak load management. End-users also play a role by adapting consumption patterns to align with periods of high renewable generation.

The EU is fundamentally reshaping the electricity system through the rapid expansion of renewable energy, alongside the phase-out of conventional power plants. This transformation introduces significant operational challenges, particularly in balancing supply and demand, maintaining voltage stability, and ensuring grid stability. These challenges place a growing pressure on transmission infrastructure, which is now undergoing substantial investment. The need for long-distance transmission continues to rise, requiring both physical grid expansion and market model adjustments.

Addressing grid bottlenecks, managing an increasingly intermittent system and advancing key infrastructure projects are essential to support a resilient and sustainable energy transition.

## Societal and market expectations

Societal and market expectations are increasingly shaping the role of TSOs in the energy transition. Public acceptance plays a critical role, as resistance to new infrastructure can lead to delays and increased project complexity. At the same time, the rise of prosumers and local energy communities is driving decentralisation, which challenges traditional grid dynamics and requires more flexible, responsive systems.

Affordability remains a key concern: while society expects TenneT to expand and modernise the grid to ensure reliable access to electricity for all, there is also strong pressure to keep grid tariffs fair and transparent. This balancing act is particularly relevant for industries, as it potentially impacts their competitiveness. Balancing these expectations while ensuring sustainable operations is essential for maintaining trust and achieving our long-term environmental and social objectives.

## Enhancement of the energy system through innovation and digitalisation

Innovation and digitalisation present opportunities for enhancing the efficiency and reliability of transmission systems. Advancements in energy storage technologies are increasingly important, as their integration into the grid supports the balancing of supply and demand. Recognising that shaping a sustainable future requires collaboration, we actively engage with external partners through initiatives such as the [TSO Innovation Alliance](#). Innovation is essential to accelerate grid development and optimise grid utilisation. At the same time, we acknowledge that increased digitalisation heightens cybersecurity risks, which we address through robust security measures and continuous monitoring to safeguard the integrity of our systems.

## Geopolitical developments

In a rapidly changing global landscape, the European Union is focused on securing its energy independence while remaining competitive and resilient. Recent geopolitical tensions have underscored the importance of reducing reliance on external energy sources and strengthening Europe's control over its energy future. Energy is now a matter of national and European security. The EU is investing in robust electricity infrastructure and enhancing cross-border interconnections, which are vital for both economic prosperity and energy security, including the physical protection of the grid.

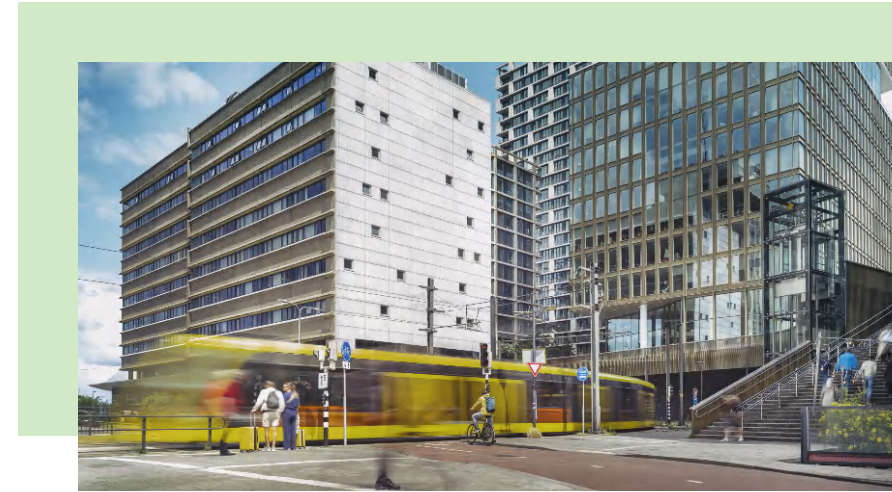


### Decarbonisation to tackle climate change

Climate change is one of the most pressing and complex challenges of our time. To mitigate its most severe consequences, governments must accelerate the delivery on their climate ambitions and transition to a climate-neutral economy by 2050. As a TSO tasked with ensuring security of supply, we must prepare the electricity grid for the impacts of climate change – such as flooding, extreme wind speeds, and increasing temperatures and heatwaves – to safeguard the reliable and secure provision of electricity. Regulatory developments – such as the European Climate Law and F-gas regulation – place increasing pressure on TSOs. These laws mandate emission reductions and promote clean technologies, directly influencing operational and investment decisions.

### Scarcity of human and material resources as a challenge

A key challenge in advancing the energy transition is the availability of critical resources, including raw materials, manufactured components, and skilled personnel. Labour market shortages have made recruitment increasingly challenging. For TenneT, attracting qualified talent remains essential to deliver on our core tasks, especially amid competition within the sector. TenneT also relies on a wide range of materials to expand grid capacity. External factors such as geopolitical tensions, material scarcity, and price volatility pose risks to timely project execution. In the Netherlands, limited spatial availability further constrains development. These pressures may lead to delays, increased costs, and hinder progress toward sustainability targets. In this context, a circular economy is vital to securing long-term resource availability and reducing dependency on finite materials.



---

‘As the landscape evolves at unprecedented speed, emerging trends and developments steer our strategic choices and the way we fulfil our responsibilities’

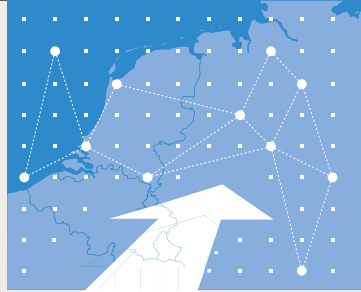
Purpose

# To connect everyone with a brighter energy future

## 2045

### Target Grid

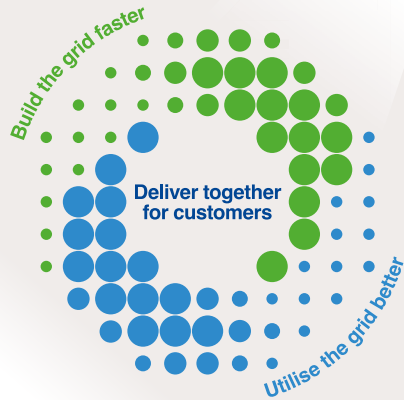
Target Grid shows what we have to deliver. It is TenneT's vision of an integrated, onshore and offshore cross-border electricity grid that is crucial for the climate-neutral energy system in 2045.



## 2025 - 2030

### Strategic priorities

Our strategy sets the priorities and main solutions to 2030. This is how we work together to deliver grid capacity in time for our customers. It helps us to make choices, to steer and to accelerate on our track to 2045.



Boundary conditions  
We meet standards of safety, security of supply, quality, sustainability, and financial health

#### Core tasks

- Secure electricity supply
- Provide transmission services
- Facilitate the electricity market

#### Principles

- Ownership
- Courage
- Connection

# Our purpose and strategy

TenneT's purpose is clear: *to connect everyone with a brighter energy future*. To fulfill this purpose, we have established a strategy that sets our priorities and main solutions towards 2030. This helps us to fulfil our core tasks and achieve our main strategic goal to deliver grid capacity in time for our customers, which is required to be able to connect everyone with a brighter energy future.

The Target Grid for 2045, describes our grid in its end state, based on a CO<sub>2</sub> free energy system. It is a strategic instrument, to drive the energy transition, where our Investment Plans (IPs) and Network Development Plan (NEP) are the actual investment agendas that we have to deliver. It sets out an integrated, onshore and offshore, cross-border electricity infrastructure, complemented by system services to maintain grid stability and market facilitation to ensure efficient, affordable, and secure electricity markets. It supports the mitigation of climate change and advances the UN Sustainable Development Goals ('SDGs'), as detailed in the section 'Our contribution to the SDGs'.

Our strategy translates our Target Grid vision into action, amongst others prioritising the timely delivery of grid capacity for our customers. This is achieved by building the grid faster through standardised designs and processes, utilising the grid better with solutions such as dynamic line rating and time-bound flexible contracts, and by delivering together for our customers through strong partnerships with stakeholders.

Throughout, we remain committed to our standards for safety, security of supply, quality, sustainability, and financial health. Developed by TenneT and shaped over the years, these standards are non-negotiable boundary conditions, guiding our decisions and actions.

Our principles of ownership, courage, and connection shape the way we work and interact. We take responsibility for our actions and decisions, dare to innovate and learn from experience, and actively collaborate across the energy ecosystem. These principles foster a culture of accountability, boldness, and partnership, which is essential for navigating the complexities of the energy transition. This enables us to help safeguard energy security and accelerate the energy transition.

Our behaviour is the bridge between our structure and our ability to execute. It is our foundation, rooted in our values:

- **Ownership: *We achieve results through actions, not words.***  
We take responsibility for our choices and actions, and for the end result. We deliver what has been agreed upon, identify problems, and make timely adjustments.
- **Courage: *Acceleration requires decisiveness, not perfection.***  
We demonstrate courage to move forward. We act based on what we know and utilise existing solutions to accelerate progress. Where these are inadequate, we innovate and actively seek feedback.
- **Connection: *We create energy together, not in isolation.***  
We strengthen each other for better results. We actively seek contact and involve relevant people in a timely manner, across divisions, disciplines and outside the organisation. We share knowledge and connect expertise so that the work continues from start to finish.

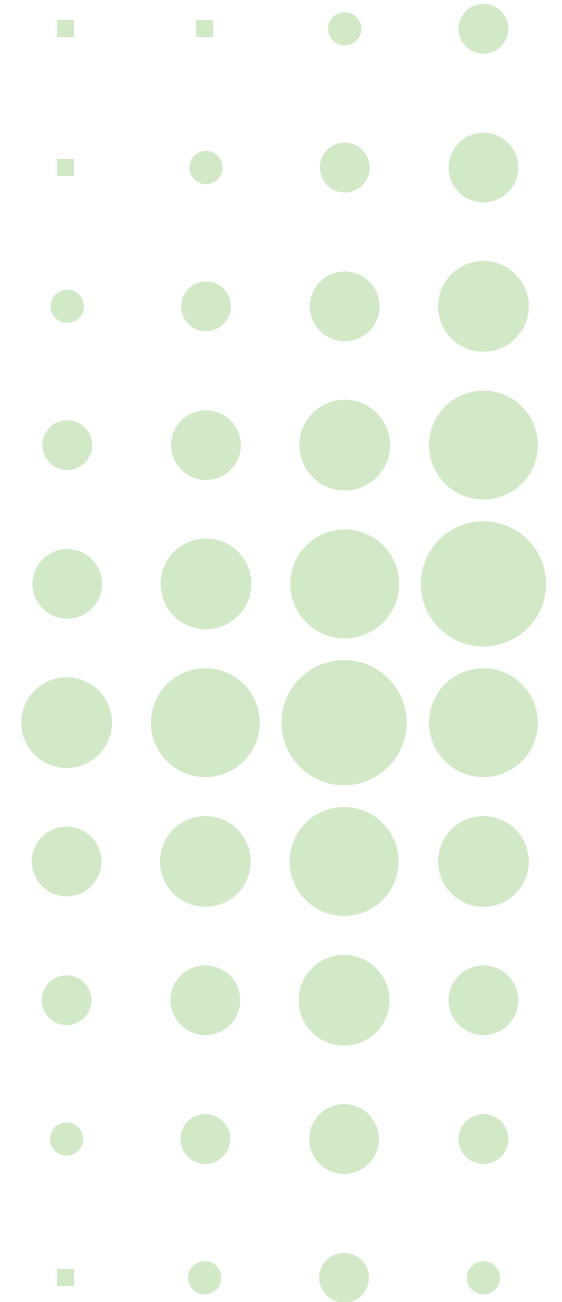


In addition to our guiding principles, we aim to carefully balance reliability, affordability, and sustainability in every decision. As a company deeply rooted in society, our foremost responsibility is to safeguard a reliable electricity supply. The tension between affordability and reliability is evident: building faster is essential to maintain a dependable energy system for a growing customer base, yet accelerating delivery increases cost pressures. TenneT is focused on finding ways to manage this tension and to build both faster and smarter. Through greater standardisation and more efficient processes, we can expand capacity quickly while also reducing costs, ensuring that our network remains reliable and affordable over the long term.

We bring our strategy to life by translating strategic priorities into clear goals and objectives for our core processes and business units. Progress is monitored through our quarterly performance management cycle. Collaboration and shared goals ensure that everyone at TenneT understands their role in delivering more grid capacity cost-effectively. This clarity makes expectations transparent and enables us to measure performance based on output and delivery. For details on how we put this into practice, see the [Our performance 2025](#) chapter.

---

**‘Our purpose and strategy guide us in realising our Target Grid vision, which provides the backbone of a future-proof energy system.’**



# Our stakeholders

Achieving our purpose and ambitions requires shared responsibility and strong collaboration with our stakeholders. As a TSO, we work continuously with key partners inside and outside the energy sector, and our activities would not be possible without this cooperation. By building lasting partnerships, we are able to deliver on our strategic objectives.

## Determining our stakeholder landscape

We determined our stakeholder landscape by identifying the most important stakeholder groups, based on their influence on us and our influence on them. We also engaged with these stakeholder groups to gather their views on the Sustainable Development Goals (SDGs) that relate most to us as an organisation and the topics related to the impact we as TenneT have on the world around us.

## Monitoring reputation and performance


To monitor how TenneT is perceived and how effectively we deliver on our strategy and performance, we conduct a structured programme of reputation research and stakeholder feedback across our key stakeholder groups. In early 2025, we conducted a regional reputation survey in the Netherlands provided detailed insights into how our organisation is perceived at local and regional level, where the impact of the energy transition is most tangible. The results highlighted structural improvement opportunities, particularly in the transparency of our communication, the predictability of our processes and our ability to respond to local contexts and concerns.


Mid 2025, a corporate reputation research has been conducted in both the Netherlands and Germany. The results offer a comprehensive and comparable view on how TenneT is perceived by different stakeholders. The results for TenneT Netherlands show that TenneT continues to be regarded as a strong and essential player in the energy transition.

At the same time, the survey indicates a slight decline in the overall reputation score compared to the last reputation survey. This development is consistent with broader sector-wide trends in this critical phase of the energy transition. Professional stakeholders, including governments, suppliers and customers, emerge as both the most critical and the most engaged group, underlining the strategic importance of this segment. Improvement opportunities are most pronounced in the drivers


agility, innovation, and competences and skills, directly linking reputation performance to organisational effectiveness and execution capacity.

For TenneT Germany the results show that TenneT is widely recognised as a highly professional, reliable, technically competent organisation. The overall reputation score increased compared to the last reputation survey. Stakeholders view TenneT Germany's distinct identity and national







Employees




Energy market participants and grid users




Governments and regulators



Shareholder and capital providers



Stakeholder organisations



Suppliers

positioning positively. This is reflected, for example, in a significant increase in the perception of the principles of ownership, courage, and connection.

The insights from reputation research in the Netherlands and Germany are used to inform and inspire management on improvement areas, align teams across the organisation, and support continuous improvement in decision-making. They are translated into targeted actions focused on stronger engagement, deeper stakeholder analysis, closer coordination, and more consistent communication.

### Engaging with stakeholders

We invested in our stakeholder management on a regional and local level, as this is where the energy transition impacts local communities and the environment. Energy Boards are one of the key mechanisms for achieving this. They bring together regional governments and grid operators to jointly plan the future energy system and address challenges such as grid congestion. Across regions this allows us to jointly address the bottlenecks and thereby prevent delays or even speed up projects and foster trust among our regional stakeholders. Every quarter, the status and progress of the joint projects and co-operations are summarised in our Province Monitor.



In Germany we focus strongly on early and transparent dialogue with local communities and authorities along new project routes. But also, when major projects like SuedLink are under construction, we organise regional information events and maintain direct contact with municipalities and landowners to address concerns and provide updates on construction progress. In Lower Saxony for instance, dedicated stakeholder coordinators work closely with local councils to manage road access and minimise disruption during cable installation. This approach ensures that regional interests are considered and fosters trust in one of Germany’s largest energy infrastructure projects.

### Stakeholder dialogues and community outreach

During stakeholder events, tailored in audience, format and objectives, we actively engage with our stakeholders to discuss and address any concerns related to our projects and our role within the energy system. We reach out to communities in our service area independently of ongoing or planned projects to inform them about TenneT’s role in safeguarding electricity supply and enabling the energy transition. By engaging early and transparently with local communities, NGOs and political stakeholders, we aim to address concerns, foster understanding and ensure that the expansion of the high-voltage grid takes place in a responsible and socially accepted manner.

### Stakeholder overview based on mutual influence

Stakeholder group	Examples	Method of engagement
Employees	<ul style="list-style-type: none"> <li>TenneT employees</li> <li>Employee representatives</li> <li>Labour unions</li> </ul>	Quarterly employee meetings, employee survey, periodic meetings with employee representatives
Energy market participants and grid users	<ul style="list-style-type: none"> <li>Large-scale energy producers</li> <li>Industrial energy consumers</li> <li>Distribution system operators (DSOs)</li> <li>Energy traders and balancing market</li> </ul>	Informative, close involvement in various areas and contractual agreements, customer survey, customer day, relationship management
Governments and regulators	<ul style="list-style-type: none"> <li>European governments and government bodies</li> <li>National and regional governments and authorities (e.g., the Dutch and German economic and climate ministries)</li> <li>Regulators (ACER, ACM, BNetzA)</li> <li>Local authorities</li> </ul>	Province Monitor and regional reputation survey, meetings like Energy Boards
Shareholders and capital providers	<ul style="list-style-type: none"> <li>Dutch Ministry of Finance</li> <li>Investors</li> <li>Project shareholders</li> <li>Relationship banks</li> </ul>	Regular meetings, bilateral meetings, shareholder meetings, roadshows
Stakeholder organisations	<ul style="list-style-type: none"> <li>NGOs</li> <li>Energy boards</li> <li>Industrial organisations</li> <li>Interest groups</li> <li>Local communities</li> </ul>	Informative, co-operative consulting and involvement on project level, partnerships, stakeholder dialogues, guided visits to substations
Suppliers	<ul style="list-style-type: none"> <li>Contractors</li> <li>Vendors</li> <li>External service providers</li> </ul>	Market consultations, pre-qualifications, negotiations, meetings, supplier day



# How we create value

## How we create value

As a company with a clear societal task, delivering on that mission to the highest standard strengthens and empowers the people and organisations we serve. Our impact on society begins with the inputs we rely on: resources and relationships are turned into value through our operations. This process is driven by how our colleagues bring our strategy to life, guided by our purpose and our principles, which we outline in the section [Our purpose and strategy](#). This ensures that our actions remain aligned with our long-term ambitions and societal role. In our activities, we continuously navigate the balance between affordability, reliability, and sustainability. This balancing act influences decisions we make and reflects our commitment to delivering value not only to our stakeholders but to society at large.

How we create value is visualised on page [26](#), which is based on the [International Integrated Reporting Framework](#) of the IFRS Foundation. Using the six capitals defined by this framework, we describe our inputs, outputs, outcomes and impacts. This model serves as the basis of our Integrated Annual Report. Each of the capitals is introduced hereafter. Specific inputs and our related outputs, outcomes and impacts in 2025 are disclosed in the respective chapters of [Our performance in 2025](#).

## Building the electricity grid of tomorrow

Electricity plays a vital role in the lives of our stakeholders and society. TenneT designs, builds and maintains the high-voltage onshore and offshore grid, carrying out this responsibility on society's behalf to safeguard the security of electricity supply. Our produced capital relates to the components of our grid, such as our cables, substations, pylons and interconnectors. We realise the grid that supports today's electricity needs as well as enables the energy system of the future.

## Utilise the grid to empower society

Our core task is to secure the supply of electricity now and in the future and so support the daily lives and activities of people and businesses in the areas we serve. Equipped with decades of experience in operating our grid, together with a vision of how the future grid and electricity markets should be designed, we strive to utilise the grid in the best way possible to be able to deliver together for our customers. This expertise and knowledge are our intellectual capital.

## Deliver more grid capacity together for our customers and to serve society

We are convinced that collaborating with stakeholders and creating strong partnerships with them are essential to being able to meet our strategic goal to deliver grid capacity in time for our customers and bring our Target Grid 2045 vision to life. By combining experience and knowledge from different organisations inside and outside the energy sector, we achieve our strategic objectives.

## Create a safe and inspiring workplace

We consider our people to be our most important asset, as they enable us to deliver on our strategic ambitions and create value for society. To this end, we aim to offer a safe, sustainable and inclusive place to work for all our colleagues. Our programmes and actions focus on creating an inclusive and energising environment where people can thrive.

## Transition to a brighter energy future within social and planetary boundaries

As a company at the centre of the energy sector, we have an important role to play in helping to achieve the climate targets that the governments in the areas we serve have committed to. We contribute to the

development of a sustainable energy system by facilitating electrification with green electricity and, in time, ensuring that all customers can be connected. Simultaneously, we are aware that in our journey to get there, we must strive to do so within social and planetary boundaries, ensuring we realise the electricity grid of the future in a responsible and future-proof manner. This relates to our impact on the planet through our carbon emissions, our effects on nature, the materials we need to build, operate, and maintain our grid, and – from a social perspective – the way we respect human rights for workers across the value chain.

## Safeguard sustainable financial performance

In order to create long-term value, we are focused on maintaining our financial health. Our main sources of financing are our regulatory revenue and funding, both debt and equity. To safeguard our financial health, we aim to optimise our financing costs and deliver a return on capital that meets the expectations of our capital providers. For this, it is essential to maintain strong credit and environmental, social and governance (ESG) ratings.

## How we create and measure societal impact

The way we are able to transform inputs to outputs does not merely enable us to create outputs on the short-term. It also enables us to create medium and long-term societal effects: our outcomes and impacts. Our aim is to reduce our negative and increase our positive outputs, outcomes and impacts. With the role and scale we have as a company, we are aware that we have societal impacts, both negative and positive.

Our value creation model shows how the capitals we use translate into impacts on society. This overlaps with how we determine material impacts under the European Sustainability Reporting Standards (ESRS) for Corporate Sustainability Reporting Directive (CSRD) purposes, but



they are not the same. Creating value for society involves positive and negative impacts, which resemble some of the material impacts from a double materiality perspective. However, the scope and purpose differ: material impacts are identified to ensure transparency and guide strategic priorities, while our value-creation approach explains how we generate and preserve value over time.

In this section, we aim to explain how we, as a company, create long-term value and generate societal impacts through the capitals at our disposal and the way we operate. We also describe how we obtained a broader set of insights to challenge our strategic focus and transparently report on this in the [Sustainability statements](#) section of our report. More information on our latest insights on our impacts, risks and opportunities from an ESRS perspective, can be found in the section [Double Materiality Assessment](#).

Impact reporting should not be confused with reporting on output indicators of material impacts. It goes beyond operational metrics related to material impacts from an ESRS point of view. After evaluating various methodologies for presenting our impact, such as an ESG profit and loss statement or an impact model, we determined that impact indicators offer the most suitable approach. This method enables us to report on the most significant impacts rather than aggregating data that may include non-material aspects. By focusing on clear and relevant indicators, we provide stakeholders with transparent insights into where our activities create or reduce value for society and our business. These insights help us make informed decisions to reduce negative impacts and enhance positive ones. Our impact indicators therefore link to climate change mitigation, our [EU Taxonomy-eligible activity](#) 'Transmission and distribution of electricity', and to the societal benefit of enabling end-users to access green electricity, which connects directly to our purpose. Based on our value-creation model, we also see significant societal impacts in securing electricity supply now and in the future, enabling society to create value, and in the financial implications of our choices as a state-owned company.

In addition, we link the impacts identified in our value creation model to the sustainable development goals (SDGs). We acknowledge that as a company, with the societal task and role we have in the European energy landscape, we have an opportunity to significantly contribute to a number of these SDGs. How we do this and to which SDGs we contribute the most is disclosed in the section [Our contribution to the SDGs](#). The progress we make on each of them is disclosed via the impact indicators we have chosen in our value creation model.

By focusing on these impacts, we believe that we provide more meaningful insights for stakeholders. Measuring these impacts remains a journey as it is subject to estimations and assumptions. We continue on this journey to refine our methodology. Insights gained into these impacts help us understand the extent to which we are meeting our strategic goals and how well we are fulfilling our purpose to connect everyone with a brighter energy future.



### Value-creation model

#### Our inputs



##### Produced

Cables, lines, substations, offices and interconnectors



##### Intellectual

Extensive knowledge of and experience with operating the system and integrating energy markets



##### Social & Relationship

Strategic partnerships and our engagement with (project) stakeholders



##### Human

Our skilled and motivated employees



##### Natural

Energy, natural environment and materials to build, maintain and operate our grid



##### Financial

Regulatory revenue, (Green) Financing

#### How we create value

##### Our purpose

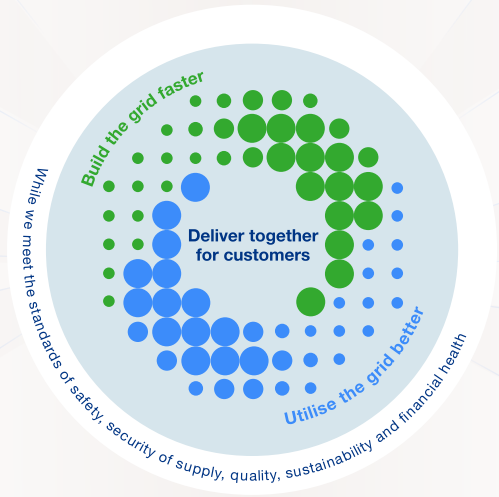
To connect everyone with a brighter energy future

##### Our core tasks

TenneT ensures a reliable electricity supply for over 43 million people by transporting electricity via the high-voltage grid, maintaining system balance, and facilitating the electricity market. These tasks are carried out in the Netherlands and large parts of Germany in support of the energy transition.

##### Our principles

Ownership | Courage | Connection



##### Core enablers and foundation

Corporate governance  
Internal risk management & control systems  
Code of conduct

#### Our outputs



##### Building the electricity grid of tomorrow →

- Number of kilometres newly installed circuit length: **508 km**
- Number of newly installed GW offshore capacity: **2.5 GW**
- Connections realised (in bays): **53 connections**



##### Utilise the grid to empower society →

- Grid availability (onshore): **99.99977%**
- Grid availability (offshore): **96.85%**
- Number of Time-dependent transport rights (TDTR) contracts signed NL: **9**



##### Deliver more grid capacity together for our customers and to serve society →

- Number of new initiatives: **25**
- Reputation score NL: **7.4**
- Reputation score DE: **8.0**



##### Create a safe and inspiring workplace →

- TRIR: **4.1**



##### Transition to a brighter energy future within social and planetary boundaries →

- Total tonnes of waste: **1,007,930 tonnes**
- Total carbon emissions (market-based): **3,493,473 tCO<sub>2</sub>eq**



##### Safeguard sustainable financial performance →

- Underlying EBIT: **2,746**
- FFO/net debt: **6.6%**
- ROIC: **6.5%**

#### Our outcomes & impacts



Our societal financial impact on an average household in our service area.

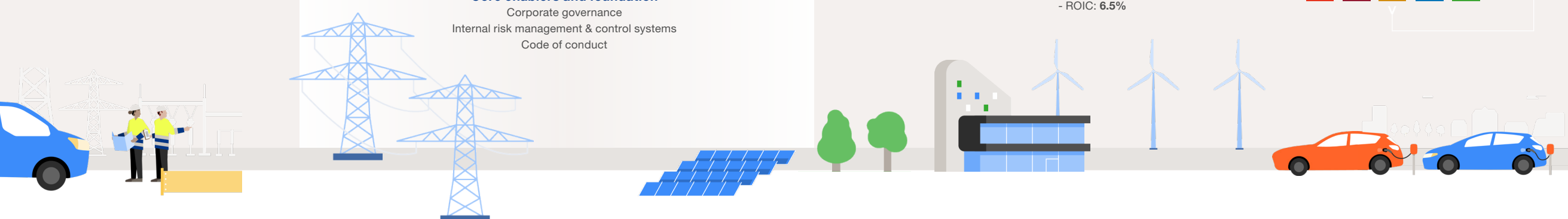
Equivalent number of households that in theory would have been able to receive 100% green electricity



Societal impact due to availability of our grid



Avoided CO<sub>2</sub> emissions



# Value chain and impacts

## Our value chain

As a transmission system operator, our core task is to provide a secure supply of electricity to the more than 43 million end-users in our service area. We can not do this merely by ourselves. It takes each and every part of our value chain to ensure that (large) industries and end-users are able to receive electricity. We can only deliver together and not without the other stakeholders that contribute to the electricity system. In addition, designing, building and maintaining a future-proof electricity grid is of equal importance to maintain the security of supply today and tomorrow. That part of our value chain entails all parties that are involved in the supply, manufacturing, construction or deconstruction of materials used for our grid. The part of the value chain related to transmitting electricity includes parties that are, either on the demand or the supply side, involved with the production, exchange or consumption of electricity. In the visual hereafter, our main value chain partners are represented.

## Our material impacts

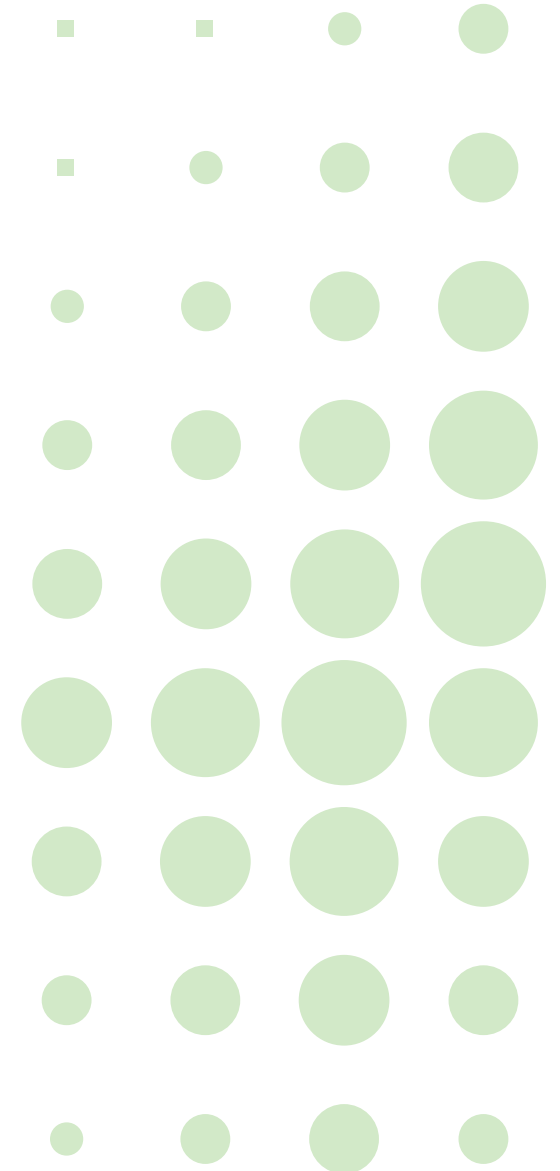
The impacts we create occur at various stages of our value chain(s). For example, they include the opportunity to contribute to a future-proof and brighter energy system and to realise this in line with our [Target Grid 2045](#) vision. At the same time, we also need to make sure that our customers today are able to have a secure supply of electricity. But in doing so, we need to be mindful of social and planetary boundaries. Realising this future-proof electricity grid also means that we need to do this in a responsible manner. This means ensuring that the safety of our people – and of everyone who works with us, including workers in the value chain – is safeguarded. Prioritising safety helps us secure sufficient and appropriately skilled talent to realise our strategic goals, while also supporting our ambition to be an employer of choice and attract the right people. Also, we need to ensure that we limit our environmental impact in designing, building, maintaining and operating the grid, for example, with the materials we use.

## Deliver together for customers

To enable us to deliver additional grid capacity for our customers better and faster in a way that is affordable for society, we aim to find solutions together with stakeholders. Stakeholder engagement is of strategic importance for us and a mindset we aim to apply in finding these solutions. For instance, to ensure we can connect more customers to our grid, we work closely with governments and customers and develop new ways of enabling connections – such as agreeing our first flexible contract with our customer GIGA Storage. We are also working together with other TSOs to realise new interconnections, such as [LionLink](#), which will increase our ability to import and export electricity and help strengthen security of supply in the Netherlands, the UK, and across Europe. Furthermore, we also work together with suppliers to realise our offshore portfolio in the [2GW Program](#) to create Europe's clean energy powerhouse of the future. Offering this combined portfolio creates more clarity and certainty for market parties and increases our ability to deliver these projects in time together with these stakeholders.

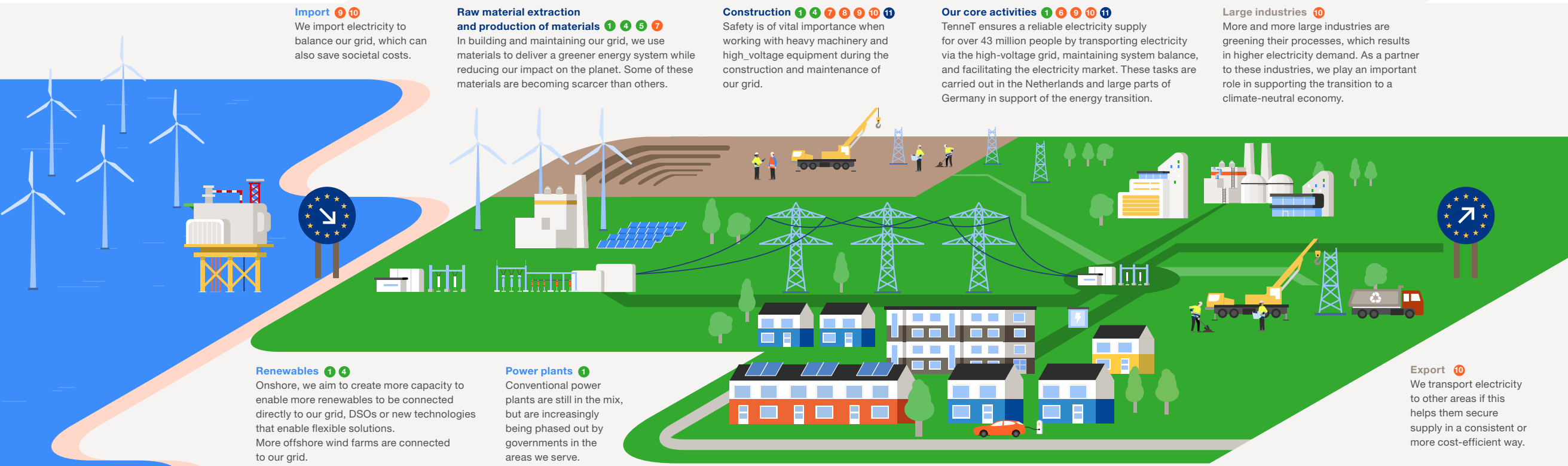
## Connecting the dots

All concepts related to our impacts, our strategy, and our contribution to the Sustainable Development Goals are interconnected. They do not stand alone but reinforce and influence one another. They are linked to each other. Identifying our key impacts, risks and opportunities in line with the requirements set by the Corporate Sustainability Reporting Directive, helps us to identify where to focus on and maximise our positive impacts and opportunities and minimise our risks and negative impacts. These should be linked to the key strategic goals that we identified and how we manage our outputs, outcomes and impacts. To achieve this, we monitor how the policies and actions we have set can be evaluated through clear targets and metrics, ensuring that we ultimately create not only outputs, but also outcomes and impacts. How this ties together has been depicted in the next section: [Connectivity table](#).





# TenneT's value chain



### Import 9 10

We import electricity to balance our grid, which can also save societal costs.

### Raw material extraction and production of materials 1 4 5 7

In building and maintaining our grid, we use materials to deliver a greener energy system while reducing our impact on the planet. Some of these materials are becoming scarcer than others.

### Construction 1 4 7 8 9 10 11

Safety is of vital importance when working with heavy machinery and high-voltage equipment during the construction and maintenance of our grid.

### Our core activities 1 6 9 10 11

TenneT ensures a reliable electricity supply for over 43 million people by transporting electricity via the high-voltage grid, maintaining system balance, and facilitating the electricity market. These tasks are carried out in the Netherlands and large parts of Germany in support of the energy transition.

### Large industries 10

More and more large industries are greening their processes, which results in higher electricity demand. As a partner to these industries, we play an important role in supporting the transition to a climate-neutral economy.

### Renewables 1 4

Onshore, we aim to create more capacity to enable more renewables to be connected directly to our grid, DSOs or new technologies that enable flexible solutions. More offshore wind farms are connected to our grid.

### Power plants 1

Conventional power plants are still in the mix, but are increasingly being phased out by governments in the areas we serve.

### Export 10

We transport electricity to other areas if this helps them secure supply in a consistent or more cost-efficient way.

### Our impacts, risks and opportunities in the supply chain

- 1 Climate change
  - 4 Biodiversity and ecosystems
  - 5 Resource use and circular economy
  - 6 Own workforce
  - 7 Workers in the value chain
  - 8 Affected communities
  - 9 Consumers and end-users
  - 10 Security of supply
  - 11 Business conduct
- Environment
- Social
- Governance

- Upstream activities
- Own operations
- Downstream activities

### Prosumers 1 9 10

In a society that is becoming increasingly electrified, we supply households with electricity together with the DSOs, and we work with them to enable the system-serving and grid-serving integration of flexible prosumers.

### Recruitment and retention of employees 6

To achieve our strategic objectives, we need to hire and retain sufficient employees with the right skills. At the same time, our supply chain partners also require enough qualified personnel to help us deliver on the energy transition.

### Decommissioning 5 7

In our projects, we strive to re-use our materials as much as possible or dispose of them in a proper way.

# Connectivity table

Material topics	Capital	Link to corporate strategy	Reference	Key KPIs	Target 2025	Performance 2025	Performance 2024	SDGs
<b>1</b> Climate change (Delivering the energy transition)	Produced	Strategic focus area <b>'Build the grid faster'</b>	page <a href="#">32-41</a>	<ul style="list-style-type: none"> <li>CapEx investments (EUR mio)</li> <li>KMs lines built</li> <li>Newly installed GW offshore</li> <li># connections realised</li> <li># connection requests</li> </ul>	18,035	14,819	10,637	
<b>10</b> Security of supply	Intellectual	Strategic focus area <b>'Utilise the grid better'</b>	page <a href="#">42-48</a>	<ul style="list-style-type: none"> <li>Grid availability onshore</li> <li>Grid availability offshore</li> <li>Number of Time-dependent transport rights (TDTR) contracts signed (NL)</li> </ul>	99.99962%	99.99977%	99.99988%	
<b>11</b> Business conduct <b>8</b> Affected communities	Social & Relationship	Strategic focus area <b>'Deliver together for customers'</b> <b>'Build the grid faster'</b>	page <a href="#">49-55</a>	<ul style="list-style-type: none"> <li>Number of convictions</li> <li>Amount of fines</li> <li>Reputation score NL</li> <li>Reputation score DE</li> </ul>	0	0	0	
<b>6</b> Own workforce <b>7</b> Workers in the value chain	Human	Strategic focus area <b>'Deliver together for customers'</b>	page <a href="#">56-62</a>	<ul style="list-style-type: none"> <li>TRIR</li> <li>Absentee rate</li> <li>% female inflow</li> <li>% non-Dutch/non-German hires</li> <li>Share of significant suppliers with an Ecovadis scorecard</li> </ul>	3.1	4.1	4.0	
<b>1</b> Climate change <b>4</b> Biodiversity and ecosystems <b>5</b> Resource use and circular economy	Natural	<b>Boundary condition</b>	page <a href="#">63-69</a>	<ul style="list-style-type: none"> <li>Own carbon footprint (Scope 1, 2 and 3 tCO<sub>2</sub>eq, market-based)</li> <li>Resource inflow (% virgin materials procured)</li> <li>Resource outflow (waste metrics)</li> </ul>	N/A	3,493,473	3,325,392	
<b>9</b> Consumers and end-users	Financial	<b>Boundary condition</b>	page <a href="#">70-75</a>	<ul style="list-style-type: none"> <li>Underlying EBIT (EUR mio)</li> <li>Adjusted FFO / net debt</li> <li>ROIC</li> </ul>	2,455	2,746	1,745	

<sup>1</sup> The number of customer connection requests includes DSO requests in the Netherlands, but excludes those in Germany.

<sup>2</sup> The corporate reputation score is performed every 2-3 years, most recently in 2022.

<sup>3</sup> No target value for absentee rates, however a maximum value TenneT strives for.

# Our contribution to the SDGs

Our societal task and purpose to ensure security of supply and connect everyone with a brighter energy future are closely linked to the Sustainable Development Goals (SDGs). These goals are a set of 17 global objectives established by the United Nations to tackle pressing issues by 2030, from poverty eradication and quality education, to climate action.







TenneT wholeheartedly supports all global goals, while – considering our main business – we are specifically committed to three main SDGs. In addition, we also embrace and aim to consider SDG5 (Gender equality), SDG8 (Decent work and economic growth), SDG12 (Responsible consumption and production), SDG14 (Life below water) and SDG15 (Life on land) in our business conduct.



	Target	KPI	Contribution	
			2025	2024
<b>7 AFFORDABLE AND CLEAN ENERGY</b> <b>Ensure access to affordable, reliable, sustainable and modern energy for all</b>				
Building a future-proof electricity grid to ensure long-term affordable, clean electricity requires investments. This impacts both energy bills of end-users in the short-run and the degree to which we can connect everyone to a brighter future.	7.1	Societal financial impact on households in our serving area	NL: € 130 DE: € 135	NL: € 126 DE: € 150
	7.2	Equivalent number of households that in theory would have been able to receive 100% green electricity	NL: 9.4 mio DE: 6.4 mio	NL: 8.9 mio DE: 6.3 mio
<b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b> <b>Build a resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation</b>				
Our core task is to power and empower society, creating value by enabling end-users, together with stakeholders, to deliver services, products, and thrive.	9.1	Societal value of the availability of our grid	> GDP of the Netherlands	> GDP of the Netherlands
<b>13 CLIMATE ACTION</b> <b>Take urgent action to combat climate change and its impacts</b>				
Our Target Grid 2045 vision drives investments that accelerate the energy transition and integrate more renewables, supporting Europe's goal of climate neutrality by 2050.	13.2.2	Total greenhouse gas emissions (Gross, market-based) (in mio tonnes CO <sub>2</sub> eq)	3.5	3.3
	13.2.2	Total avoided emissions (in mio tonnes)	NL: 10.0 DE: 8.4	NL: 10.0 DE: 8.2



# Our performance 2025

-  Building the electricity grid of tomorrow 32
-  Utilise the grid to empower society 42
-  Deliver more grid capacity together for our customers and to serve society 49
-  Create a safe and inspiring workplace 56
-  Transition to a brighter energy future within social and planetary boundaries 63
-  Safeguard sustainable financial performance 70





# Building the electricity grid of tomorrow

The rapid growth of renewable generation and expected growth in electricity demand require TenneT to not only optimise the use of the existing transmission grid, but also to expand it rapidly. As TenneT is tasked to build the grid faster, we are striving for a cost-effective and affordable energy system that supports the needs of society today and for generations to come.

Investments (EUR million)	Target	# connections realised	Target
<b>14,819</b> NL: 4,869   DE: 9,948   NR <sup>1</sup> : 2 2024: 10,637	18,035	<b>53</b> NL: 52   DE: 1 2024: 40	34
# connection requests	Target	Newly installed circuit length (km)	Target
<b>1,104</b> NL: 713   DE <sup>2</sup> : 391 2024: 728	N/A	<b>508</b> NL: 28   DE: 480 2024: 245	548
Newly installed GW offshore	Target	Stations built	Target
<b>2.5 GW</b> NL: 0.7   DE: 1.8 2024: 0.0 GW	2.5 GW	<b>5</b> NL: 0   DE: 5 2024: 0	2

<sup>1</sup> Non-regulated  
<sup>2</sup> The number of customer connection requests includes DSO requests in the Netherlands, but excludes those in Germany.



## Introduction

Compared to the conventional grids of the past, which operated on a small scale with short transmission distances and were powered primarily by fossil-based generation, TenneT now manages a more dynamic system. Renewable electricity is generated from offshore wind farms far out in the North Sea and is transmitted to end-users deep inland. While the distances over which electricity is transmitted have increased, society still expects a reliable and secure supply.

To meet rising electricity demand, TenneT is tasked to expand the grid infrastructure both onshore and offshore. This includes connecting offshore wind farms to the onshore grid, reinforcing transmission capacity and realising more customer connections. In parallel, smart maintenance and targeted upgrades of existing assets are essential to safeguard system stability and support the energy transition.

Twenty-five years before Europe's 2050 target for climate neutrality, the energy transition is in full swing, with 54% of electricity in the Netherlands and 59% in Germany already generated from low-carbon sources (source: Ember). TenneT is playing a leading role in facilitating this historic transition, harnessing our decades of experience and expertise in grid design and construction.

As TenneT reinforces, expands and maintains the grid onshore and offshore on behalf of society, rising investment costs are leading to increased political and social focus on the affordability of the energy transition. Locally, factors such as nitrogen regulations in the Netherlands, community opposition to grid development, scarcity of available land and delays to multi-year planning and licensing processes, slow the development of grid assets. Globally, competition in the market for suppliers and resources add to the challenges.



To build the grid faster, we have developed our [Target Grid](#) vision. This is our plan for onshore and offshore grid infrastructure needed to support a climate-neutral and affordable energy system. Target Grid aims to proactively plan and effectively build onshore and offshore grid infrastructure aligned with expected electrification demands and stakeholder needs, thereby enabling faster and smarter grid expansion while reducing repetitive upgrades to our assets. In 2025, TenneT Netherlands expressed its ambition to integrate Target Grid into its [2028 Investment Plans](#), while in Germany the [Network Development Plan \(NEP\) 2037/2045](#) is aligned with the Target Grid vision. This integration marks a shift from reactive planning toward proactive preparation, allowing TenneT to start early with preparing future infrastructure projects.

Ultimately, TenneT aims to support the energy needs of a decarbonised economy, in a way that is cost-efficient, realistic and safe, while balancing the demands of affordability, sustainability and security of supply.

### How we managed this topic in 2025

As a leading European TSO, with a long history of building reliable high-voltage grids, we are rising to the challenge of delivering our planned investments at an affordable cost. Mandated by society and our shareholder to expand and modernise the onshore and offshore grid for the future — and to meet the expectations of our customers today — we have made ‘Build the grid faster’ a key pillar of our strategy. This means building more customer connections, building at an acceptable cost and expanding grid capacity while maintaining smartly.

---

‘Building faster starts with foresight — identifying opportunities early and turning plans into connections without delay.’

### Build more customer connections

In Germany and the Netherlands, TenneT is boosting customer connections through a variety of measures, including the installation of additional bays at existing substations. These extra ‘sockets’ allow for faster and more flexible connections. The bays can be added to substations to accommodate new customer links without requiring entirely new infrastructure. This approach is particularly effective in areas where demand is rising rapidly, such as regions with high solar generation or industrial activity. During 2025 TenneT added an additional 52 bays in the Netherlands and 1 in Germany. Customer connection targets were achieved in both countries, although rising demand requires further acceleration. Open connection requests remain high in 2025, totalling 713 in the Netherlands (including requests by DSOs), while requests in Germany (excluding requests by DSOs) are increasing rapidly, with 391 open request by the end of 2025. By increasing the number of bays, TenneT can manage more connections simultaneously and reduce waiting times for customers seeking access to the grid.

TenneT Netherlands is taking further action to unlock additional grid capacity, such as new upgrades at the Zeijerveen high-voltage station near Assen, creating 170 MW of additional capacity on the previously congested provincial electricity grid in Drenthe. Additional reinforcement work is underway on the Velsen – Beverwijk – Oterleek line in North Holland. Due to grid congestion, large-scale producers of solar and wind energy in this region have been unable to feed electricity back into the grid since September 2024. A waiting list was introduced for producers with connections larger than 3x80 amps. Once this work is completed in 2027, the bottleneck will be resolved.

For more information on how TenneT is unlocking additional grid capacity see [‘Utilise the grid to empower society’](#).

### Build more grid capacity

As part of our societal and shareholder mandate to strengthen the electricity system, TenneT continued its strong efforts to build more electricity infrastructure to increase grid capacity, investing EUR 14.8 billion in the grid in 2025, compared to EUR 10.6 billion in 2024.

In the Netherlands, investments amounted to EUR 4.9 billion (2024: EUR 3.8 billion). TenneT Netherlands is working on more projects than ever to meet the growing demand for electricity. Some 300 additional projects have been added to the [Onshore and Offshore Grid Investment Plans 2026](#), the consultations for which began in October 2025. This takes the total number of Dutch grid expansion projects to around 1,000. In Germany, EUR 9.9 billion was invested in the grid (2024: EUR 6.8 billion).

Although the 2025 investment figure is a new record and we reached important milestones on key projects (see summary box page 39), our investment target for 2025 was not achieved. Several delays occurred across our offshore portfolio in Germany and the Netherlands during the year, with the most material impact arising from the need to appoint a replacement contractor within a consortium delivering part of our Offshore 2GW Programme (see the ‘Offshore’ section later in this chapter). Our onshore projects also faced delays during the year. In the Netherlands, approximately 60% of grid expansion projects are now expected to be completed around 2.5 years later than originally planned. These delays were primarily driven by lengthy licensing and permitting procedures, complex site-selection decisions, and protracted land-acquisition processes. Further information is provided in the ‘Onshore’ section of this chapter. At the same time, we also see room for improvement in our own operations, where we must work more efficiently, more simply, and in a more standardised way.

One of the ways we can reduce delays and accelerate grid expansion is through standardised processes and designs in our own operations. Standardisation also supports affordability as it accelerates both the construction and licensing phases of projects. In our onshore operation, this approach is particularly effective for new projects, where standard designs can be reused, simplifying engineering and stakeholder engagement. While more complex in existing sites due to existing infrastructure variations, tailored standard solutions can still offer efficiency gains. Offshore, standardised designs are central to the 2GW Program, which features a replicable 2 GW HVDC platform and a 525 kV HVDC cable system. This technical standard supports faster



deployment and economies of scale in offshore wind integration, aligning with European targets. Standardised designs play a key role in the creation of multi-terminal hubs to support the DC overlay grid in Germany, and in the Bay Replacement Programme in the Netherlands (see hereafter for more information).

### Onshore

The expansion of TenneT's onshore grid is essential to the energy transition, not only to meet society's high demand for electricity, but also to distribute the fast-growing in-feed of wind and solar energy to end-users.

In Germany, two of the most critical onshore projects are the long-distance high-voltage direct current (HVDC) onshore connections, SuedLink and SuedOstLink. These underground DC projects will play a vital role in the energy transition in Germany, carrying wind energy from the North Sea to users in the south. Both projects now have all necessary licences in place and construction is underway in all sections. By the end of 2025 84 km of cable had been completed for SuedOstLink, while SuedLink reached 77 km, including a substantial section of the 5 km-long crossing under the River Elbe.

These projects are part of our Target Grid vision to develop an interconnected DC overlay grid in Germany, supplementing the existing AC network. The long-distance DC corridors will be connected by DC multi-terminal hubs. These will link offshore DC grid connection systems with DC connections on land, as well as onshore DC connections with each other. As a result, the DC hubs will help to bring high capacities of wind energy to shore and efficiently distribute the electricity to end-users. The first DC hubs are already under development in Germany as part of an innovation partnership with other German TSOs and industrial partners.

TenneT Germany is also working with fellow German TSOs, 50Hertz and TransnetBW in the 'StromNetzDC' collaboration. The collaboration is centred on the SuedWestLink project, which plays a key role in advancing the integration of offshore and onshore direct current (DC) grid infrastructure in Germany. In addition, TenneT is working jointly with

50Hertz on NordOstLink, a planned DC connection between the North Sea coast of Schleswig-Holstein and Mecklenburg-Western Pomerania. This project is currently in the permitting phase.

TenneT Germany's onshore AC grid is the foundation of its electricity network, spanning over 14,000 km. TenneT is working to double the onshore AC grid capacity, and in 2025 began construction on major projects such as the A390 Elbe-Lübeck Line, A225 Wilhelmshaven 2-Conneforde, A610 Borken-Karben, and A270 Elbe-Weser Line. Planning approval was also secured for the A240 Conneforde-Merzen and A310 East Coast Line. In total, 319 km of new AC lines were built in 2025.

An important highlight in 2025 to future-proof Germany's onshore grid was the start of construction on the first 'Netzbooster' facility at the Audorf-Süd substation in Schleswig-Holstein. This pilot project, developed with Fluence, uses large battery storage and advanced controls to improve grid efficiency and flexibility. The Netzbooster will ease congestion, boost transmission, and cut redispatch costs, with commissioning set for spring 2027. TenneT plans more Netzboosters at key grid points, including one in Ottenhofen, southern Germany.

Also in Schleswig Holstein, TenneT Germany commenced construction of the Hardebek substation in March 2025. As one of approximately 20 new substations planned in the area, the site's strategic location facilitates future offshore wind connections and presents opportunities for industrial development. Commissioning of the facility is scheduled for 2027.

Although progress continued across our German onshore portfolio, several projects experienced schedule impacts. Construction activities progressed more slowly than anticipated for the SuedLink DC project, primarily due to the multiple archaeological discoveries encountered on the project sites. Other delays occurred on the SuedOstLink DC project, where sustained underperformance by a civil works contractor impeded planned execution. Due to ongoing delays and unresolved safety-related concerns, TenneT terminated the contract at the end of 2025. The subsequent reorganisation of work packages and associated procurement activities led to further adjustments to the project timeline.

In the Netherlands, several large onshore grid expansion projects experienced delays in 2025 due to a combination of technical, procedural and market-wide challenges. Alongside these external factors, we face our own internal challenges that we have to address to operate more efficiently. At Station Veenoord-Boerdijk, extensive additional soil investigations and limited availability of technical specialists prolonged the preparatory phase. Contractors also faced shortages of personnel and equipment, and not all had experience with the required modular construction methods, extending timelines from 2029 to 2031.

In Utrecht, progress was hindered by difficulties in securing suitable locations and cable routes for new high-voltage substations. These substations are essential to dividing the interconnected grid of Utrecht, Gelderland and the Flevopolder into four sections to meet rising electricity demand. However, the densely populated nature of the province and local objections to proposed sites have lengthened the permitting process. Expected delivery of, for example, the Utrecht-Noord substation has been extended from 2029 to 2033.

Despite these setbacks, TenneT continues to make progress in strengthening the Dutch AC grid, having invested more than planned in 2025. We are advancing our Target Grid vision through the development of regional sub-grids, enabling more adaptive planning, targeted capacity expansion and building more customer bays than planned. By tailoring grid development to regional needs, sub-grids help ensure that capacity is added where it is most needed and that electricity is more effectively distributed, thereby easing congestion.

The Netherlands is currently operated as 14 sub-grids. In line with the Target Grid strategy the amount of sub-grids will grow significantly towards 2035 and 2040. We will achieve this by building extra high-voltage substations and installing more transformers, providing additional onshore grid capacity in the Netherlands.

Other key projects in the AC grid in the Netherlands delivered in 2025 include two grid reinforcement projects completed in the province of Zeeland. A new underground 150 kV connection between Goes and



Westdorpe was commissioned, offering greater reliability and enabling faster maintenance compared to previous underground connections. Additionally, a new 380 kV high-voltage line between Borssele and Rilland was commissioned, allowing electricity from local and offshore sources to be transmitted across the Netherlands and to neighbouring countries. With this project, the transmission capacity between Borssele and Rilland has more than doubled, making it one of the largest infrastructure projects TenneT has undertaken in recent years.

Another major project is underway in the province of Noord-Brabant, where there is significant customer demand for additional grid capacity. Work is underway on the Southwest East connection, one of three new capacity projects in the region – including Northwest and Southwest West. More significant new connections are being planned in Flevoland, and another linking Groningen to Flevopolder. The planned capacity expansions are offset by significant delays in onshore projects in the Flevopolder, Gelderland and Utrecht region in 2025. As a result, large electricity consumers and renewable energy producers will face extended timelines for new or upgraded grid connections.

Looking ahead, our efforts to build the grid faster in the Netherlands will be strongly supported by the Acceleration Package agreed with the Ministry of Climate Policy and Green Growth. With over 30 proposed measures, the Acceleration Package is designed to create more capacity on the high-voltage grid and enable faster grid expansion. Key measures include streamlined permitting, legal adjustments, early project starts, and optimised internal processes. The aim is to achieve a significant reduction in project lead times, in some cases up to 50%.

TenneT Netherlands has identified over 100 projects in the Acceleration Package that are designated to help resolve congestion. Success depends on all partners – national and local government – working closely together. The full impact is expected to be visible by 2028 once the whole package is fully in effect.

### Offshore

Offshore wind energy is a cornerstone of Europe's energy transition. The North Sea has a potential for up to 300 GW of installed wind capacity – enough to cover the green electricity needs of its bordering countries and to make a significant contribution to Europe's 2050 climate targets.

With years of experience as one of Europe's leading offshore TSOs, TenneT is playing a prominent role in harnessing the potential of the North Sea as Europe's green energy powerhouse. With our current offshore grid connection systems, we safely transmit more than half of the EU's entire offshore wind capacity from sea to land.

Offshore wind aims to create a unified and resilient offshore and onshore grid across Europe for dependable, affordable green electricity. Our standardised 2 GW HVDC connection systems and DC overlay grid will form a reliable backbone, linking offshore wind farms with onshore industry clusters.

To achieve this vision, TenneT – on behalf of and in collaboration with our governments, shareholders and society – will invest significantly in offshore grid expansion, more than tripling our current offshore grid capacity in the Netherlands and Germany today to 40 GW by 2032.

TenneT is taking proactive steps to future-proof its offshore portfolio in light of evolving external developments and a growing societal focus on affordability. To help reduce overall system costs, we continue to prioritise cost-friendly and efficient solutions. Several proposals from our Grid Optimisation Plan that directly support these goals have been incorporated by TenneT Germany into the [Network Development Plan \(NEP\) 2037/2045 \(version 2025\)](#). A key example is the concept of mandatory over-planting, which increases wind generation capacity per grid connection while capping peak feed-in during periods of high wind. This approach enables more efficient use of existing infrastructure and has gained broad support from federal and state authorities. By implementing measures like these, the number of required 2 GW offshore grid connection systems to achieve the long-term target of at least 70 GW by 2045 can be reduced. It allows for a more efficient use of the limited

space in the German North Sea while lowering costs and minimising environmental impact.

Such measures are essential as the roll-out of our offshore portfolio must respond to evolving external pressures. These include shifting timelines for offshore wind tenders issued by the government, some of which have stalled due to market uncertainty and a lack of investor bids. Rising construction costs due to resource scarcity and slower progress in decarbonisation of industries onshore have reduced market appetite, making investors more risk-averse and increasing reliance on government support. We also experienced re-routing measures that had to be taken in several German 2 GW projects. These dynamics risk delaying tenders, impacting grid connection projects, and raising overall costs—factors that could impact TenneT's long-term grid expansion and energy transition objectives.

Revisions to offshore capacity also stem from concerns about electricity demand, rising price levels, and the resulting reintroduction of subsidies. In the Netherlands, TenneT is in close conversation with the government to address the delayed offshore wind roll-out. These external pressures not only affect project timelines but also increase cost pressures on society, challenging the overall affordability of the energy transition.

## Affected Communities

# Building together with respect for the areas we impact

The energy transition requires the high-voltage grid to be doubled in size. This has a noticeable impact on local surroundings: landscapes change, construction activities are visible, and people experience temporary inconvenience. At the same time, these surroundings shape how our projects take form. Local values, preferences, and concerns are considered in both design and execution. That is why TenneT works from a clear conviction: to deliver infrastructure in a socially responsible way. We engage early with communities and jointly seek solutions that fit both the local environment and the energy future of the Netherlands and Germany.

Although we carefully plan our projects and engage with local communities to mitigate our impacts and theirs to avoid delays, these procedures are increasingly putting pressure on timelines. According to the latest [Investment Plan](#), over 60% of TenneT's projects face delays, which over time reduce public support. Extensive procedural requirements remain a significant contributing factor to these delays.

TenneT applies a standardised approach across projects (captured under the title 'One Way of Working') focused on transparent communication and participation. We organise information sessions, dialogue meetings, and consultations to gather concerns and ideas. In doing so, we build not only the grid but also trust. Each year, we measure how our efforts are perceived and use these insights to further improve our approach.

This method directly supports our strategy to accelerate grid development: social acceptance is essential to obtain permits on time and execute projects without delays. By working together with local communities, we help speed up the energy transition in a responsible way.

### New measures in 2025

- In 2025, a new community support scheme was introduced in the Netherlands to strengthen societal acceptance. The Ministry of Climate Policy and Green Growth established a compensation fund to assist areas where new high-voltage lines are integrated. In addition, a new buyout scheme offers residents the option to relocate if they live close to a new high-voltage line. These homes are then returned to the market to prevent a loss of housing supply. Both measures help reduce the impact on communities and strengthen support for these projects.
- Through this integrated approach - from dialogue to compensation and monitoring - TenneT is working to accelerate the energy transition with respect for society. Together, we ensure that tomorrow's infrastructure is built in a responsible way.

### 2025 in figures

- The local reputation score for community engagement in 2025 was 5.9 (2024: 5.5) for TenneT Netherlands
- We held over 250 information sessions in the Netherlands and over 600 information sessions in Germany





### Suppliers challenges

During 2025, our offshore portfolio was impacted by supplier challenges. In October, TenneT terminated the contract with Petrofac, an engineering and construction contractor, for its work in the 2GW Program. In June 2023, TenneT signed a framework cooperation agreement with Hitachi Energy and Petrofac for six 2GW grid connection systems under the 2GW Program. Since 2024 Petrofac has been working on a financial restructuring of its business. In the past period TenneT has worked extensively with the Petrofac/Hitachi Energy consortium on mitigation measures.

Since Petrofac was not able to meet its contractual obligations, TenneT exercised its right to partial termination of the contract related to the Petrofac scope. Discussions on financial settlement with Petrofac regarding the contract termination are ongoing (reference is also made to the legal contingencies in note 23 of the financial statements). A replacement contractor, Larsen & Toubro, has been arranged to take over this portion of the work. The revised consortium will continue delivering the five Dutch offshore grid connection systems IJmuiden Ver Alpha, Nederwiek 1, Nederwiek 3, Doordewind 1 and Doordewind 2 and the German offshore grid connection system LanWin5.

TenneT and the consortium Larsen & Toubro and Hitachi agreed on a due diligence process in which parties assess the quality and completeness of the work performed to date. At the end of the due diligence, expected in Q2-2026, the consortium will provide TenneT final price offers and updated project schedules. TenneT can review the findings and decide on certain conditions whether to proceed or not and assess what the financial impact is. Although Larsen & Toubro will now work with Hitachi to deliver the projects as designed, this could significantly delay project planning for and execution of the relevant projects and cause additional cost.

Despite supplier challenges, important achievements in our offshore portfolio were made in 2025.

In October, a significant milestone was reached in TenneT's Dutch offshore portfolio when the Hollandse Kust (west Beta) project reached grid-readiness, ahead of schedule. This 700 MW offshore grid connection system will connect electricity generated at sea from the OranjeWind windfarm to land, providing enough electricity to power approximately a million households. It is the last of seven 700 MW offshore grid connection systems, with all projects delivered on time and within budget. Another 700 MW project that was planned for the area north of the Wadden Islands was cancelled following revised offshore wind plans by the government.

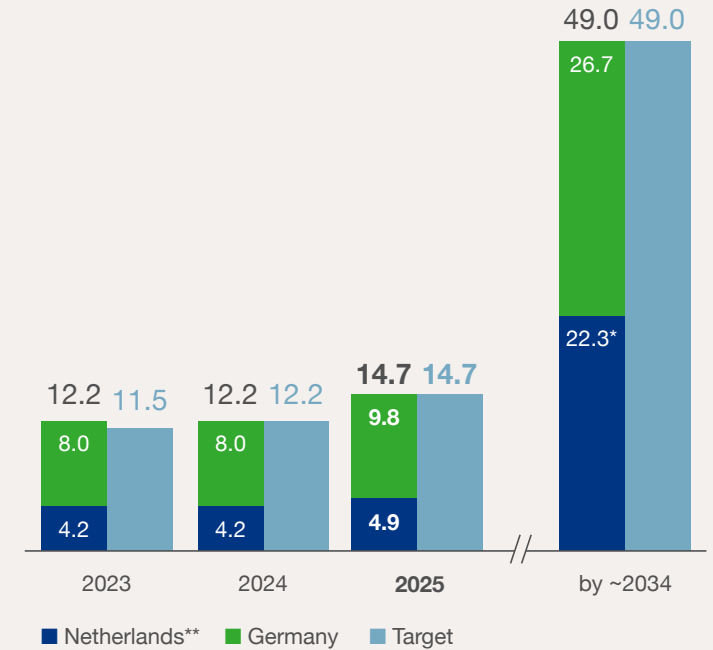
Important progress was made in the 2GW Program in 2025, including the first steel cut for the jacket foundation of the Nederwiek 1, IJmuiden Ver Beta and IJmuiden Ver Gamma platforms. Key project approval notifications were also received from the authorities, and preparatory construction measures for some onshore converter stations were started. In addition, TenneT Germany achieved the first water-to-water crossing of the island of Baltrum using horizontal direct drilling technology in summer 2025. Despite the progress achieved, the timelines for several of our projects required adjustment, resulting in an extension of their final commissioning dates by one to two years.

TenneT Germany made significant progress in its offshore portfolio in 2025. In the second quarter, TenneT Germany moved closer to the 10 GW mark in the German North Sea with the installation of the converter platforms for the 900 MW offshore systems, BorWin5 and DoIWin5. Both platforms convert the electricity generated by offshore wind turbines for the first time in Germany from 66 kV of three-phase current to 320 kV of direct current.

Our collaboration with National Grid Ventures in the UK to develop [LionLink](#) also saw important progress in 2025. LionLink is a hybrid interconnector that will connect the Nederwiek 3 offshore grid project to the UK. This is one of the first connections in a future meshed North Sea

### Installed offshore capacity by TenneT

Gigawatt



\* As defined in the Offshore Wind Energy Development Framework  
\*\* 1 GW of early offshore wind capacity in the Netherlands use a private connection to the onshore grid. This capacity falls outside the scope of this graph

grid. In 2025, the ACM approved a structural suggestion report by TenneT, triggering a decision by the Minister of Climate Policy and Green Growth to initiate an offshore bidding zone (OBZ) for LionLink. An OBZ is a market arrangement that is considered crucial for efficiently operating a hybrid interconnector like LionLink. It enables the optimal use of offshore wind generation, reduces system congestion and supports fair and efficient cross-border electricity trading, thereby ensuring the full value of a hybrid interconnector is realised. Furthermore, the European Commission



in December 2025 renewed that status of 'Project of Mutual Interest' for LionLink, highlighting the importance of LionLink for the EU, and development of the North Sea region in particular.

Together with German TSOs Amprion and 50Hertz, TenneT is initiating GriffinLink, a proposed 3–4-terminal HVDC hybrid interconnector designed to integrate offshore wind farms in German and UK waters and establish a new electricity link between the two countries. GriffinLink, included in the OTC grid map and submitted to the Ten-Year Network Development Plan (TYNDP) 2026 process, represents a first-of-its-kind European effort to enhance cross-border energy integration and offshore market participation. Cross-border interconnected offshore grids will play a key role to enhance flexibility and boost system resilience between countries, enabling mutual support during supply shortages or outages.

#### Smartly maintaining our grid

With a sharper focus on affordability and cost-effectiveness, it is more important than ever to smartly plan and execute maintenance in order to increase the capacity, reliability, and lifespan of our assets.

Regular maintenance of our infrastructure helps to minimise the risks of power failures, damage to the environment and safety incidents. Preventive maintenance helps to ensure our assets continue to perform in accordance with their intended function with a full lifetime of service, while corrective maintenance minimises downtime in the grid. System upgrades play a vital role, allowing engineers to incorporate new technologies that allow new sources of generation to be connected.

To maximise the effectiveness and efficiency of our maintenance work, our Dutch and German teams are increasingly moving from a time-based to a risk-based and data-driven approach to grid maintenance. With this Reliability Centered Maintenance (RCM) approach, maintenance decisions are informed by the actual condition of assets, using data collected from monitoring technologies – such as drones and sensors. Drones are now widely used for transmission line and substation inspections, with their application across our network expanding each year.

In line with our efforts to improve efficiency across the organisation, the end-to-end implementation of RCM will be essential for maintaining operational efficiency and supporting the long-term reliability of our grid.

In 2025, notable maintenance milestones included a retrofit for the SylWin1 HVDC offshore grid connection in Germany. This involved upgrading the operational technology to ensure continued efficient performance and to meet future grid requirements. The upgrades included replacing outdated or end-of-life systems to maintain cyber security and operational reliability. Such projects are crucial for future-proofing our offshore infrastructure.

Another important offshore maintenance project in Germany this year is the Impressed Current Cathodic Corrosion Protection (ICCP) project. This maintenance initiative is focused on protecting critical components of our offshore infrastructure from marine corrosion. The ICCP work was recently carried out on the SylWin platform, with plans to extend these activities to all relevant platforms.

Another major maintenance programme in the Netherlands is our Bay Replacement Programme, in which we are replacing 110- and 150-kV high-voltage substations. This large-scale replacement is necessary because the current substations are outdated and demand for electricity is increasing. Replacing and, where possible, expanding over 140 high-voltage substations in a limited time frame is a huge challenge. In 2025, the Bay Replacement Programme scaled up significantly after the proof-of-concept substations were fully commissioned. Two substations were placed on temporary gas-insulated switchgear units, enabling removal of old substations, and seven contracts were signed to start work on replacing bays on the substations and expanding with client connections. The design and methodology will now also be applied to new-build substations to accelerate the expansion of the grid. This modular, digital, and standardised approach not only speeds up replacements but will also be applied to new assets, speeding up construction and enabling Reliability Centered Maintenance (RCM) on a larger scale.

TenneT also faces challenges in its maintenance activities. In Germany, securing electrical assembly contractors for the replacement of bays in the AC grid has proven difficult, as the relatively small scope of these tasks makes them less attractive for market parties. Similar constraints are visible in the Netherlands, where the availability of contractors for maintenance work on GIS installations remains limited. These factors continue to influence planning and execution across our maintenance portfolio.



## What could prevent us from reaching our goals?

As we accelerate our efforts to build the electricity grid of tomorrow, we must also manage a growing set of risks that could hinder our progress.

We see a combination of regulatory, political, market, and internal factors.

In the Netherlands and Germany, political planning for grid infrastructure projects is shifting from a strategy of building at maximum speed to a more cautious, phased approach focused on cost-effectiveness and just-in-time delivery. Political support for grid expansion is increasingly tied to affordability concerns, requiring projects to demonstrate a clear link to future electricity demand and economic viability. At the same time, offshore development faces additional delays as several wind farm tenders have failed to attract investor bids, driven by rising construction costs and market uncertainty, increasing the need for additional government support.

The slowdown we experienced in German projects during 2025 was exacerbated by the expiry of the [EU Emergency Regulation](#) in June. Introduced in 2022 after the start of the war in Ukraine, this regulation allowed for faster permitting in grid infrastructure in Germany and has had a significant impact in speeding grid expansion approvals. However, now that the Emergency Regulation has been replaced by the [EU Renewable Energy Directive \(RED III\)](#) in German national law, there is a risk we will see a return to slower permitting time frames. This could further disrupt long-term planning and add unpredictability into investment plans.

As a Group, TenneT is dependent on a globally interconnected supply chain to execute its investment programme and maintain critical grid assets. Key components such as high-voltage cables, transformers, offshore platforms, and [HVDC converter stations](#) are typically sourced from a limited number of specialised suppliers that may operate under long lead times or face capacity constraints. Such supply chain limitations can delay project timelines, require last-minute design changes, and increase integration and cost risks. An example of this risk is the financial distress experienced by Petrofac, a contractor working in a long-term framework agreement in our offshore 2GW Program. TenneT exercised its

right to partial termination of the contract related to the Petrofac scope and a replacement contractor has been appointed.

The Group's supply chain also faces risks from geopolitical factors like trade restrictions, export controls, and political tensions. Some suppliers may originate from regions under scrutiny for security, human rights, or sustainability issues. While the Group performs supplier due diligence, changing geopolitical conditions may impact supplier availability or necessitate procurement changes.

Grid congestion and the increasing demand on the transmission grids makes it harder to perform essential maintenance work on our grid assets. To work safely, our maintenance teams require an 'outage window' where a section of the network is intentionally taken offline. However, as demand on our grid intensifies, outages become harder to schedule, making asset maintenance more challenging.

Demand uncertainty is a factor that further complicates planning. The electrification of industry and households is progressing slower than forecasted, driven by affordability concerns as electricity prices rise. For example, the withdrawal of subsidies for heat pumps and solar panels has dampened adoption, while projections for industry to switch core processes from fossil fuel energy to electricity are not materialising as quickly as expected.

Internally, TenneT's progress could also be held back by structural inefficiencies. Our ongoing [organisation transformation programme](#) aims to address these issues by streamlining decision-making and reducing organisational inefficiencies by radically simplifying internal procedures.

Market design principles need to be modernised to facilitate faster development of the future grid. Conventional market models risk being misaligned with the needs of a decarbonised, decentral and flexible energy system. TenneT is advocating for a new 'target market' framework that aligns with our Target Grid vision and supports long-term capacity planning.



Spatial planning challenges remain a significant barrier to accelerating the development of the future electricity grid. Limited availability of suitable locations for new infrastructure makes expansion increasingly complex, particularly in densely populated areas where obtaining permits for construction near residential zones often requires considerable time and effort. Furthermore, projects located close to biodiversity-sensitive areas in the Netherlands must secure permits for nitrogen emissions, adding additional regulatory complexity and potential delays. While the need for extensive grid infrastructure can be reduced when electricity consumption occurs closer to generation sites, large consumers frequently resist relocation, preferring to maintain their current operations. Addressing these constraints will require stronger locational incentives and clearer market signals to guide investment decisions and enable optimal grid development.

**Eddy Veenstra (left)**

Director of regional energy network company Rendo

**Annemiek Berends (right)**

(former) Head of spatial planning for major projects in Northern Netherlands at TenneT

In 2025, TenneT colleagues once again talked to many customers, stakeholders, suppliers and other societal organisations. Their stories appeared in TenneT's Contact Magazine, a regional publication informing stakeholders about our projects. This story has been adapted from one of those articles.

# Joint steering delivers better results

**In the province of Drenthe, public authorities and company decision-makers are working together closely to ensure a major infrastructure project progresses swiftly. This collaborative approach is known as an 'Acceleration Atelier'. Why was this approach so effective in Drenthe, what was the collaboration like, and what can be improved?**

A new business park, Riegmeer, is under construction close to the town of Hogeveen. This requires reinforcing the grid and constructing high-voltage and medium-voltage substations. 'Electricity is scarce in this region due to grid congestion,' explains Annemiek Berends, head of spatial planning for major projects in Northern Netherlands at TenneT.\*

**The Eemshaven method**

The Acceleration Atelier is rooted in the so-called 'Eemshaven method'. When the war in Ukraine broke out, a liquefied natural gas (LNG) terminal was rapidly constructed in the port of Eemshaven. Together with the provincial government of Drenthe, Agnes Mulder, director of regional Dutch employers' and business association VNO-NCW MKB Noord, explored whether this approach could also be applied to critical grid expansion projects.\*\* 'You agree on the objectives upfront, work backwards to determine what needs to happen and when, and escalate when progress stalls. Permit procedures often take too long. This way of working really allows us to accelerate, and that's of vital importance to our business climate,' says Mulder.

While the approach resembles the Eemshaven method, it also safeguards the democratic rights of citizens. 'We see better results when everyone truly commits,' says Eddy Veenstra, director of regional energy network company Rendo. 'Escalation is not a taboo; it helps to raise concerns before they turn into problems. This does justice both to the need for speed and to the responsibilities that provinces and municipalities have towards their residents.'

**Cautiously optimistic**

Veenstra describes the approach as 'very effective'. He says: 'We ensure that everything is done well and on time, and we see the potential for shortening the planning phase by at least a year.' At the same time, participants remain cautious. After all, construction has yet to begin. This caution reflects the complexity and interdependencies involved in grid expansion projects. TenneT is building a 220/110 kV substation in the village of Wijster. If it's not completed on time, Hogeveen-Riegmeer can't be connected. That's why the municipality of Midden-Drenthe is also participating in the Acceleration Atelier.

**Small gestures, major impact**

The municipality of Hogeveen demonstrated both administrative solidarity and sensitivity to local interests in the case of the 'Riegmeer summer oak', a hundred-year-old oak tree located on the site of the new substation. Following objections from local residents, the municipality moved the tree several hundred metres. 'A valuable signal to residents,' says Veenstra. 'It shows that an Acceleration Atelier genuinely strives for results: collaboration yields returns when all interests are taken seriously.'

\* Annemiek Berends now works at Enexis

\*\* Agnes Mulder has since been appointed King's Commissioner of Drenthe

# Utilise the grid to empower society

As well as building the infrastructure necessary to handle an increasingly complex grid, TenneT must also find ways to utilise the existing grid better, guaranteeing security of supply and a stable transmission system. By unlocking additional capacity and future-proofing system operations, we can prepare the grid for a climate-neutral energy system.

Grid availability (onshore)	Target	Grid availability (offshore)	Target
<b>99.99977%</b> <small>NL: 99.99977%   DE: 100.00000%</small> <small>2024: 99.99988%</small> <small>2023: 99.99993%</small>	99.99962%	<b>96.85%</b> <small>NL 95.29%   DE 97.77%</small> <small>2024: 97.09%</small> <small>2023: 97.90%</small>	95.07%
Number of Time-dependent transport rights (TDTR) contracts signed (NL only)	Target		
<b>9</b> <small>2024: 3</small> <small>2023: N/A</small>	N/A		



## Introduction

As TenneT works to design and build a future-proof grid that can support Europe’s climate goals and a fully decarbonised economy, we are operating in an increasingly complex environment.

We are transitioning from a conventional and predictable electricity system, where it was relatively straightforward to match supply and demand, to one that is more dynamic and decentralised. In today’s grid, a far wider range of different actors participate in the electricity market. Many participants, from large battery storage operators to small private households using solar panels and electric vehicles, are consuming, generating and storing electricity all at the same time. Added to this complexity is the nature of the renewable energy sources we increasingly connect to the grid, which are more volatile and harder to control.

At a time when the energy system is changing, so too is the size of demand. The electrification of society is steadily progressing, from major industrial users electrifying their processes, data centres being built, and the electrification of transport and heat. All of these essential everyday activities in our modern society depend on a secure supply of electricity. We also see growing external pressures, whether geopolitical or economic, that are impacting the uptake of renewables and amplifying calls for more affordable energy and energy independence.

As a grid operator tasked with ensuring security of supply, TenneT must adapt to this fast-changing picture to ensure grid resilience remains as strong as ever, empowering society while balancing reliability, affordability and sustainability. This is why utilising the grid in the most efficient and effective way has become more critical than ever – as society demands so much from our grid, it must be able to deliver against high expectations. We aim to give our customers tomorrow the reliability they have today.



Long-term, our [Target Grid](#) vision integrates infrastructure, system operations, and market considerations to help realise a future-proof and climate-neutral energy system. It also supports an integrated and efficient European electricity market.

### How we managed this topic in 2025

We are proud of our record of delivering a secure and stable availability of electricity year after year. However, we do not take this for granted, as maintaining a near-perfect security of supply in the context of an increasingly dynamic and renewables-based grid is a complex and multi-dimensional task. To be able to manage this, we continue to design, build, maintain and operate our high-voltage grid, transmitting electricity from where it is produced to where it is consumed.

To operate the grid efficiently and ensure a high grid availability, we depend on the vital work of our colleagues, especially those in control centres and in the field. In addition to forecasting supply and demand fluctuations, they coordinate with market parties, intervene when mismatching occurs, and ensure procedures are followed. Their efforts in 2025 helped TenneT maintain high levels of security of supply, as we recorded 99.99977% of onshore grid availability (2024: 99.99988%) and 96.85% of offshore grid availability (2024: 97.09%).

**‘The energy transition requires not only new infrastructure, but also smart solutions that respond to the dynamics of supply and demand.’**

This was a slight decrease compared to the previous year, caused by a limited amount of unfortunate interruptions of power during 2025. There were 14 outages on the grid in 2025, with one incident involving a ship

of a third party hitting one of our lines in the province of Friesland. As a result, around 22,000 households had their electricity supply interrupted for six hours.

### Unlock available grid capacity

As a grid operator, we aim to meet our end-users’ expectations for a 24/7, year-round supply of electricity. From our control centres, we are managing this supply and coordinate across borders – allowing us to achieve the high level of availability that we provide today. There is a high demand for electricity, which continues to grow as more households and industries consider electrification. Combined with the ambition to shift towards more climate-neutral energy sources, this makes delivering our services at the level society expects increasingly complex.

These developments have contributed to demand that cannot always be met by the available transmission capacity in the busiest parts of the grid, leading to a growing amount of grid congestion and customers waiting for connections, predominantly in the Netherlands. Our strategy is therefore designed to help us increase our output and deliver much-needed grid capacity for our customers, while guaranteeing security of supply.

One way we can free up additional grid capacity in the Netherlands is through flexible contracts that incentivise end-users to shift their energy use to times of lower demand. Examples include the so-called Time-Dependent Transmission Rights (TDTR) contracts we are signing with customers and other solutions like flexible contracts we sign together with DSOs and customers to reduce grid congestion by adjusting electricity demand during peak hours. More information on this can be found in the [‘Deliver more grid capacity together for our customers and to serve society’](#) chapter.

In April 2025, an analysis showed the possibility for TDTR contracts to make up to 9.1 GW of transmission capacity available on the grid in the Netherlands during off-peak hours. This new innovative contract type allows parties to secure off-peak electricity transmission rights for a fixed number of hours per year, at least 85% of the time, at a discount tariff. During the remaining 15%, TenneT may limit transport. By shifting

### Insights from a European blackout

A major power outage on 28 April in Spain and Portugal affected over 60 million people, showing how quickly grid instability can escalate. The blackout was triggered by severe voltage fluctuations that caused generators to disconnect and set off a chain reaction. This event highlights the growing fragility of interconnected European power systems. For TenneT, it underlines the importance of closely monitoring voltage behaviour and strengthening system stability. We are investing in improved monitoring, mitigation measures, and new assets to better manage these risks. As renewable energy grows, reinforcing system resilience becomes just as essential as expanding the grid.

usage away from times of peak demand, flexible contracts such as this help alleviate congestion and improve grid efficiency. TenneT Netherlands expects that flexible grid users can save up to 65% on grid tariffs through a combination of TDTR and intelligent use of time-dependent tariffs.

In addition to innovative new contracts, TenneT is using grid-enhancing technologies, where possible, to unlock additional grid capacity. For example, TenneT Netherlands doubled the use of Dynamic Line Rating (DLR) in 2025 to make smarter use of the existing grid. In some conditions, this technique allows up to 30% more electricity to be transmitted by adapting to real-time weather conditions. Sensors measure the temperature and sag of overhead lines, with cooler and windier conditions allowing lines to carry more current, and we use weather data to calculate how to safely increase capacity. By the end of 2025, DLR was active on 20 high-voltage connections, which applies to both 380 kV and 110/115 kV lines.

We are also using technology to protect the grid from overload and therefore maintain availability for users. For example, TenneT Germany began a pilot project in 2025 to use ‘dynamic transformers’.



These run temporarily at 120-130% of their usual capacity to help offset potential faults or overloads. This is a particularly important buffer considering TenneT Germany now has 110 GW of solar connected to the grid, of which almost half comes from households, which cannot be curtailed. At certain points during the year there is a risk that PV generation surpasses load, in which case dynamic transformers can help transfer the energy and avoid brownouts.

Much of our work to unlock additional grid capacity and ensure customers wait less time to be connected to the grid is overseen by a dedicated unit in the Netherlands. In 2025, their work successfully realised 53 customer connections, although over 713 open customer requests remain in the Netherlands and 391 in Germany.

As TenneT's purpose is to connect everyone with a brighter energy future, it is important that we are able to fulfil the connection requests we receive. However, it is also important to recognise that some connection requests are speculative and may never materialise. Given the low upfront costs and first-come, first-served model for securing a connection bay, we see a growing number of speculative requests, especially as some customers request capacity in different regions to give them back-up options.

In the Netherlands, TenneT sees an opportunity to re-assess the connection model with an 'accelerate to realisation' contract. By asking customers for an early financial commitment, we can disincentivise placeholder connection requests and thereby reduce the connection queue. More importantly, it helps customers to obtain an earlier commitment from TenneT on availability of bays and transportation capacity. This helps us to spend time on connection requests that will actually materialise and that reflect the commitments from and to our customers.

Further improvements were enabled by the Dutch regulator, the Authority for Consumers and Markets (ACM), through the introduction of a priority framework. Under this framework, customers requiring connections for reasons of safety, essential needs, or congestion mitigation are granted precedence over other applicants.

In some cases, in areas where the grid is at its most congested, TenneT intervenes to keep the grid secure and reliable. For example, in the Netherlands in 2025, TenneT and regional operator Liander introduced a mandatory flexibility requirement for large consumers in Flevopolder and Gelderland, in which they receive financial compensation for reducing or shifting their electricity use during peak times. Since July 2024, companies with over 60 MW contracted capacity are already required to participate. In 2025, TenneT Netherlands contacted all customers with over 5 MW. If needed, the threshold will be lowered to include more companies. Measures like this are essential to avoid grid overload, which could lead to blackouts or forced disconnections.

#### Future-proof the grid

Providing electricity to our customers today is only one part of TenneT's responsibilities; we must also ensure future generations benefit from a high level of grid availability. Our Target Grid vision is designed to lead us to a brighter energy future, by outlining the onshore and offshore grid infrastructure necessary for a climate-neutral energy system by 2045. Enabling the transition requires more than physical assets – it also requires a fundamental rethink of how electricity markets operate, with an enhanced and future-proof market design, and also of the way we operate the electricity system with different energy mixes and technologies.

To get a clearer picture of the generation capacity across Europe now, and how much more will be needed in the future, TenneT is one of the many TSOs that participate in the European Resource Adequacy Assessment. Using system modelling, the assessment looks at the potential disturbances to supply and demand in the next 10 years. In this way, it is an important resource for determining how many capacity mechanisms will be required.

#### Exploring AI to support smarter operations

At TenneT, we are actively exploring how Artificial Intelligence (AI) can support our work and help us make better decisions. One area of investigation is GridOptions, a decision-support tool for congestion management. Because there are billions of possible remedial actions, such as switching operations and flexibility products, finding the most optimal solution manually is challenging. By researching machine learning models and heuristic approaches, we aim to understand how AI can assist in identifying good solutions and improving operational planning.

We are also involved in AI4REALNET, an international research collaboration between infrastructure operators, technology providers, and academic institutions. This project focuses on developing AI techniques and human-machine interfaces for decision-support tools across different critical sectors. The insights gained will inform the further development of tools like GridOptions. In addition, we are investigating how AI can enhance forecasting. To provide our control room operators with the best possible data, we complement external prognoses with internally developed power forecast models that combine statistical methods with AI techniques. These models can be used when external data is unavailable or less accurate.

Through these initiatives, TenneT is taking a research-driven approach to understand how AI can contribute to more efficient and effective processes, supporting a reliable and sustainable energy system.

## Safeguarding security

# A core prerequisite for a reliable supply of electricity

TenneT faces growing cyber, physical and personnel security risks due to geopolitical developments, growing societal pressure on the energy transition and changes in the threat landscape. Increased use of digital technologies, Information Technology/Operational Technology (IT/OT) integration and complex and extensive supply chains introduce new cyber security risks. At the same time, we see internationally that energy infrastructure is increasingly targeted by state-sponsored, extremist and criminal actors.

These developments make protection of both digital and physical assets more important than ever as well as our ability to recover from disruptions.

To manage these risks TenneT operates an Integrated Security Management System that ensures continuous monitoring of our threat landscape, identification of (new and changing) security risks and their continuous mitigation across all end-to-end processes and departments. This results in significant investments in both physical, cyber (IT/OT) and personnel security and in close collaboration with all relevant national and international governmental security organisations for onshore and offshore.

At TenneT we believe innovation is key to working smarter, more efficiently and finding solutions for new security challenges. New applications, such as AI, are helping us achieve our strategic goals, while we ensure they are used in a safe way.

Our dedicated security organisation works continuously to identify which risk areas need our attention, how to manage these risks properly and monitor the progress and results of actions taken. For example through:

- Intense public-private collaboration during the NATO summit in The Hague.
- Participation in civil-military crisis exercises on the North Sea.
- Additional investments in a cyber security programme.
- Participation in the multi-year cyber security research and innovation program FLECS.
- Implementation of new national and international security regulations such as NIS2, CER and NCCS.

This helps us to protect our physical and digital infrastructure and ensure the security of supply of electricity today and tomorrow.





### Setting up system operations for a climate-neutral energy system

Transitioning to a climate-neutral energy system means moving away from the consistency and reliability of fossil fuels to the weather dependency of renewable energy sources. Our power system will become increasingly complex as this transition progresses. Operating the future grid will require us to balance numerous sources of energy, additional assets such as electrolysers, mechanisms to influence consumer demand for electricity and the integration of new technologies to transmit green electricity over longer distances. All this while also maintaining a 24/7 supply of electricity to our customers.

We will also have to upgrade the technology that previously provided system stability. The fossil-fuel synchronous generators, which remain crucial to the electricity system in the short term, will be replaced by electronics-based technology that will support the need to balance the new dynamic power system. And as the future grid will be largely weather-dependent, it will have to operate as close to real-time as possible, meaning our system operations and market processes will need to adapt so that we can communicate instantly and clearly with market parties.

To prepare for the future grid, work continued in 2025 on our Control Room of the Future (CROF) programme, which is our ambition to



develop methodologies, processes and tools to guarantee excellence in system operations. This year, TenneT Netherlands has prepared for the implementation in 2026 of new Energy Management System/ Supervisory Control and Data Acquisition (EMS/SCADA) systems for both our onshore and offshore operations. It has also planned for the implementation of new tools to gain better visibility and control over the grid. These include phasor measurement units (PMUs), a new Wide Area Monitoring system (WAMS), a dynamic security system for voltage and frequency stability (DSA), and machine learning, which helps to improve forecasting and grid topology. TenneT Germany has developed a roadmap outlining its priorities for the coming years as it looks to reach a similar implementation phase as TenneT Netherlands.

For more information please refer to '[Deliver more grid capacity together for our customers and to serve society](#)'.

### Market design for the future energy system

With variable renewable power generation, mass electrification, increasing congestion, and waiting times for connections to the grid, the traditional electricity market model needs adjustments. A future-proof electricity system must integrate more suitable market mechanisms alongside robust grid development.

An ideal market design would provide adequate price signals to incentivise the right behaviours from market participants. It would encourage investment in flexible resources, like storage and demand response, and ensure that generation and consumption are balanced in real time. Locational incentives are also important in directing investment and operations decisions to where they are most needed on the grid, supporting local and system-wide security of supply. TenneT Germany successfully argued in 2025 for a regionalised [Baukostenzuschuss](#) (or building subsidy) to encourage efficient system development with spatial coordination.

Another possible solution is to use the transmission system efficiently to match supply and demand over longer distances. Namely, creating smaller bidding zones that correspond to structural transmission

bottlenecks in the grid. Market forces could assign a price to transmission capacity scarcity, resulting in price differences between areas. If there is no scarcity, prices will converge. TSOs are able to propose changes to bidding zones through the [ENTSO-E Bidding Zone Review](#), which in 2025 found that there might be advantages to split Germany and Luxembourg into five bidding zones. [ENTSO-E](#) also facilitates discussions on creating a system-friendly market design that will keep energy systems secure beyond 2030. For the Netherlands, the analysis showed only a slight potential benefit.

This year, TenneT Germany adopted another technique to better utilise our grid capacity, called 'Dynamic Dimensioning'. This is a model that allows us to flexibly adapt to the required amount of balancing capacity, based on current conditions in the electricity system, such as weather-dependent generation (solar and wind energy) and supply and demand. This prevents unnecessary capacity reservations, resulting in lower system costs and more efficient use of flexibility. By switching from 24-hour 'bidding blocks' to 4-hour bidding blocks, we no longer need to always contract for the maximum balancing capacity we could possibly need, but only for what we actually need at specific moments. The improved efficiency of this model has resulted in cost savings, with a potential of up to EUR 40,000 a day.

To help prevent grid overload and congestion, we developed a smart tool called Monitoring Industry Markets (MIM)-module in 2025, which pulls data directly from the Single Intraday Coupling (SIDC) platform. It provides us with up-to-date information (less than 10 minutes old) on planned electricity exchanges between countries, and enables hourly safety analyses to assess expected electricity flows and identify potential bottlenecks. TenneT Netherlands has become the first grid operator to integrate real-time SIDC market data into our control centres, enhancing our ability to manage cross-border electricity flows.

TenneT partners with many external stakeholders on market design-related projects. Read more about these initiatives in the chapter [Deliver more grid capacity together for our customers to serve society](#).



### What could prevent us from reaching our goals?

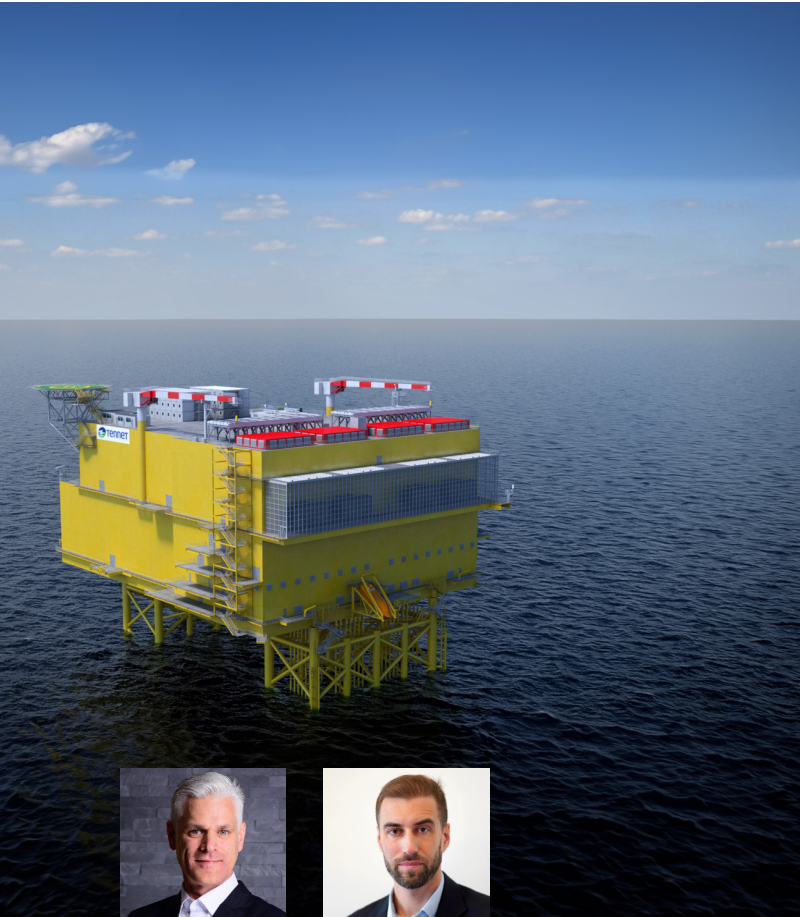
It is a major infrastructural and operation challenge to integrate renewables into the grid and transform our energy system. Not least because these sources of energy are weather-dependent, which means the grid operates closer to the limits of its capacity. To avoid overloading this dynamic system, we must undertake extensive preparation and ensure we have the correct infrastructure and ancillary services to adequately operate and balance the grid.

The most severe risk we face is the complete failure of our assets, software or system, which could result in power losses or interruptions to supply. The possible causes include IT system or control system interruptions, lack of voltage control, manual error or end-of-life applications. Other causes could be delayed or unperformed maintenance of our assets, increase of renewable energy systems or an unbalanced prioritisation between new projects and maintenance.

As we are responsible for infrastructure that is critical for national security and resilience, we are highly alert to the risk of cyber threats. Cyber-attacks can result in the unavailability of critical IT systems, data loss or hardware failure causing power outages. We are also highly alert to the threat of physical attacks on or sabotage of our assets. Additionally, there are multiple new security and Business Continuity Management (BCM) regulations in development and being implemented by the European Commission and national legislators. This also results in compliance risks. We mitigate all these risks through the implementation of our Integrated Security Management System (ISMS) in accordance with international standards.

The developments in the demand for electricity has resulted in a growing number of connection requests to the grid, resulting in a congested queue. Through initiatives like our 'acceleration to realisation' contracts, we can better clear the backlog of requests, especially those that are only speculative. In some cases, the regulatory system and market design makes this difficult. In Germany for example, we see battery storage companies applying for bay connections, despite needing a far lower amount of power than the bay can offer. An ideal solution would be to pool customers, adding three or four to a single bay, but there are restrictions to doing this due to German regulation.





# ‘A common standard helps us stay aligned’

**Within TenneT Germany’s 2GW programme, GE Vernova is working on the delivery of onshore and offshore converter stations and the complete HVDC technology, including advanced control and protection systems.**

‘We are working with TenneT Germany to deliver the converter stations and the full HVDC technology that help maintain stable and secure operation across the transmission network,’ says Stefan Hartge, Global Accounts Leader, Grid Systems Integration at GE Vernova. It’s an important step in strengthening Germany’s electricity infrastructure and supporting the country’s long-term goals for energy security and decarbonization.’

The projects are governed by a broader framework agreement with TenneT Netherlands and Germany, together with consortium partners Seatrium and McDermott, based on a unified 2 GW delivery standard.

## Structured collaboration

According to Hartge, the framework supports the teams in day-to-day work. ‘It spans technical workshops, regular management coordination and structured approaches to managing project changes. Teams are encouraged to develop joint proposals at project level, which enables efficient issue resolution and helps maintain pace and design consistency.’

At project level, the partnership values also guide the way of working, adds Xavier Sarron, HVDC Portfolio Director at GE Vernova.

‘We have embedded fairness, trust, engagement and transparency in our execution strategy and use them to support ‘One Team’ behaviour across all 2 GW project activities.’

Examples include joint safety initiatives, shared assessments, close cooperation on converter valve testing and rehearsals to prepare construction and commissioning.

## Learning and improving

At the same time, both note that the collaboration is still developing. None of the 2GW projects is yet in operation. ‘Our focus is to maintain a consistent design and only introduce changes where they bring clear, repeatable value,’ Hartge says.

Sarron points to the need to balance affordability with the ‘design one, build many’ approach across Germany and the Netherlands. On the BalWin5 project, a maximum power output of 2.2 GW is being introduced. ‘It shows how structured dialogue can deliver improvements while preserving consistency,’ Hartge notes.

Beyond individual projects, this approach demonstrates how structured, enduring collaboration across the value chain can support Europe’s ambitions around energy resilience and security. Sustained collaboration over time also plays an important role in strengthening supply-chain stability and maintaining competitiveness in a global industry.

### Stefan Hartge

Global Accounts Leader, Grid Systems Integration at GE Vernova

### Xavier Sarron

HVDC Portfolio Director at GE Vernova

# Deliver more grid capacity together for our customers and to serve society

Our commitment to drive the energy transition as well as delivering our core tasks as a TSO requires us to work closely with our stakeholders. The task ahead of us is vast and complex, and working together with partners helps us find better solutions to challenges, faster. We forge and maintain strong strategic partnerships with a variety of external stakeholders. Partnerships are not an end goal in themselves: our primary objective is to ensure we deliver sufficient grid capacity to empower society.

**Number of initiatives with other stakeholders that helped build the grid faster or utilised the grid better\***

**25**

NL: 17 | DE: 9

2024: 30

**Corporate reputation score NL\*\***

**7.4**

2022: 7.8

**Corporate reputation score DE\*\***

**8.0**

2022: 7.7



## Introduction

TenneT operates an evolving grid in a rapidly changing environment. In the past, the electricity supply chain was less complex: electricity generation was based on conventional sources that, while readily available, have a bigger impact on the planet. Today, demand has surged and innovations such as solar panels have enabled both end-consumers and industries to become energy producers. The supply chain has transformed from everyone having a clear role, to a more dynamic system where we need to work together with more partners to power society.

Partnership is a cornerstone of our work today. We need to find ways to deliver the energy transition affordably and sustainably with our partners so we can safeguard a reliable supply of electricity. Future-proofing our workforce is essential to this and a key challenge, as is expanding and modernising TenneT's grid infrastructure through digital transformation.

International collaboration remains crucial: the energy system does not stop at the border. We face the challenge of integrating energy systems and markets in a changing energy landscape. Evolving regulations, environmental commitments, and community engagement efforts call for continuous dialogue with a broad range of international stakeholders to accelerate innovation, harmonise practices, and develop solutions that meet the needs of an interconnected European grid.

## How we managed this topic in 2025

This chapter reviews how we worked in 2025 to forge new partnerships and strengthen existing ones. In all our key areas within our strategy, we are partnering up to achieve our strategic goals and steer on our vision of [Target Grid](#). While TenneT shares a common approach to partnerships across both countries, particularly relating to innovation,

\* Both TenneT Germany as well as TenneT Netherlands are participating in the InterOPERA project and thus cannot be counted twice in the group total.

\*\* The corporate reputation score is performed every 2-3 years, most recently in 2022.



projects in Germany and the Netherlands differ. International and cross-border projects are prioritised for large-scale infrastructure implementation and we have included various European projects to illustrate this.

We seek out partners that we can create synergies with and who can help us steer the topics that matter most. This is vital to deliver grid capacity in time for our customers and help safeguard a future European energy landscape that is independent and greener.

### Build the grid faster, with our partners

This strategic area is focused on being able to deliver in time, focusing on building more customer connections and grid capacity, supported by smart maintenance. We aim to do this at acceptable cost — affordability is as crucial as speed. Creating synergies with others can help us to reduce long lead times of complex projects, regulatory processes or securing permits. Sharing the knowledge and experience we have obtained in the past decades and welcoming different perspectives from partners is crucial to this.

We are positioned to lead the way in sector standardisation. By working strategically with qualified partners across our supply chain we aim to reduce delivery time, starting with our agreements. These framework agreements are a cornerstone of our 2GW offshore development programme which is based on the principles of standardisation and modular design, as well as innovative contract models. This is a prime example of how TenneT Germany and TenneT Netherlands bundle procurement efforts, particularly in securing the innovative cables required for this massive offshore development programme. Supply chain readiness is essential to achieving our goals, as we need our partners in place to expand our project execution capacity. Our 2GW Program shows this in action, as the multi-year, large-scale contracts awarded for this work are helping to attract more people into our sector with greater job security. While our 2GW Program is experiencing some delays we did achieve various milestones in 2025 (see the chapter '[Building the electricity grid of tomorrow](#)').

Our Target Grid vision of a connected European electricity network and markets requires international partners to build the future together. Formed in 2022, the Offshore TSO Collaboration (OTC) brings together TSOs active in the North Sea region to jointly accelerate deployment of offshore wind, reinforce European energy independence, and build a unified regulatory and technical framework to support innovation. In 2025, TenneT and OTC partners presented early results of a pilot study aimed at creating a more integrated cross-border offshore grid. The pilot includes mapping promising hybrid and cross-border projects to maximise efficiency, reduce costs, and enhance system reliability.

### Building faster by standardising, interconnecting and innovating

[Target Grid 2045](#) envisions a meshed onshore and offshore DC grid, with high-voltage DC (HVDC) corridors and multi-terminal DC hubs. We need to overcome technological challenges and expand connections internationally, as many of the solutions needed to realise this vision do not exist yet. Developing common standards towards reliable and resilient HVDC technology is therefore of great importance to ensure we are able to build faster.

A key example is InterOPERA, a Horizon Europe-funded consortium of 21 partners developing interoperable HVDC technology for multi-vendor systems. In 2025, the project completed its third year, delivering preliminary functional specifications, initial engineering for control and protection subsystems, and defining test scenarios. TenneT Germany and Netherlands lead hardware testing and system integration – the first of its kind in Europe. Reliability and resilience remain crucial, which is why we also partner in HVDC-WISE. In 2025, the consortium validated developed tools in an industrial setting using three realistic use cases as part of a resilience-oriented planning methodology, and shared results widely to support industry adoption and enable stakeholders to build on these outcomes for strategic and economic benefits.

## An evolving electricity system

The rise of renewables and the integration of new players into the electricity system requires us to work with partners to understand and adapt to the technical features of these assets. In Germany for example, TenneT teams have been analysing how heat pumps and electric vehicles affect the grid, and how they could contribute to freeing up market capacity through demand-side flexibility. A concrete example of this is the Grids & Benefits project, where TenneT Germany is working in close collaboration with the German Federal Ministry for Economic Affairs and Energy, other national grid operators, BMW Group, Octopus Energy and Mobility House, among others. Started in 2025 and led by Munich-based start-up hub UnternehmerTUM, Grids & Benefits aims to forecast grid congestion across different grid levels and steer consumer behaviour by using a traffic light system to indicate the best time to charge electric vehicles. By unlocking charging flexibility together with partners, TenneT aims to help lower costs for both drivers and grid operators through smarter use of low-price periods. While this project is in the early stages, the plan is to eventually roll it out with all TSOs and DSOs in Germany.

In Germany, TenneT also collaborated closely with our TSO peers Amprion and TransnetBW to implement the InnoSys Roadmap. It includes various pilot projects, such as KuPilot (which began in 2025), TNG Gridbooster and TenneT Gridbooster, which are the first projects to test the functionality of TenneT Germany's current curative measures. Rather than enacting measures preventively – that is, before a potential failure causes an overload – a curative approach allows measures to be taken on a case-by-case basis, and only when an overload due to a failure actually occurs. This reduces preventive redispatch while maintaining system security.



### Utilise the grid better, with our partners

To utilise the grid better means making optimal use of our existing and growing grid, with improved insights and grid-enhancing technologies, system operations tools and market design. Improved forecasts and real-time insight into the electricity grid can help. We work closely with our peer TSOs and DSOs in many initiatives to utilise the grid better. Together, we aim to ensure that the available grid infrastructure can be used optimally onshore and offshore, as well as finding opportunities to further improve the integrated European electricity market.

### Stretching available grid capacity

As the demand on the grid intensifies, our customers can contribute to solutions by consuming electricity more efficiently. We encouraged flexible usage wherever possible in 2025, for example through time-bound flexible contracts and mandatory flexibility requirements for large electricity consumers. In March 2025, a time-dependent transmission rights (TDTR) contract with battery operator Lion Storage, in the Netherlands was signed, switching from a contract that gave it 24/7 access to the grid. This approach helps make optimum use of the grid outside peak times, unlocking an additional 350 MW for other users and easing congestion in Zeeland. By the end of 2025, TenneT Netherlands had established 9 TDTR contracts, continuing our efforts to develop flexible solutions together with customers. In Zeeland, we achieved a breakthrough in reducing grid congestion by signing flexible contracts with Air Liquide, a major industrial partner. By converting its 24/7 firm contract into flexible arrangements, Air Liquide helps free up capacity during peak hours, enabling other companies on the waiting list to connect sooner.

In addition, Balancing Service Providers (BSPs) are important partners for TenneT in utilising the grid better. They play a vital role in maintaining the stability of the electricity grid by flexibly responding to fluctuations in supply and demand, a task that has grown more complex with the rise of renewable energy sources and storage systems. To tackle this, TenneT Netherlands introduced ARTeMIS in 2025: a new system that streamlines the prequalification process and management process for BSPs. The new ARTeMIS technology – which stands for Asset Registration TenneT Market party Information System – makes it possible for regional network

operators to participate and provides TenneT with better insights into balancing trends across the country.

The size of Europe's interconnected electricity grid offers opportunities for TenneT to partner with other TSOs. Having a common balancing capacity market strengthens our security of supply in an economically efficient and mutually beneficial way. Building on the PICASSO platform, which facilitates the exchange of automatic frequency restoration reserve (aFRR) balancing energy, TenneT Germany joined the TSOs of Austria and the Czech Republic to launch ALPACA – the Allocation of Cross-zonal Capacity and Procurement of aFRR Cooperation Agreement. This initiative provides all parties with more balancing capacity while also reducing procurement costs.

We also work closely with other European partners in ongoing initiatives to advance crowd balancing. Among these is Equigy, a partnership of 6 European TSOs related to a crowd balancing platform that will enable millions of European consumers to do their part in stretching capacity by balancing the future grid with the help of aggregators. TenneT Germany also works closely with TSO TransnetBW in the joint venture Flexcess GmbH, which is working to scale up crowd balancing services, especially in congestion management with small-scale flexibilities.

### Partners for sustainable energy systems

The Control Room of the Future (CROF) is an overarching programme that aims to make our system operations in Germany and the Netherlands resilient for years to come. It seeks out solutions for a future power grid that is stable, reliable and operated with maximum efficiency (see the chapter 'Utilise the grid to empower society' for an update on CROF developments in 2025, and the section below 'Build and scale digital capabilities' for an overview of CROF projects with our partners).

### Delivering for our customers, with our partners

Making strides in building the grid faster and utilising the grid better will help us drive progress towards delivering the grid capacity needed by our customers and society. Alongside these strategic pillars, we aim to deliver together for customers by pursuing three courses of action:

working together end-to-end for output; building and scaling our digital capabilities; and innovating with partners.

### Working together for end-to-end output

As TenneT works to build a fast, flexible, future-proof decarbonised electricity system, one of our most important sources of collaboration is between our two operating companies: TenneT Germany and TenneT Netherlands. In 2025 we continued to benefit from this strong foundation, where we are focussing on our joint offshore programmes, supplier markets, technology & innovation, insurance, IT, being an employer of choice and shaping market design for the European electricity system.

Achieving the energy transition requires an end-to-end approach where all partners share the same sense of urgency in delivering more grid capacity. TenneT Netherlands participates in energy boards, cooperating with DSOs and regional and local governments throughout the country to accelerate and coordinate the energy transition in the Netherlands at the regional level, and solve grid congestion. Energy boards play a key role in ensuring decision-makers are fully informed about grid expansion and customer connection needs, helping to align regional planning with national and European energy goals. Municipal and provincial decision makers are important partners. As competent authorities, they are often responsible for zoning plans and necessary permits, a development process that includes participation and is a critical link in expanding the grid. This process is also the most vulnerable to delays, hindering progress of expansion projects. Stronger coordination on every government level, from information exchange in energy boards to clear responsibilities, and joint project teams are essential to streamline the entire environmental process of planning and permitting to make land available and accelerate grid development.



Working together end-to-end is also the focus of our internal transformation programme. Our leaders are key drivers of this new way of working, based on end-to-end workstreams to boost efficiency and create value so we can ultimately deliver more grid capacity for our customers. See the chapter '[Create a safe and inspiring workplace](#)' for more information.

Partnerships to secure talent and foster knowledge exchange are part of our end-to-end approach. TenneT Netherlands participates in a sector-wide consortium that matches workers with employers, and TenneT Germany is a founding member of the Network Energy Talents (NET) association which sees universities and energy companies unite to attract skilled professionals. Long-term cooperation with universities in both countries supports research, innovation, and the development of future STEM (Science, Technology, Engineering & Mathematics) professionals. In addition, we are working together as grid operators within Netbeheer Nederland, alongside contractors and the government. Together we launched a plan to accelerate grid expansion by recruiting and training 5,000 additional technicians by 2030. This joint effort, supported by EUR 25 million from the Climate Fund and regional partnerships, aims to tackle one of the biggest bottlenecks in the energy transition: the shortage of skilled workers.

#### Build and scale digital capabilities

As we seek ways to innovate and work more efficiently, we must boost our digital capabilities. Ultimately, flexibility is the key to ensuring we can balance supply and demand of electricity in an ever-changing energy landscape. Data is essential to this, enabling people to make the right choices at the right time to actively participate in the market. That is why we are working in partnerships with other stakeholders, including TSOs and technology companies, to provide these insights and data.

The CROF programme includes a range of data and digitalisation projects where TenneT teams up with external stakeholders. For example, the Digital Twin Programme is a national and European collaboration aimed at developing advanced digital twin technologies to strengthen the reliability, resilience, and adaptability of the electricity grid. Under this

umbrella programme, TenneT Netherlands and the Delft University of Technology established the National Facility Digital Twin of the Electricity System (NFDTES), supported by the Ministry of Climate Policy and Green Growth and the Netherlands Enterprise Agency (RVO), to enable real-time simulation, validation, and applied research on future grid scenarios. In partnership with the Dutch Research Council (NWO) and the Ministry, TenneT also supports the multi-year 'Unlocking Digital Twin Capabilities for Electricity Utilities' initiative, fostering innovation in algorithms, models, and architectures. Complementary projects such as TenneTwin, co-funded with the Netherlands Enterprise Agency and executed by the Delft University of Technology, focus on system operations and adaptive modelling, while TwinEU, an EU-funded collaboration with 75 European partners including Alliander, Stedin, and the Delft University of Technology, explores data federation and cross-border information exchange to improve grid resilience and cybersecurity across Europe. Together, these efforts are building the foundations for a digitally connected, future-proof electricity system.

The GNN4GC (Graph Neural Networks for Grid Control) project, funded by the German Ministry for Economic Affairs and Climate Protection, is developing AI-based models to make power grid operations more efficient and stable. TenneT Germany works together with 50Hertz Transmission GmbH, Kassel University, and Fraunhofer IEE in this project, which runs until end-2026. Early results in 2025 using TenneT data show strong potential of graph neural networks for approximating AC load flows. The team is focusing on improving model performance and developing agents to identify optimal topological actions for stable, efficient grid operation.

TenneT also worked with various sector partners in 2025 in an extensive study of flexibility and data centres. This CERRE Study, published by the Centre on Regulation in Europe, explores how data centres can evolve from being passive energy consumers to active grid assets that enhance digital sovereignty and energy resilience. TenneT contributed to this landmark study by providing insight into its grid planning, flexibility markets, and cross-border coordination, particularly in the Netherlands and Germany.

#### Innovate with partners

Our partners, suppliers and external stakeholders are essential for developing, testing and scaling innovations. We actively promote cross-sectoral and cross-border projects and encourage a spirit of open innovation to deliver more grid capacity together for our customers.

The [TSO Innovation Alliance](#) launched in 2025, uniting eight major European TSOs: TenneT Netherlands, Terna (Italy), RTE (France), Swissgrid (Switzerland), Elia Group (Belgium/Germany), Red Eléctrica (Spain) and Amprion (Germany). Its goal is to pool expertise and investments to accelerate development of new solutions to boost grid resilience, efficiency and integration of renewables across Europe. Focusing on a different theme each year, the first focus area is Weather and Grid Resilience — recognising that climate-driven extreme weather is putting new stresses on transmission networks.

Across Germany and the Netherlands, TenneT is working with partners on pioneering data-driven innovations to strengthen the electricity system and accelerate the energy transition. TenneT Germany launched the energy data-X consortium with 17 partners to enable secure, cross-sector data exchange and support climate goals. In 2025, the data ecosystem became operational with two use cases: imbalance settlement quality and flexibility, helping balancing parties manage grid imbalances. More use cases are planned. As a European Lighthouse Project, it contributes to the Gaia-X initiative for secure European data infrastructure. In addition, DataFleX was launched in Germany with EUR 7 million in federal funding, exploring cross-sector data exchange to unlock decentral flexibility. It aims to support congestion management and test market designs to incentivise participation. Eight partners, including TSOs, DSOs, tech firms and researchers, are involved.



In the Netherlands, Resonate is a strategic innovation project with DSOs and TU Eindhoven, aiming to shift from day-ahead to real-time system operations. A 2025 feasibility study confirmed the need for live coordination to improve grid stability and integrate renewables.

### Working together with others to safeguard important boundary conditions

#### Ensuring a solid financial foundation with other stakeholders

To meet the challenges of affordability in the context of the rising cost of the energy transition, we actively engage with regulators, relationship banks, investors and our Shareholder, the Dutch state, to ensure we can work in a sustainable regulatory framework and access the financing we need. Additional investments in our grid must fit in a cost-effective and affordable total energy system. The major financial milestone for TenneT in 2025 was working together with our Shareholder on a structural financing solution for TenneT Germany. By working in close partnership, we succeeded in securing equity funding with three large institutional investors.

In 2025, we continued to maintain strong relationships with our shareholder, the Dutch State, potential third party investors, and the banks that participate in TenneT's Revolving Credit Facility (RCF); ABN AMRO, BNP Paribas, Commerzbank, Deutsche Bank, HSBC, ING, NatWest, Rabobank, Santander, SMBC and UniCredit. Through these partnerships, together with the shareholder loan facilities we are able to secure our financing (please refer to the '[Safeguard sustainable financial performance](#)' section).

#### Partnerships for sustainable and safe grid development

Sustainability cannot be achieved by a single TSO, it is a collective effort that involves the entirety of society. We work closely with governments, our peer TSOs and DSOs, partners and stakeholders to continue to design and develop the optimum future energy system, taking into account the role of electrification and other decarbonisation options.

In 2025, we continued to work with our partners on a range of sustainability-related projects. For more information, see the chapter '[Transition to a brighter energy future within social and planetary boundaries](#)', where we explain our collaborations with partners such as Alliander, Siemens Energy and ENTSO-E. There are also sustainability collaborations with results in 2025 worth mentioning from a partnership angle, which are highlighted in this chapter.

In the Netherlands, TenneT is sponsoring a long-term condition assessment study for alternative gases with the Delft University of Technology. This research aims to ensure long-term reliability of high-voltage switchgear using C4-FN gas mixtures, an SF<sub>6</sub> alternative, by studying their ageing behaviour, developing on-site monitoring and testing methods, and implementing predictive maintenance strategies.

TenneT is a founding partner of the Renewables Grid Initiative, one of the prime examples of how we collaborate with NGOs and other European TSOs to promote future-proof grid development. Together with this network of some 30 partners we advocate for more renewables across Europe and undertake joint research projects, such as the FlatEMF study to understand the ecological impact of subsea cables. This study concluded in 2025, indicating that electromagnetic fields (EMF) did not cause stress-related behaviours in flatfish, but did alter their circadian activity patterns in laboratory conditions. EMF guidelines were published at the end of 2025 as part of this project, to inform future subsea cable projects.

In the Netherlands, TenneT is part of the Groene Netten initiative (*Green Networks*), a partnership of major Dutch infrastructure companies. Through this network, TenneT shares best practices related to sustainability with organisations like DSOs, ProRail, KPN, and Gasunie. Joint projects focus on carbon emission reduction, biodiversity and circularity.

### Partners in safety: our approach to contractor management

Creating a robust safety culture is a priority at TenneT and a boundary condition that provides a solid foundation for our work. Embedding this diligent safety approach externally, with our contractors and subcontractors, is a priority. Our suppliers are 'partners in safety' and we expect them to share our commitment to high safety standards. Our safety requirements are embedded into our contracts, we publish a quarterly *Contractor Safety Newsletter*, and hold Safety Summits where we exchange experiences and improvement areas with our contractors.

TenneT Germany shares many of its suppliers with industry peers, which can create unsafe working conditions if there are different safety rules on different sites. In April 2025, TenneT Germany and TSO peers 50Hertz, Amprion and TransnetBW jointly signed a Safety Culture Manifest to create a consistent safety culture across the German transmission grid. Spearheaded by TenneT Germany, this is a shared commitment with partners to boost standardisation by establishing clear principles for safe working practices, from risk assessments and protective equipment to the right to stop unsafe work.



### What could prevent us from reaching our goals?

To drive the energy transition, societal acceptance is essential. The development of new assets, as well as their ongoing maintenance, affects the communities living near our infrastructure, and with rising electrification demand, managing grid congestion becomes increasingly challenging and important. Societal acceptance of the energy transition is influenced not only by the political environment, but also by the pace of delivery and the associated financial costs.

Costs of materials and services are rising due to scarcity and limited availability, particularly for highly specialised equipment produced by only a small number of suppliers. Alternative products that support the energy transition face similar constraints, as these components often have few qualified manufacturers and are subject to long lead times. At the same time, global geopolitical tensions reinforce a seller's market, driving up supplier prices and further tightening availability. Affordability is therefore a critical topic and is likely to become even more pressing in the years ahead. The high costs linked to achieving the energy transition ambitions are eventually borne by society and may negatively affect acceptance levels over time, which could affect our reputation.

A changing political environment can create uncertainty and slow progress toward our shared ambitions, as shifts in policy, regulation, or governance can directly affect the pace and direction of development. Yet, political change can also be a powerful catalyst when it brings supportive legislation, innovation incentives, and frameworks for cross-border collaboration. This is why strong partnerships with influential stakeholders, including government decision makers, regulators, and industry leaders, are essential to driving real progress. Political and regulatory misalignment poses a major risk to the energy transition, as delays in permitting and planning can stall critical grid projects. In the Netherlands, action is being taken to overcome these bottlenecks through the Acceleration Package agreed with the Ministry of Climate Policy and Green Growth. Energy boards must work closely with decision makers to align regional, national, and European goals, ensuring clear responsibilities and coordinated action. Without stronger collaboration, the risk of delayed or unrealised projects threatens both energy security

and climate ambitions. Achieving the energy transition requires an end-to-end approach where all partners work with a shared sense of urgency.

As many of our major infrastructure projects are international, for example our offshore development in the North Sea, we rely on cooperation and a shared vision at the European level to ensure we have a favourable climate for accelerating progress. Collaboration between TSOs, Brussels, and national policy makers is crucial to align on cost and revenue sharing, infrastructure planning, and the broader acceleration of renewable projects. Working together with authorities such as the Dutch Authority for Consumers and Markets (ACM), provincial governments, and Ministries of Climate Policy and Green Growth, and Finance, both in the Netherlands and Germany and across Europe, is a must to enable true joint steering on the European energy transition and to create a viable business case for the offshore wind agenda.

From all perspectives we need to focus on unlocking innovation through strong strategic partnerships with our external stakeholders to achieve our goals, aligned with our Target Grid vision. Our success ultimately depends on the strength of our relationships. We aim to ensure we are a partner of choice to help drive progress and solve these important societal challenges together.





**Gijs Custers**  
GDG Asset Manager

# ‘Communication could be better at times’

**Closed Distribution System Groen ('GDG') in Dronten, Flevoland, has a clear objective: to transport renewable energy from connected parties to TenneT's high-voltage grid at market-based tariffs. But for this customer, not everything is always as clear as it should be, particularly when it comes to TenneT's communication about grid congestion measures.**

GDG was created to connect eight wind farms and a solar farm to TenneT's high-voltage grid. A large battery installation has been added, with two more to follow. Today, GDG connects around 370 MW of generation capacity and 100 MW of battery capacity.

## Developing rapidly

‘Our organisation is developing rapidly,’ says GDG Asset Manager Gijs Custers. ‘Even though we’ve only been operational for three years, nine parties have already joined. We’re currently working on three battery projects, and we’re developing an energy management system that will give all customers real-time insight into current consumption and available capacity on our network.’ A closed distribution system enables renewable energy generation, consumption and local sharing, as well as local energy storage.

## Managing grid congestion

Managing grid congestion is part of daily operations, as is introducing time-dependent transport rights ('TDTR') contracts. Custers explains that GDG was created because wind farms couldn't obtain individual grid connections due to congestion. ‘We set up GDG to generate the required energy. With TenneT, we hope to have a stable partner that supports us in a pragmatic and solution-oriented way to achieve our objectives.’

## Relationship and communication

GDG is generally very positive about direct contact with TenneT's technical specialists. ‘Some things could be improved though, such as communication,’ says Custers. ‘If we receive a request on a Friday afternoon to take a congestion measure that same evening, we have to contact our connected parties at the very last minute to see whether they can make it work. We have to arrange a lot in a short period of time. Fortunately, it has always worked out — but it could be smoother.’

Grid access and energy availability are absolutely critical for GDG and the companies connected to the system. ‘As a customer, it is important to me that TenneT understands the impact of a congestion call, or even an outage. If we don't have access to TenneT's grid, nothing operates,’ Custers concludes.

*In 2025, TenneT colleagues once again talked to many customers, stakeholders, suppliers and other societal organisations. This story was originally published on TenneT's internal platform InTenneT and has been adapted for this annual report.*

# Create a safe and inspiring workplace

Our people — and our extended workforce across our supply chain — are at the heart of TenneT and our commitment to deliver grid capacity on time for our customers. We prioritise creating a safe working environment where everyone feels welcomed and sees us as an inspiring employer of choice. A skilled and capable workforce, both within TenneT and across our supply chain, is vital to successfully fulfil our societal responsibilities to deliver the energy transition.

TRIR	Target	Absentee rate NL	Target
<b>4.1</b> NL: 2.2   DE: 5.4 2024: 4.0 2023: 4.5	3.1	<b>4.1</b> 2024: 3.6 2023: 3.9	3.0 <sup>1</sup>
Percentage of female inflow of total inflow	Target	Absentee rate DE	Target
<b>32%</b> NL: 31%   DE: 33% 2024: 32% 2023: 32%	33%	<b>3.0</b> 2024: 3.3 2023: 3.4	3.0 <sup>1</sup>
Percentage of non-Dutch non-German inflow	Target		
<b>11%</b> NL: 13%   DE: 11% 2024: 11% 2023: 11%	11%		

1. No target value for absentee rates, however a maximum value TenneT strives for.



## Introduction

Our organisation has evolved significantly over time, and so too has TenneT's role as an employer. In the past, we operated in a more straightforward and contained environment, with fewer stakeholders and a stable scope of responsibilities. As a national grid operator, our work centred primarily on maintaining and renewing the existing grid, with expansion playing only a modest role.

Fast forward to today: TenneT builds, maintains and operates critical infrastructure that powers society, in both the Netherlands and Germany, not only onshore, but also offshore. Our accelerated growth and broader mandate as a grid developer and key player in the energy transition has brought greater complexity. The need to ensure long-term security of supply, accommodate rapid growth in electricity demand, and operate a more dynamic grid, in the Netherlands and Germany, has increased the volume, pace and complexity of our work. TenneT has grown into a developer, builder and operator of critical infrastructure that underpins society, and our responsibilities now extend far beyond traditional grid maintenance. We have grown immensely in size. Hiring a significant amount of new colleagues year on year – and retaining them – has required focused effort to keep pace. The labour market is challenging for talent in general and especially competitive for technical talent.

To address these challenges and deliver our objectives as the energy transition accelerates, we are determined to be an employer of choice for our people and for our future colleagues. We foster a working environment where our colleagues feel energised, motivated and safe and where our company culture connects with a diverse group of talent.

This chapter outlines how these dynamics shape our current priorities and impact our people, particularly in the areas of health and safety and our aim to be an employer of choice by focussing on talent attraction,



retention and inclusion, diversity and equity (ID&E). Creating a safe and inspiring workplace is essential to delivering grid capacity and creating long-term value for society.

### How we managed this topic in 2025

The year 2025 marked the start of two independently operating companies, TenneT Netherlands and TenneT Germany, under the umbrella of TenneT Holding. This impacted our approach during the year, as we focused on ensuring that both entities were equipped to manage the shift to operating independently while continuing to deliver on our strategic priorities.

Establishing the Executive Board of TenneT Germany was a major milestone during the year. With Tim Meyerjürgens appointed Chief Executive Officer (CEO) 1 January 2025, Markus Binder appointed Chief Financial Officer (CFO) 1 May 2025, Kathrin Günther appointed Chief Transformation Officer (CTO) 1 September 2025, and Ina Kamps appointed Chief Operating Officer (COO) 1 December 2025, the Executive Board of TenneT Germany was formed in 2025.

Much effort during the year was spent on TenneT's organisational transformation and internal change programme, which aims to build two future-proof organisations by making TenneT more flexible, faster and efficient. This change programme will help us achieve our goals more effectively through end-to-end working, cross-departmental cooperation and digitalisation. Detailed design and implementation streams were identified in 2025 to ensure our people are in position to deliver for society. Leaders set the right tone for the culture change that is underway within our organisation, with particular focus on digitalisation and efficient ways of working to make the most of our people's skills. This organisational transformation includes an organisational redesign that goes live in 2026.

As the number of projects across TenneT increase and many move into the execution phase, the need for installation technicians and engineers grows and it becomes increasingly challenging to coordinate multiple projects. In this challenging labour market, it is essential that TenneT has

a competitive position and offers an inspiring place to work, where our people grow professionally and personally, and feel safe and supported to be their authentic selves.

### Recruiting the right people

It is essential that we develop a long-term view to recruitment to achieve our strategic goals. At year-end 2025, TenneT has 9,562 employees: 3,933 based in the Netherlands and 5,629 in Germany. Additionally, 1,274 valued colleagues are externally contracted. To achieve the ambitious targets required to meet Europe's climate goals and our Target Grid vision, 1,735 new employees joined our workforce. With 522 employees leaving TenneT, this resulted in a net increase of 1,213 employees. Despite the complex labour market with many parties competing for the same talents, we were able to attract many new colleagues. In the Netherlands we were able to meet our recruitment target, while in Germany we did not, as we had a hiring freeze related to the organisational redesign project Day365.

One of the major milestones for TenneT Netherlands in 2025 was the launch of a new employer branding campaign, called *Nederland Aan* (Powering the Netherlands). The campaign positions working at TenneT as a social mission, where people can make an impact in a sector that is crucial to the Netherlands. Through this approach, TenneT aims to achieve its recruitment goals by increasing the influx of technicians, engineers, grid experts, and other scarce profiles, while also boosting pride in its existing workforce. In addition, TenneT Netherlands is joining forces with other Dutch grid operators, contractors, regional training institutions (ROCs), and government partners to recruit and train 5,000 additional technicians as part of the national *Opschalingsplan 2030*, strengthening collaborative regional talent programs such as Energy Skills.

We continue to seek ways to use data and technology to work smarter. In 2025 several key AI initiatives were integrated into recruitment to increase efficiency and enhance the candidate experience. By exploring ways to automate administrative tasks, it is expected that HR teams can devote more time to people-development activities.

TenneT takes a competency-based approach to recruitment, which means hiring people for their individual talent, interests and skills rather than mainly focussed on their experience. Our strategy is to work with different target groups proactively before vacancies open. We engage with prospects earlier in their career and strive to remain in contact with them through 'talent pools', which help us to identify future recruits. Partnerships with academic institutions play an important role in our recruitment efforts with students and graduates (more information can be found in the chapter '[Deliver more grid capacity together for our customers to serve society](#)').

### Retaining our valuable people

To meet the challenges ahead and fulfil our strategic objectives, it is essential that everyone at TenneT can grow and develop their skills. This is part of TenneT's approach to being an employer of choice to ensure we not only attract, but develop and retain people who have the skill-sets we need to drive the energy transition. It is especially challenging to retain younger generations: continuous dialogue is required to understand their needs and adjust our recruiting and retention processes in response.

Our aim is to cultivate a diverse and inclusive workplace and to ensure our people are engaged and supported in their career progression. We also need to devote attention to succession planning. We made progress in this area in 2025 by developing engagement and learning programmes and continuing to implement our succession planning framework at all TenneT units, building on the introduction of this system in 2024. Both are key to our long-term horizon: to achieve our growth targets and build the grid faster.

TenneT has a structured job framework that specifies the skills and competencies required for each position. TenneT Germany reassessed its structure and development approach in 2025. This led to an updated job framework and job architecture for all roles at TenneT Germany, providing a strong foundation for future recruitment and retention efforts. In the Netherlands, TenneT focused in 2025 on implementing a new talent review model to identify talents and build career paths, which will help tailor future talent development programmes and strengthen development and



engagement efforts. A new leadership pipeline model was introduced, explaining various leadership profiles within TenneT and focusing on development rather than hierarchy. The Dutch team also created new leadership development programmes, scheduled for implementation by early 2026.

Looking ahead to 2026 and beyond, retention and succession planning will become increasingly important for both TenneT Netherlands and TenneT Germany. Career paths and employee development plans will be prioritised, as they are essential to ensure we keep our valuable people on board.

### Workplace health and wellbeing

For our employees to perform at their best and contribute to the TenneT strategy, they need to feel fit, well-informed and engaged. Our long-standing Always Energy vitality programme focuses on our people's health and wellbeing by offering workshops, trainings and events to ensure they stay energised and engaged. Topics vary from boosting physical energy to safeguarding mental, emotional and social energy, and finding purpose or meaning at work.

In 2025, we further developed the Always Energy programme in Germany and the Netherlands. The Dutch team focused in 2025 on reaching a broader target group, for example by tailoring the offerings to the specific needs of staff in each region and on boosting collaboration between the various domains within TenneT. In Germany, the focus of Always Energy was on mental health. The online platform nilo was rolled out in June as a preventative mental health service, offering employees fast and accessible psychological counselling for early-stage mental health challenges, as well as tips for staying fit physically.

Absentee rates are monitored by country on a regular basis, as an indicator to understand the health of TenneT's workforce. In Germany, an absentee rate of 3.0 was recorded in 2025 (3.3 in 2024) and in the Netherlands a rate of 4.1 (3.6 in 2024). While we see a decreasing trend in short-term absenteeism with our employees, long-term absenteeism is increasing. This trend, particularly in the Netherlands as it is trackable

there, is partly explained by a rise in mental health issues among employees during 2025. Dedicated case managers are focused on this developing trend. This is a key indicator that is continuously monitored.

The TenneT work culture and practices form the core of employee wellbeing in the workplace. We are pleased that the illness rate at TenneT is below the benchmark in both countries for 2025. Despite this, we strive to support our employees in the best possible way to prevent absenteeism and illness. TenneT Netherlands offers a Preventive Medical Assessment as part of its ongoing programmes and initiatives to boost employee wellbeing. In both countries, quarterly Pulse Checks help us to better understand how we are performing in terms of energising, engaging and informing our people.

### Creating a strong safety culture so our people can thrive

We want all people working for TenneT to come home safely every day and aim for zero harm in the workplace. At TenneT a strong safety culture is an enabler of operational success: as the scale and speed of our work increases, our safety culture and standardised protocols provide a solid foundation of clarity, quality and efficiency upon which we can pursue our goals.

As our workforce grows and becomes more diverse, securing the safety of our workers and contractors becomes more complex. Cultural differences, language barriers and workplace related pressure are factors that we are adapting to as our operations accelerate and our mandate as a grid developer expands.

TenneT's Safety strategy aims to lay a solid foundation for achieving the company's long-term Target Grid vision. As we ramp up our investments we must ensure we are ready to work at full capacity and handle peak workloads in the years ahead. Our strategy is centred on reducing occupational health risks to a level that is reasonably practicable. Culture plays a major role in safety at work, whether in the office or on a construction site. The principles of ownership, courage, and connection underpin our efforts. We are creating a proactive safety culture where

Life-Saving Rules (LSRs) acknowledge that a safety incident is often not an independent occurrence, but in most cases an accumulation of small decisions. LSRs are designed to stop those wrong decisions from being taken.

TenneT's Executive Boards discuss safety weekly and report on LSR violations monthly: the ultimate goal is to reduce them. Speaking up about safety is crucial – in the process of creating a healthy safety culture, incident reporting may increase. This is a sign of openness and transparency as issues increasingly come to light. Every incident is investigated to understand its cause, so the root issue can be addressed in a structural way with all parties involved. TenneT aims to continuously improve, integrating learnings back into our processes and procedures across both countries.

We are proud that we have reached our goal at TenneT to have at least 70 percent of all incidents reported within the first 24 hours. Our incident closing rate – which refers to how we review and reflect on safety violations – is at 100% in 2025, which we too are proud of.

we learn from incidents and foster an environment that is safe physically and psychosocially.



### Physical safety

The nature of our work carries risks, often involving working at height with high-voltage assets and with heavy lifting equipment and materials, onshore and offshore. TenneT's Health, Safety and Environment measures are uniform and systematically applied across all sites and locations where TenneT's colleagues and (sub)contractors work – whether it is offshore in Germany or on a construction site in the Netherlands. We are serious about continuous improvement, analysing and learning from any safety incident, and identifying and implementing suitable system improvements. Across TenneT there is a strong focus on incident prevention, including safety walks and embedding safety into all roles, including office positions.

Although our organisation continues to grow in size and complexity, our incident rates in 2025 remained stable. The Total Recordable Incident Rate (TRIR) increased in 2025 to 4.1, compared to a rate of 4.0 in 2024. While this indicates that our ongoing safety efforts are having an effect, it is clear that stability alone is not enough: every incident is one too many. While there have been no fatal incidents at TenneT for several years now, we still have work to do to achieve our vision as accidents unfortunately still occur. This is partially underpinned by results in other areas such as our severity rate (27% in the Netherlands and 13% in Germany with a target of 10%) as well as our Life Saving Rules violations (31% in the Netherlands and 24% in Germany with a target of 12%) did not meet our targets. We do notice that there is an increased willingness to report, as our safety culture is improving in this area. We will continue working diligently, both within TenneT and in close collaboration with our (sub)contractors, to reduce these rates.

In addition, safety performance at TenneT Germany has shown a marked improvement in the AC build area. Through sustained efforts and daily engagement between managers, teams, and contractors, the number of incidents steadily decreased in 2025. TenneT Germany uses innovative training methods, such as creating scenarios with actors based on real safety incidents. HSE business partner translators are deployed at TenneT building sites in Germany to overcome potential cultural and language barriers and ensure clarity in safety communication and procedures.

TenneT Netherlands achieved ISO 45001 certification for its Health and Safety Management System in 2025, an internationally recognised standard for workplace safety. This milestone demonstrates our commitment to safeguarding the health and safety of everyone working at and with TenneT, while continuously improving our practices. By embedding safety into every aspect of our operations, we strengthen trust and reliability for our partners and society.

In situations where discrepancies and non-compliances are identified, we act decisively and our policy is to immediately stop working and take corrective measures – at TenneT we must set the example for our people and for the wider industry. Read more about our partnership approach to contractor safety in the chapter [‘Deliver more grid capacity together for our customers to serve society’](#).

### Psychosocial safety

At TenneT we acknowledge that safety also includes safeguarding the psychological and social safety of our employees. Psychological safety is the degree to which employees feel free to be themselves, share ideas, speak up, and make mistakes without fear of negative consequences. Social safety on the other hand is the extent to which employees feel protected from discrimination, exclusion, or intimidation in their interactions with others.

Psychosocial safety at work is therefore an explicit aspect of our internal safety programmes and trainings, including the Safety Leadership Programme 'Safety needs our energy'. We want to normalise safety in the workplace, from the basics of 'how do I exit this room in an emergency' to 'how do I speak up for myself in a team?'. In 2025 we achieved high completion rates for our 'Safety needs our energy' programme, with 93% of our managers now trained. In both countries we continuously adapt this programme to keep safety culture top of mind.

To foster a healthy and safe working environment, open dialogue is encouraged. In situations requiring privacy, we employ confidants to ensure that our people have trusted counsellors to turn to. In 2025 TenneT Germany trained more than 100 colleagues to serve as mental health

first-aiders. These colleagues know how to identify when their co-workers are struggling and are equipped with tools to support them effectively. Psychology impact workshops were offered for all employees at TenneT Germany, to boost understanding of psychological safety by discussing real-life scenarios. This includes providing aftercare to colleagues who witness traumatic events, such as accidents on building sites.

Similar guardrails are in place in the Netherlands. In 2025, teams started experimenting with virtual reality (VR) learning tools to understand how to create more awareness and impact regarding psychosocial safety. TenneT Netherlands also introduced the BASTA stakeholder aggression protocol in 2025 to protect employees and ensure open communication when dealing with high-stakes situations that may escalate when interacting with communities or individuals at project sites.



### Diversity at TenneT

#### Non-Dutch/non-German employees newly hired

**11%**

NL: 13% | DE: 11%

#### Number of nationalities

**92**

NL: 57 | DE: 77

#### Female/male/other %

**28/72/~0**

NL: 27/73/~0 | DE: 29/71/~0

#### External employees

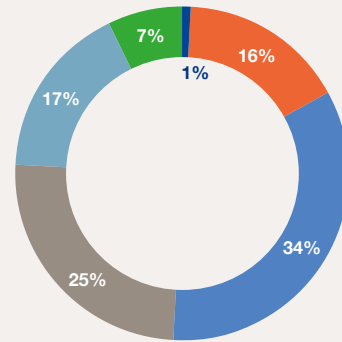
**1,274**

NL: 70% | DE: 30%

#### Internal employees

**9,562**

NL: 3,933 | DE: 5,629



#### Age distribution

Internal employees in %	NL	DE	Total
Under 20 years	0	1	1
20-30 years	10	21	16
30-40 years	26	40	34
40-50 years	29	23	25
50-60 years	25	11	17
Over 60 years	10	4	7

*In 2025 the non-regulated activities employed 94 internal employees and 53 external employees.*

### Building an inclusive, diverse and equitable workplace

To ensure that we are able to deliver more grid capacity for our customers, we must look beyond our own geographical borders, to be able to attract the required talent. We want to be an inclusive, diverse and equitable place to work that welcomes talent from across the globe to join our teams in the Netherlands and Germany.

We focus on enhancing and embedding Inclusion, Diversity and Equity (ID&E) across TenneT so we continue to build a diverse workplace where every individual feels seen, safe and included. This is crucial to achieving our growth ambitions as we know that only through a diverse workforce do we have the capacity and different points of view to foster innovation and safeguard our future performance.

Different backgrounds and perspectives result in better problem-solving and ensure our workforce reflects the diversity in society.

We remain committed to this important topic, as we believe it is of strategic importance to us to deliver the energy transition. We are proud to have 92 different nationalities represented in our workforce at 31 December 2025. Diversity is visible in TenneT from entry level to the most senior members of our team.

In 2025, our female inflow at TenneT Germany accounted for 33% of new employees, meeting our target of 33%. The new Executive Board appointments at TenneT Germany set the right example for diversity in leadership with the appointment of two new female executives:

Chief Transformation Officer, Kathrin Gunther and Chief Operating Officer, Ina Kamps. In Germany, we recorded 11% new international hires (non-German), therefore meeting our target (11%).

In the Netherlands, we just fell short of meeting our target of 33% on gender diversity, as we recorded 31% female hires. Regarding international hires (non-Dutch), we were able to meet our target as 13% of new employees in the Netherlands were international, meeting our aim of 11%.

### Investing in ID&E

To not only be able to attract, but also retain talent with diverse backgrounds, we consciously invest in making our workforce and our business ID&E-friendly. This is a constant learning process, where our employees are the most important input contributors in our ID&E journey and cycle of continuous learning. Dedicated ID&E officers in both countries ensure this topic is prioritised and dedicate resources to initiatives and networks that bring people together to create safe spaces for sharing and dialogue, strengthening our corporate culture in the process. An example of this is our female mentoring programme, to foster mutual learning between people of different ages, genders and positions. TenneT supports internal LGBTQIA+ networks and participates in sector events and conferences dedicated to boosting gender diversity in the energy sector.

TenneT Netherlands launched two new affinity groups in 2025: TenneT Together, which focuses on cultural diversity and international colleagues; and Neurodiversity@TenneT, aimed at inclusion across the full spectrum of neurodivergence. TenneT Netherlands now has five affinity groups, alongside the longstanding Women@TenneT, Pink Circuit (LGBTQIA+) and Young TenneT networks. These groups are employee-driven and funded by TenneT.



TenneT Netherlands once again organised the LGBTQIA+ Allyship Award 2025 event at its Arnhem headquarters, together with sector partners Stedin, Alliander, Enexis and Gasunie. This Pride network event was attended by some 200 colleagues and external guests, and was well received.

**What could prevent us from reaching our goals?**

To realise our growing investment portfolio and to achieve the goals of the energy transition, we have historically needed a significant number of new colleagues every year, especially people with technical and IT skills. The companies we partner with and rely on to realise our growing number of projects – such as international engineering and energy contractors – are also competing for the same highly skilled talent. We need to ensure that TenneT is always visible in the market and will continuously develop our employer brand to attract, and keep, the right people with the right skills and competencies at our organisation.

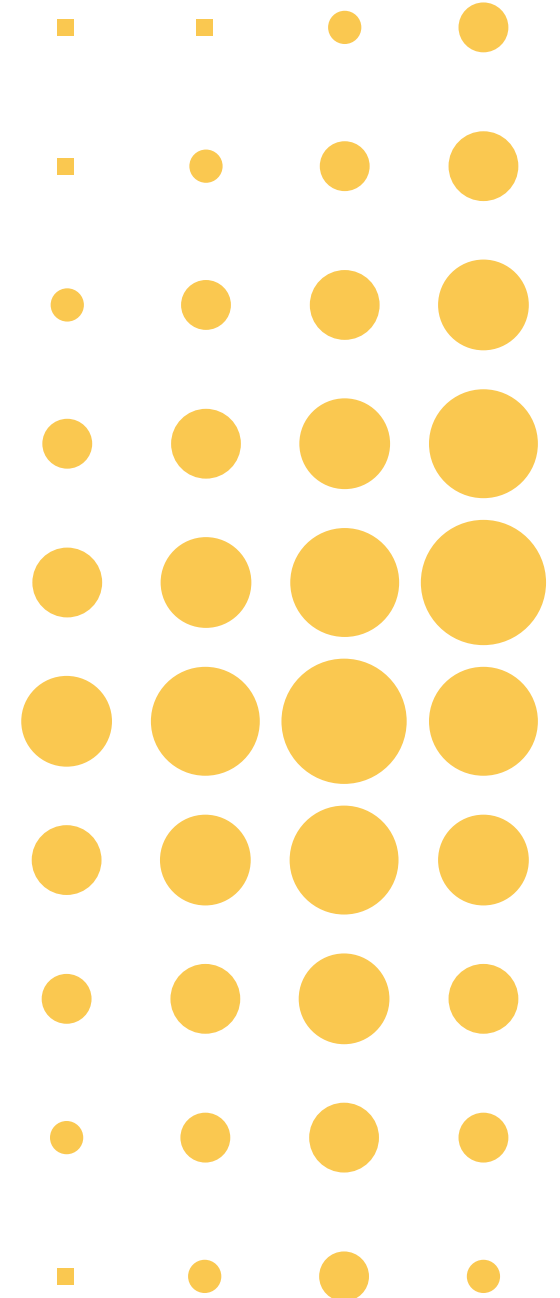
However, looking ahead, growth is expected to stabilise and the focus will increasingly shift toward retention through people development and skills management. We must ensure that our employees have clear and attractive career development opportunities. Our internal transformation programme will support this by driving more efficient ways of working and promoting the cultural change needed to accelerate decision-making and reduce siloed working.

TenneT’s challenges related to Target Grid 2045 are substantial, putting pressure on our organisation. Long-term absenteeism due to mental health difficulties has been showing an upward trend over the past few years. To address this, TenneT will continue to offer health-related programmes, such as OpenUp in the Netherlands, and increased involvement of company doctors, dedicated TenneT case managers, training and coaching to maintain employee wellbeing. We also offer an average number of paid leave days that is higher than legally required, along with other benefits to ensure a good work-life balance for our employees.

Inclusion, Diversity and Equity is deeply embedded across various People processes and projects. Concerning the ID&E topic, cross-functional cooperation is put in place as much as possible to mitigate the risk of fragmentation or duplication of efforts. Interdependencies with other strategic initiatives is also essential to ensure the effective monitoring and assessing of key ID&E metrics (such as pay equity), which rely on accurate and complete data. Where data is missing it may hinder TenneT’s ability to take targeted action. Privacy and compliance constraints also add another challenge, as some data required for in-depth ID&E analysis may be sensitive and limited due to privacy and compliance policies (GDPR).

As TenneT works in an intrinsically high-risk sector – with many of our people working at height or on busy construction sites, with heavy and high-voltage equipment offshore and onshore – safety is of primary importance in everything we do. We are acutely aware that safety incidents and individual occupational accidents could result in fatalities, severely impact the environment, damage our critical infrastructure and harm our reputation. This in turn can have a negative impact on our ability to recruit and retain effectively.

During 2025, TenneT continued to focus on creating a safe and inspiring workplace for our people, in an increasingly complex working environment. We will continue to step up safety measures and efforts to boost the diversity, health and wellbeing of our workforce.



**Torsten Nordmann**

Managing director of Landvolk Hannover e.V.

## ‘Early involvement makes a real difference for the people affected’

**Large grid expansion projects such as SuedLink have a direct impact on landowners and farmers along the route. For Torsten Nordmann, managing director of Landvolk Hannover e.V., and part of the German Farmers’ Association, supporting those affected is a central part of his work.**

‘I worked on the SuedLink project for our farmers affected by the project,’ Nordmann explains. ‘Almost ten percent of the total route length runs through our association’s area. Together, we worked hard on this issue in a constructive and solution-oriented manner to achieve fair compensation for disadvantages in the project framework agreement negotiations.’

He often acts as a first point of contact for problems or questions related to grid construction, mediating between members and TenneT and helping to establish the right contacts. Nordmann also participated in the Commission on the Future of Grid Expansion and contributed to the collective agreement for TenneT projects in Lower Saxony.

### **Direct lines of communication**

Day-to-day cooperation is described as practical and accessible. ‘The contact persons who are important to me at TenneT are reliable, quick and easy to reach,’ he says. This can help to resolve issues at an early stage. In one case, a member perceived the route planning as unfair. After discussions between all parties, a solution was found. ‘It was ultimately resolved to everyone’s satisfaction, and our member then abandoned his obstructionist stance.’

### **Involving local networks earlier**

At the same time, Nordmann sees room for improvement. Farmers’ associations, he notes, have close contact with landowners and understand local concerns. ‘We associations are important stakeholders because we have the best network of those most affected by grid construction: landowners and farmers,’ he says. ‘When project developers approach those affected without consulting us first, this usually causes uncertainty and rejection.’ During the early stages of SuedLink, initial discussions took place without the association’s involvement, which led to opposition among some landowners.

### **Looking ahead**

For Nordmann, the long-term objective is clear: ‘We want to avoid long-term yield depressions caused by grid construction projects as far as possible. TenneT’s role is to ensure the best possible soil protection, to settle claims in a fair manner, and to be as transparent as possible.’

# Transition to a brighter energy future within social and planetary boundaries

By connecting more renewable energy sources to the grid and supporting the electrification of society, TenneT can contribute to Europe’s goal of becoming the first climate-neutral continent by 2050. To further our positive impact, we strive to deliver the energy transition within boundary conditions, respecting the planet and people we work with.

Reduction of scope 1 and 2 GHG emissions compared to base year 2019	Target	Percentage of non-virgin materials procured	Target
<b>92%</b> <small>2024: 92%</small>	95%	<b>1.2%</b> <small>NL: 0.5%   DE: 2.3%</small> <small>2024: 2.4%</small>	N/A
Share of significant suppliers with an Ecovadis scorecard	Target	Percentage of recoverable waste	Target
<b>4.2%</b> <small>NL: 3.6%   DE: 4.5%</small> <small>2024: N/A</small>	N/A	<b>97%</b> <small>NL: 100%   DE: 96%</small> <small>2024: 98%</small>	N/A



## Introduction

TenneT’s environmental and social responsibilities have evolved in response to the changing world around us. For a long time, we operated in a predictable landscape: the electricity system mostly required maintenance rather than expansion, the materials we needed were less scarce, and the biggest demand placed on us was to make electricity reliable and affordable. What is more, this all occurred in a very different geopolitical context. Concerns around sustainability were on the fringes of our work.

Those concerns have now moved closer to the centre of society. The effects of climate change, including extreme weather events and a loss of biodiversity, have become starkly apparent, as public awareness has grown and the supporting science has achieved broad consensus. The finite nature of certain resources is an unavoidable reality, as geopolitical crises around the world have thrown into sharp relief the risks of over dependence on single countries and the fragility of global supply chains.

Within this context, TenneT fulfils its societal task to supply electricity to consumers, relying on an electricity grid that is becoming ever more complex with the increase in renewable energy. Supporting the energy transition remains the most significant positive impact we have in mitigating climate change and is the foundation of our [Target Grid](#) vision. We should be mindful, however, when building this future-proof grid that we operate within social and planetary boundaries.

We need to procure the materials for our onshore and offshore assets, operate these assets to ensure a reliable energy system, construct new assets where required, and effectively manage the emissions resulting from our own operations. Through these activities, we can have either a positive or negative impact on the four topics of our Sustainability Framework: climate, circularity, nature and human rights. While enabling



the energy transition and delivering for our customers, we strive to manage these topics responsibly. In many cases, the four overlap, and we are constantly looking for opportunities to harness these points of intersection to have a more meaningful impact.

### How we performed in 2025

This chapter explores how TenneT pursued progress in each of the four topics of the Sustainability Framework to ensure we expand and operate the grid within boundary conditions. For our climate mitigation efforts, we took action to reduce the GHG emissions across all three scopes, which includes tackling SF<sub>6</sub> leakages, minimising grid losses, and decarbonising our supply chain. For circularity, we looked at the three pillars of our Circular Economy Strategy: circular design, circular inflow, and circular outflow. For nature, a large part of our work consists of supporting the biodiversity around our onshore and offshore assets. And finally, for human rights, we concentrated our efforts on protecting the rights of our value chain workers, as well as those closer to home.

### Climate

The switch to a climate-neutral energy system is a large part of how TenneT, alongside others in the electricity supply chain, can drive positive climate action. To that end, our impact indicator shows that we theoretically enable 15.8 million households to receive 100% renewable electricity, an achievement that avoids 18.4 million tCO<sub>2</sub>eq to be emitted through fossil-based generation. Upgrading our transmission infrastructure is, however, not the only way we can take action on climate. We also recognise the need to mitigate our own negative impact across all three scopes (explained below) as far as possible. This is a topic that has matured within TenneT over the years, to the point where it is now a vital part of our strategy and key to our ability to deliver on the energy transition.

The majority of our direct (scope 1) and indirect (scope 2) GHG emissions results from our use of the insulating gas SF<sub>6</sub> and from our grid losses, which is the electricity lost during transmission across our grid. For our indirect scope 3 GHG emissions, the largest impact comes from our purchased goods and services and capital goods.

The biggest lever at our disposal to manage our climate impact is to reduce our direct and indirect GHG emissions. We do this by enhancing energy efficiency across our operations and by ensuring that the electricity we procure is sourced from renewable energy, supported through the acquisition of Guarantees of Origin (GoOs). As we move away from our previous 2025 climate-neutrality target and towards more robust, science-based target-setting, our efforts this year have focused mainly on decarbonisation instead of relying on market-based instruments. Our [Climate Transition Plan](#) reflects this shift in priorities, and it is still our predominant climate mitigation policy.

In line with the Science Based Targets initiative (SBTi), which we committed to in 2021, we are determined to contribute to the goals of the Paris Agreement. We have set 1.5°C-degree-aligned targets for our scope 1 and scope 2 market-based GHG emissions, with an aim to reduce them by 95% by 2030 (measured against a 2019 baseline). Our target for our scope 3 GHG emissions from purchased good and services and capital goods in our value chain is in line with the Paris 'well below 2°C' scenario, as we aim for a reduction of 30% by 2030 (with the same baseline).

In the five years since we set these targets, climate science has progressed, and we are aware of the expectation from our stakeholders to develop a longer-term strategy on climate action. This is also particularly important if TenneT is to keep up with more ambitious climate legislation, such as the [F-gas regulation](#) which affects our use of SF<sub>6</sub> as an insulating gas. To that end, in 2025 we began the process of revalidating our science-based targets and having more concrete decarbonisation pathways in accordance with sector guidance. This process is ongoing.

TenneT's portfolio of projects is growing as the energy transition accelerates. This means we are procuring more goods to construct more assets. As a result, we are investigating whether it would be more appropriate to adopt relative targets instead of absolute targets, and we aim to make a decision on this in 2026.

**‘Climate extremes now shape grid reliability, demanding unified, long-term investments to build a resilient, weather-proof electricity network.’**

It is also important that the infrastructure in our portfolio is resilient to climate risks, such as extreme weather events that are expected to become more severe in the future. These risks are currently embedded into the design of our assets and we are working to make our policies and practices on this topic more robust. More information on this topic can be found in our [Climate Change](#) chapter in the sustainability statements. We are also collaborating with other TSOs to accelerate development of new solutions in this area, as described in our [Deliver more grid capacity together for our customers and to serve society](#) chapter.

### Scope 1 (direct own emissions)

#### SF<sub>6</sub>

Like other TSOs, TenneT relies on the highly effective insulating gas sulphur hexafluoride (SF<sub>6</sub>) to protect the switching installations at our high-voltage stations and distribution stations. SF<sub>6</sub> is particularly important for guaranteeing the safety and reliability of the grid, and subsequently the security of supply. However, SF<sub>6</sub> is also a greenhouse gas, with one unit equivalent to over 24,300 units of CO<sub>2</sub>.

We have a clear decision-making process around our use of SF<sub>6</sub> in both the Netherlands and Germany, with criteria that balances sustainability, the cost to society, and our ambition to phase out SF<sub>6</sub>. We introduced a legal governance process in 2025 that provides further steering.

SF<sub>6</sub> leakages currently account for 51% of our scope 1 footprint, which is why we aim to mitigate their impact as much as possible. That ambition is also spurred by legislation, such as the [F-gas regulation](#), which has deadlines for phasing out SF<sub>6</sub> for new electrical switchgear installations. As such, we are working to find sustainable alternatives to SF<sub>6</sub> that provide similar safety properties with less harmful emissions. At TenneT, our long-term strategy is to use gases for installations which have insulating properties with a Global Warming Potential (GWP) of  $\leq 1$ , when at least two market parties are able to offer this.

The challenge of reducing SF<sub>6</sub> leakages and finding SF<sub>6</sub> alternatives is one we have a greater chance of solving together with industry partners. Read more about how we're collaborating with others in this space in '[Deliver more grid capacity together for our customers and to serve society](#)'.

#### [Reserved power plant capacity to address grid congestion](#)

To meet our short-term societal demands in both the Netherlands and Germany, TenneT must prioritise grid capacity over long-term sustainability ambitions. This is especially true when relieving grid congestion, which sometimes requires urgent solutions, such as contracting gas or coal-fired power plants that would otherwise be decommissioned, for sudden spikes in electricity demand. For example, in early 2025 TenneT Netherlands worked with Dutch partners Eneco and regional grid operator Stedin in a joint operation to keep two gas-fired combined heat and power plants near Utrecht running longer than planned. This was necessary to alleviate pressure on the overstressed electricity grid, while work to develop longer-term renewable solutions to grid expansion continues. We are committed to expanding our electricity infrastructure, so that we can reduce our reliance on gas and coal in overcoming grid congestion. More information on the related emissions and accounting treatment in scope 1 and 3 emissions is disclosed in the [Climate change](#) section of the sustainability statements.

#### [Other](#)

It is within TenneT's responsibilities to address the emissions resulting from our employees' travel to and from work and out in the field. In 2025, TenneT Netherlands moved to a fully electric fleet of owned vehicles, with

the exception of on-call maintenance vehicles, which remain permitted as plug-in hybrids. We also revised the Dutch lease policy to require that, from February 2025 onwards, employees select only fully electric vehicles. We are also finding ways to lower the gas usage at our offices, substations and other locations to tackle our scope 1 GHG emissions. As such, in 2025 we have identified where we could install more energy efficient infrastructure, which is also in line with the EU Energy Efficiency Directive. We have also replaced more gas units with electricity, having conducted a review on how our sites are heated

#### [Scope 2 \(indirect emissions from generation of purchased energy\)](#)

##### [Grid losses](#)

As we transport electricity across our network, it is unavoidable that some electricity will be lost. Known as grid losses, these are measured as the difference between the electricity fed into the grid and the electricity delivered. Each MWh lost can no longer be used to power an electric vehicle or to keep the lights on. The emissions related to those grid losses fall within TenneT's scope of responsibility.

Grid losses depend, among other things, on the current, the voltage and the distance that electricity is transmitted. We cannot prevent grid losses: these are an inevitable part of electricity transmission over high distances. We can, however, take mitigating actions to lower our carbon footprint from grid losses. Grid congestion can significantly increase these losses in two ways: higher currents amplify losses, and re-routing power through longer paths adds resistance. Addressing congestion therefore directly contributes to reducing grid losses. When cables operate near their thermal capacity, grid losses rise even further due to increased current and higher conductor resistance from elevated temperatures. By actively reducing congestion and optimising load distribution, we aim to minimise these effects. We can also incentivise suppliers, through our tenders, to help increase the efficiency of our assets. For the grid losses that do occur, we procure [guarantees of origin](#), and in 2025 we began to request locally produced renewable energy. This is a positive step in matching our grid losses with renewable energy certifications that are more specific and provide stronger accountability.



Some actions aimed at reducing grid congestion can also help to reduce grid losses. By optimising the efficiency of our cables and overhead lines, we can ensure they do not run constantly at or near full capacity, which subsequently reduces the amount of grid losses. We are also including the impact on grid losses in studies on reducing grid congestion, and the topic will form part of our partnerships with research institutes for the electricity transmission sector in developing grid-enhancing technologies.

##### [Electricity use in substations and offices](#)

We strive to manage the carbon footprint of our substations and offices, which includes electricity use at these sites. As a mitigating measure, TenneT Netherlands purchases green electricity, and it has a general policy to install solar panels wherever possible to generate electricity for its own consumption. It also has a general rule of conduct to attach energy labels to small appliances at our sites.



### Scope 3 (indirect emissions in TenneT's value chain)

#### *Purchased goods and capital goods*

Our scope 3 GHG emissions are spread across our procurement categories, but the majority of emissions come from a limited number of categories. Based on our latest analysis we estimate that more than 74% of our total scope 3 GHG emissions are caused by the production, transport and installation of our biggest assets, such as cables, overhead lines, pylons, offshore platforms, transformers and substations.

We have made further progress in our 'Decarbonising the supply chain' programme in 2025. This is a project designed to develop and implement sustainable sourcing strategies that promote the reduction of emissions along our supply chains while ensuring that the availability, affordability and quality of our procured products and services remain unaffected. We have launched more pilot projects this year, which have included using low-carbon steel for steel construction, low-carbon concrete for overhead line construction, hydro-treated vegetable oil as an alternative fuel, and low-carbon aluminium for conductors.

In 2025, we strengthened our strategic partnership with Siemens Energy by agreeing that onshore power transformers and shunt reactor units supplied to TenneT in Germany and the Netherlands will incorporate 100% recycled low-carbon copper. The first five transformers have been ordered by TenneT Netherlands this year and are expected to be delivered in 2026. The first shunt reactors have been received by TenneT Germany this year. This commitment marks an important step toward reducing the environmental impact of our grid infrastructure.

#### *Mobility as a result of our own activities*

With respect to the smaller sources of scope 3 GHG emissions, we continue to improve our policies on mobility, motivating employees to make more environmentally friendly choices in the way they travel for work. We integrate our Mobility Vision with our hybrid and flexible working, so that employees can choose the means to do their job in the best way possible. We incentivise employees to cycle to

work by awarding the same compensation for kilometres cycled as kilometres driven.

#### **Circularity**

TenneT is focused on securing the supply of electricity across the grid, but doing so means constructing more offshore and onshore assets to support the transition to renewable energy sources. As a result, our demand for materials is going up at a time when competition for them is increasing and geopolitical tensions expose us to supply chain disruptions, price volatility and longer lead times. We are also aware that, although our actions today are in service of a more sustainable grid, our increasing resource use can have a negative environmental and social impact. For example, 74% of our emissions come from the materials produced upstream in our supply chain, and these materials will inevitably reach the end of their useful life, at which point they risk going to waste.

One of the most effective ways we can address these issues is by taking a circular approach to our use of resources. To that end, we have a Circular Economy Strategy, with a mission to optimise the use of materials and reduce dependency on virgin materials. Though insufficient on its own to supply us with all the materials we need, closing the loop can help us lessen our impact on the planet and strengthen our supply chain resilience by reusing end-of-life materials and components. And as a public procurement actor, our purchasing of green materials, like green steel or aluminium, can help to stimulate the European market and contribute to broader industry efforts to decarbonise.

#### **Circular design**

Having developed a set of circular design principles in 2024, we revisited these in 2025 and subjected them to closer scrutiny. The process of redefining the principles is ongoing, and we aim to publish them in 2026. We will then begin to dive deeper into our focus asset categories to see where we can improve the circular design of each. Although not finalised, the circular design principles already influence our expectations around circularity. For example, in 2025 we partnered with our engineering contractors in the Netherlands to translate the principles into their contracts.

#### **Circular inflow**

For our circular inflow, the more data we have at our disposal, the more we can achieve. In 2025 we requested more data from our suppliers using the environmental cost indicator, life cycle assessments, and raw material passports. We also know that our work is more effective when it aligns with other TSOs. In the ENTSO-E, TenneT participates in a working group that has been developing a shared raw material passport template so that there is uniformity between TSOs in our requests for data. TenneT has also contributed to the Joint Industry Project on Transformers, which is another industry-alignment initiative aimed at sustainable transformer design, operation, and decision-making.

We took numerous steps in 2025 to improve our circular inflow. TenneT Germany is now using a higher share of recycled copper in its offshore converter stations, having reached an agreement with one of its suppliers. In the BalWin4 and LanWin1 offshore projects, TenneT Germany has a target level of using 68% recycled copper for its sea cables instead of the previous 25%. These achievements all contributed to us going beyond our 2025 copper inflow target. TenneT Germany also finalised pilot projects for using green steel in lattice steel towers and in substations for three bays. TenneT Netherlands has a tender for driving steel plates where it uses the sustainability awarding criterion, so that a portion of the volume of steel being purchased will be low carbon.

#### **Circular outflow**

The focus of our efforts on circular outflow is similar to circular inflow, in that we are striving to improve the completeness and quality of data available, and investigating ways to collaborate with contractors to achieve this.

**‘Circular design guides us to use fewer resources, create less waste, and build assets fit for a sustainable future.’**



When our assets come to the end of their life, their value as a complete asset is higher than the sum of their parts, so we are exploring opportunities to avoid stripping them of their materials as a first step. For example, we are looking into ‘close-the-loop’ schemes for the aluminium in our overhead line conductors, and identifying suppliers who can dismantle the conductors into their parts, take back the aluminium, melt it down and put it into new materials used for the grid. The materials in our assets require a high level of purity, and we’re able to keep the quality high by reusing it ourselves and not down-cycling it.

### Nature

TenneT aims to act with care towards the natural environment and the biodiversity around our assets. We are one of the largest investors in infrastructure in the Netherlands and Germany, which means we have a responsibility to mind our impact on the natural ecosystems near our operations. As we construct more of the assets needed for the energy transition – including the offshore infrastructure that in years past wasn’t required – we have to double down on these efforts to protect the natural environment. That is an expectation we carry too from the public as we become a more visible presence in the landscapes where our assets are located.

To guide our actions, we launched a new nature strategy at the end of 2025, called Nature Ambition 2030. Taking inspiration from the Kunming-Montreal Global Biodiversity Framework, the strategy lays out how we want to contribute to a nature-positive society. It contains two main aims: to have no net loss in all our operations, and to use opportunities

---

‘Expanding the grid means protecting nature – aiming for no net loss today and a nature-positive future tomorrow.’

to aim for net gain when it comes to our onshore substations and offshore projects. We use a mitigation hierarchy to aid our decision-making, structuring our measures in order of avoidance, minimisation, rehabilitation, and restoration and compensation.

Complying with national legislation and conservation laws drives a large part of TenneT’s work around the topic, especially in Germany, but in cases where our compliance does not achieve a ‘no net loss’ outcome, we use the mitigation hierarchy to help us get there. To accurately quantify the impact of our measures is a challenge: around biodiversity, for example, it is not solely a question of improving data collection but rather looking at the type of data that can provide us with the relevant input on our progress. There is not yet an industry standard to follow, so our aim is to align with our industry partners by using shared methodologies.

### Biodiversity measures around our onshore assets

TenneT Netherlands, having identified the ten high voltage lines in TenneT’s portfolio that pose the greatest risk of bird collisions, has started to take mitigating measures. Research suggests wire marking can reduce the risk of bird collisions significantly. In 2025 TenneT Netherlands installed protective wire markers on the overhead line between Oterleek and Westwoud by using drones to place the individual markers. It also has plans to add markers to the remaining eight lines in the coming years.

Construction also started in 2025 on the Simonshaven 380 kV substation, with biodiversity measures including greenery and shrubbery replacing gravel, and green facades covering the buildings at the station. TenneT Germany has continued to build on its biotope conservation project that compensates for the adverse impact of its assets on the environment. Though the project is part of TenneT Germany’s actions around compliance, it is trying to take a more holistic and efficient approach by combining different compensation needs into one larger green area. That way it can better increase the value of that particular ecosystem, rather than having many independent projects.

### Biodiversity measures around our offshore assets

As an example of some of the nature-inclusive design and net-gain projects running at TenneT, in 2025 TenneT Netherlands participated in a pilot in Rotterdam that will release at least half a million flat oysters into the North Sea. Through a concept known as ‘remote setting’, oysters are cultivated at land before moving to sea, where they can grow as a reef and support other natural ecosystems.

TenneT Netherlands has also continued to work this year with a marine biologist to investigate the impact of electromagnetic fields on marine surroundings, to understand whether its cables have an unknown effect on the environment. The preliminary findings suggest this impact was not as great as expected. This action falls under one of the lower rungs of the mitigation hierarchy, as we seek to better understand our impact here.

### Human Rights

TenneT aims to act as a responsible grid operator, as we try to respect the human rights of employees and others either in our offices or on our sites. A changing legal landscape and the demands of the energy transition, for which we have had to expand our supply chain to regions where worker welfare is at greater risk, have pushed human rights higher up our agenda. Today, it is a much bigger priority when engaging with our suppliers.

The increasing complexity of our supply chain can be seen in our procurement of DC cables: we are limited to sourcing these assets from countries with a high human rights risk. Moreover, our offshore yards are found predominantly in these areas, and our contractors routinely rely on subcontractors to support their work, which can restrict TenneT’s oversight of their working conditions.

We are first guided by our human rights policy, which includes a prioritised list of ‘salient rights’ that are most relevant for our value chain workers. On top of this policy, we have a supplier code of conduct that formalises our expectations for suppliers to protect their workers’ rights, something we also do in our contracts with them. On certain occasions we also sign additional contracts that require suppliers to take specific action.



As the German Supply Chain Act (Lieferkettengesetz, or LkSG) and EU regulation have made clear, compliance today requires more than handing over responsibility to contractors; we need to take proactive, follow-up action as well. To that end, in 2025 TenneT designed a social impact assessment to get a better picture of working conditions at high-risk sites, like our yards. This will help us understand the status quo in terms of processes, policies, salient rights assessments and vulnerable rights-holder perspectives at yards where a high risk for human rights has been identified. It involves a third-party specialising in human rights assessments and with prior knowledge of the high-risk geographies carrying out the assessment, using a worker-centric approach that includes engaging with vulnerable stakeholders directly and in their native languages. The data we collect can become the basis for more targeted measures that respond to a specific issue. The assessment and its associated KPI fit into our 2030 ambition to have more mature and robust human rights policies and processes.

Our approach is based not only on where we see risks in our value chain – and addressing them – but also where we can make the greatest impact. We know that by partnering with other industry players we can effect greater change. For example, we are an active participant in the Worker Welfare Group, a multi-stakeholder initiative focused on labour rights and worker welfare requirements within the marine construction sector, and in Singapore in particular. Another multi-stakeholder initiative that we are part of is the International Responsible Business Covenant for the renewable energy sector. Our maturity assessment in this participation indicated our level was ‘intermediate’ among the wind and solar companies.

In 2025 TenneT Germany also joined other German energy companies in pooling its know-how to tackle human rights issues, looking specifically at upstream value chain activities. TenneT Germany is also part of working groups investigating the human rights impact in aluminium and bauxite mining, the labour conditions of migrant workers in Germany, and how it can develop common procurement strategies, among other topics.

Where incidents do occur, we develop corrective actions plans to try to remedy the situation at hand. This applies to an incident that began in late 2024, in which TenneT was associated with a Chinese organisation linked to forced labour practices through the mother company of its major shareholder. In response, we organised an independent assessment and, based on the results of this assessment, chose to responsibly exit our relationship with the supplier.

We are also careful not to focus exclusively on areas of higher risk outside of Europe. For example, we use subcontractors on our construction sites closer to home, and we want to make as much effort to protect their human rights. We have not recorded any human rights violations on our sites in 2025, but we have received complaints concerning issues such as working hours and late payments, for which we have taken appropriate action.

### What could prevent us from reaching our goals?

If TenneT does not meet its publicly disclosed sustainability ambitions, we may become the subject of negative public perception or adverse publicity, including accusations of alleged greenwashing, lose credibility, or be unable to meet expectations from investors, employees, business partners, and other stakeholders relating to our sustainability strategy and/or performance. Environmental incidents may also lead to costs, liabilities and fines, negatively affecting TenneT’s results of operations and business, and reputation. Additionally, we must contend with potential physical climate risks, such as extreme weather, natural disasters and rising sea levels.

Furthermore, for many of our sustainability topics, TenneT operates within a changing legislative landscape, and this could potentially weaken the reporting requirements of companies in our supply chain, especially in light of the EU’s recent Omnibus package. The German Supply Chain Act (LkSG) is also currently in doubt. In addition, industry standards are critical for maturing topics, like nature, where there is not yet an aligned stance on how to report on biodiversity. However, whether regulatory frameworks shift or develop further, our commitment to sustainability remains firm as it drives long-term value and is central to our strategic ambitions.

Moreover, to address our scope 3 emissions and circularity ambitions, we depend on the cooperation of many partners upstream and downstream our value chain to provide us with data, and the more we have the stronger our impact. Trust between partners is also vital to making this cooperation work. Third parties might be hesitant, for example, to conduct extra due diligence on their sites if it ends up casting them in a bad light. Ultimately, the ambitions of our Sustainability Framework are only achievable because of the collaboration we have with our partners. They are essential to our efforts in driving positive change.



**Toine Poppelaars**  
Chair of the Veerse Meer Users' Council

In 2025, TenneT colleagues once again talked to many customers, stakeholders, suppliers and other societal organisations. Their stories appeared in TenneT's Contact Magazine, a regional publication informing stakeholders about our projects. This story has been adapted from one of those articles.

## Veerse Meer: 'We feel heard'

**Installing cables for offshore grid connection projects in the Veerse Meer, a lake in the Dutch province of Zeeland, will inevitably cause some disruption. However, according to councillor Toine Poppelaars, chair of the Veerse Meer Users' Council, TenneT did everything it could to minimise the disruption. 'It's also important to acknowledge when things go well.'**

The Users' Council and TenneT already met during the preparations for the offshore grid connection projects in Zeeland. The council represents all users of the lake, including water sports associations, marina owners and entrepreneurs, as well as national forestry commission Staatsbosbeheer, national infrastructure agency Rijkswaterstaat, the regional water authority and public authorities such as the Province of Zeeland and local municipalities.

### People shared their concerns

'When our members heard about the plans to install offshore wind cables across the Veerse Meer, they had a lot of questions,' says Toine. 'That's why we asked TenneT to meet with us. Three representatives came over to give detailed information and they returned several times.'

These meetings were not one-sided. There was ample opportunity for people to express their wishes and concerns. Key topics included the accessibility of marinas, continuity of the recreational season and impact on water quality. 'We hoped that TenneT would take these points into account.'

### A realistic approach

Toine says TenneT 'largely succeeded' in doing so. Preparations started in the autumn of 2025, while cable installation is scheduled to begin in September 2026. 'TenneT's doing as much of the work as possible during periods when there's little to no boating activity. That means access to marinas will be limited for a maximum of two days. That's much better than expected.'

Toine describes the collaboration as constructive. 'TenneT's environmental managers were very open and painted a realistic picture: some disruption is unavoidable. But they did everything they could to minimise it.'

### More energy is essential

It also helps that people understand the need for the project. 'There's an electricity shortage, and this project helps solve this issue. Zeeland itself is a major energy consumer, with industrial areas in Terneuzen and Vlissingen. Wind energy has to come onshore somewhere, and the route across the Veerse Meer would be the least disruptive. So, everyone understands that these cables are necessary,' Toine concludes.

# Safeguard sustainable financial performance

The fast acceleration of TenneT's grid expansion, onshore and offshore, requires unprecedented grid investments in the Netherlands and Germany. As we build long-term value for society, it is essential that TenneT safeguards its financial health and delivers adequate returns for capital providers, as well as raising the necessary funding.

<u>Underlying EBIT</u> (EUR million)	<u>Target</u>	<u>Adjusted FFO/Net debt</u>	<u>Target</u>
<b>2,746</b> NL: 992   DE: 1,588   NR: 166 2024: 1,745 2023: 1,817	<b>2,455</b>	<b>6.6%</b> NL: 9.4%   DE: 7.0% 2024: 8.2% 2023: 11.6%	<b>Well above 5.0%</b>
<u>ROIC</u>	<u>Target</u>		
<b>6.5%</b> NL: 6.7%   DE: 5.4% 2024: 5.5% 2023: 5.8%	<b>4.3%</b>		



## Introduction

As one of Europe's largest investors in national and cross-border onshore and offshore electricity grids, we have been at the forefront of driving the European energy transition for many years. We are investing more and more every year to deliver the infrastructure needed for a sustainable electricity system that supports Europe's 2050 climate goals, with a strong focus on energy independence and European competitiveness.

Improving electricity infrastructure, utilising the grid better and strengthening cross-border connections can help drive progress and boost prosperity and competitiveness across Europe. Safeguarding our financial health is essential to sustain our investments, which are needed to decarbonise the electricity grid and enable the energy transition.

We are making necessary strides towards this energy transition, with our investments in Germany and the Netherlands reaching a new peak in 2025, totalling EUR 14.8 billion, compared to EUR 10.6 billion in 2024. The rising costs of our investments have an impact on society and that consumers and businesses in our markets are navigating higher costs and energy bills. This is fuelling a growing debate, and political attention, on the affordability of the energy transition.

In this context, with a view to safeguarding our financial health and sustaining our investments, it is important that TenneT made substantial progress in securing both equity and debt solutions for its operations in Germany and the Netherlands in 2025.



### How we managed this topic in 2025

TenneT discloses its financial performance according to both underlying financial information and International Financial Reporting Standards as adopted by the European Union (IFRS Accounting Standards).

Underlying financial information is based on IFRS plus the principle of recognising regulatory assets and liabilities for all our regulated activities. This implies that amounts resulting from past events, and which are entitled to be received, or are required to be returned through future tariffs, are recorded as an asset or liability, respectively. TenneT's Executive Board holds the view that the presentation of underlying financial information provides additional relevant insight into TenneT's actual business, financial performance and, as such, prevailing economic reality. By comparison, the consolidated financial statements are prepared based on IFRS Accounting Standards. On this basis, it is not allowed to recognise amounts to be received or required to be returned through future tariffs.

A significant part of the amounts to be settled through future tariffs is related to the costs TenneT must incur for ancillary services. These measures are essential to compensate for grid losses, ensure grid energy balance and effectively manage congestion when portions of the grid experience overload or become unavailable due to expansion activities (redispatch).

As ancillary services are acquired through markets that are closely linked with broader electricity markets, fluctuations in wholesale power prices have a direct and significant impact on the cost of these services. For the impact in 2025, reference is made to the IFRS EBIT section.

See below an overview of TenneT Holding's key financial metrics disclosed for the twelve-month period ending 31 December:

(EUR million)	2025		2024	
	Underlying	IFRS	Underlying	IFRS
Revenue	9,101	11,402	8,430	9,999
EBIT	2,746	4,900	1,745	3,204
Investments	14,819	14,819	10,637	10,637
Adj. FFO to net debt	6.6%	N/A	8.2%	N/A
Adj. ROIC	6.5%	N/A	5.5%	N/A



### Underlying EBIT group

Amounts in EUR million

	2024	1 Asset base	2 Regulatory rates	3 Non-regulated operation	2025
	1,745	745	102	154	2,746
<b>Underlying EBIT group to IFRS EBIT group</b>					
A To be settled in tariffs – Ancillary services					1,815
B To be settled in tariffs – Volume differences					-50
C Auction receipts					317
D Maintenance of the energy balance					-36
E Other					108
<b>IFRS EBIT group</b>					<b>4,900</b>

- 1 As a result of the larger asset base, resulting from TenneT's growing investments, EBIT increased compared to 2024.
- 2 Primarily driven by higher regulatory rates for return on equity in the Netherlands in combination with a higher CPI applied to the reference year, which raises the 2025 revenue baseline above 2024.
- 3 Increased non-regulated EBIT is mainly driven by the sale of the activities of NOVEC in combination with higher auction results of a non-regulated joint venture.

- A The difference is mainly coming from Germany where the actual cost for ancillary services, relating to redispatch, were significantly lower than planned, resulting in higher reimbursement while the actual cost for ancillary services remained stable, in combination with the regulatory periods 2021 and 2022 being settled resulting in an IFRS result.
- B The volume difference largely reflects the gap between the reimbursement for the actual regulatory rates for return on equity and investments versus the amounts included in the regulatory budget.
- C Auction receipts lead to revenues under IFRS and will be returned via tariffs in later years. Auction receipts are not recognised as revenues in underlying.
- D Cost of maintaining the energy balance are passed through in underlying as reimbursement in later years, while immediately recognised in IFRS.
- E Other is mostly related to the fact that according to IFRS depreciation commences when the asset is ready for its intended use, while in Germany with underlying the depreciation is recognised for the full year.

### Underlying revenue and EBIT

#### Underlying revenue

Underlying revenue in the year 2025 increased by EUR 671 million to EUR 9,101 million (2024: EUR 8,430 million). Revenue mainly increased because of TenneT's growing investments, resulting in a growing regulatory asset base and higher revenue. The higher WACC also increased regulatory rate adjustments, resulting in higher revenues. Furthermore, conditional approval by the Dutch regulator, Authority Consumer & Market ('ACM'), for post settlements of specific expenses has a (incidental) positive impact on this year's revenue. The increased revenue is partly offset by the decreased ancillary services costs. Since the lower costs of the ancillary services costs will be settled through future tariffs, underlying revenues decreased accordingly.

#### Underlying EBIT

In 2025, underlying EBIT increased by EUR 1,001 million to EUR 2,746 million (2024: EUR 1,745 million). The increase of EBIT is mainly caused by an increase in revenue, in combination with gains from the sale of the activities of NOVEC B.V., including one of its subsidiaries, for an amount of EUR 133 million, partly offset by increased depreciation and amortisation.

The EBIT for the TSO Netherlands segment and the TSO Germany segment amounted to respectively EUR 992 million (2024: EUR 625 million) and EUR 1,588 million (2024: EUR 1,087 million) during this period. For our non-regulated businesses, EBIT amounted to EUR 166 million (2024: EUR 33 million) during 2025.



## IFRS revenue and EBIT

### IFRS revenue

During 2025, TenneT's IFRS revenue increased by EUR 1,437 million to EUR 11,436 million (2024: EUR 9,999 million). IFRS revenue mainly increased because of higher reimbursement of expected costs for ancillary services in Germany, combined with a higher regulatory asset base following our growing investments, resulting in higher revenue in Germany and the Netherlands. In addition, the comparative figures contain a one-off as the grid-related accruals were reassessed in 2024 resulting in a change of estimate for an amount of EUR 426 million in Germany, leading to decreased revenue in 2024.

### IFRS EBIT

Our IFRS EBIT increased by EUR 1,696 million to EUR 4,900 million (2024: EUR 3,204 million). This was mainly due to higher revenues, and relatively stable ancillary service costs compared to the same period last year. Contrary to underlying accounting, the IFRS result in the current year reflects the reimbursement of costs which will be settled in future periods, mainly related to TenneT Germany. Furthermore, underlying EBIT reflects the sale of the activities in NOVEC B.V., including one of its subsidiaries. This had a positive impact on IFRS EBIT, which is partly offset by increased depreciation and amortisation.

### ROIC and Adjusted FFO to net debt

In 2025, TenneT invested EUR 14.8 billion in the grid (2024: EUR 10.6 billion), onshore and offshore, in the Netherlands and Germany. As a result of these higher investment levels, additional debt financing was required, which negatively impacted ROIC and FFO to net debt, as these investments do not immediately contribute to earnings. For the calculation of the adjusted FFO to net debt ratio and the ROIC, which resulted respectively in 6.6% in 2025 (2024: 8.2%) and 6.5% in 2025 (2024: 5.5%), reference is made to note 3 'Segment information' of the consolidated financial statements.

## Investment and raising the necessary funding

### Investments

The total investment in 2025 amounted to EUR 14.8 billion, which was below the target of EUR 18.0 billion. This shortfall was driven by several factors, most notably delays within specific parts of our investment portfolio. The most significant delay occurred in the offshore portfolio, following TenneT's termination in October of a long-term framework cooperation agreement with the engineering and construction contractor Petrofac, which resulted in postponed call-offs. Petrofac in partnership with Hitachi, was responsible for six offshore grid connection systems (five for TenneT Netherlands and one for TenneT Germany) under the 2GW Program. In addition, DC onshore investments in Germany were delayed due to extensive archaeological findings and the underperformance of a contractor, ultimately leading to contract termination by TenneT. These adverse effects were partially offset by progress exceeding expectations on several onshore projects. Further details are provided in the section '[Building the electricity grid of tomorrow](#)'.

In October, TenneT Netherlands published its Onshore and Offshore Grid [Investment Plans 2026](#), which outline the expansion and replacement projects required for the high-voltage grid over the next 15 years. The plans show TenneT has more grid expansion projects than ever to meet rising electricity demand, with 300 projects added to the Dutch portfolio, bringing the total to around 1,000. However, the plans also showed that it is taking longer to realise new high-voltage substations and connections in many areas, thanks to increasingly lengthy permit processes, long-term procedures for integration and land acquisition and strain on our organisation and contractors. On average, we now expect 60% of our expansion projects in the Netherlands to be completed 2.5 years later than planned.

### Raising necessary funding

To maintain the pace and scale of our investments and safeguard our financial health, TenneT must continue raising external financing. The latter is supported by our capital management objective to maintain an issuer credit rating for TenneT Holding of at least BBB+ (2024: A-) as

formulated by Standard & Poor's ('S&P'). To realise this objective, TenneT Holding maintains long-term average adjusted funds from operations (FFO) to net debt, based on underlying financial information, of well above 5.0% (2024: 8%). These changes compared to 2024 are both related to TenneT's new funding structure to facilitate the financing separation of its Dutch and German operations, enabling both segments to independently raise debt through separate entities in the future. As a result of this structure, TenneT Netherlands B.V. was founded in April 2025 and all of TenneT Holding B.V.'s senior debt financing was transferred to TenneT Netherlands B.V. in September 2025.

While per 1 January 2025 TenneT Netherlands and TenneT Germany are organised as two independent companies, they are under the ownership and strategic direction of TenneT Holding. This structure enables each company to focus on its national responsibilities while continuing to collaborate and benefit from synergies across the Group. For details about the partial sale of TenneT Germany, reference is made to the next page.

TenneT maintains broad and sustainable access to readily available and appropriately priced financing. TenneT Netherlands B.V. has received an irrevocable and unconditional institutional guarantee from the Dutch state.

The state guarantee elevates the credit rating of existing and future debt instruments of TenneT Netherlands B.V. in scope of the state guarantee to match the Dutch state's triple-A status, resulting in solid access to the debt capital markets. Financing expenses continue to be determined by the previous credit rating of A3/A-, because any reduction in interest expenses resulting from an improved credit rating is paid as a guarantee premium to the Dutch state.



Furthermore, in September 2025, TenneT Holding announced an equity funding agreement regarding TenneT Germany with three institutional investors: APG (investing on behalf of Dutch pension fund ABP), Singapore sovereign wealth fund GIC and Norges Bank Investment Management ('NBIM'). All three are large, stable investors with long-term horizons and an international perspective on the energy transition. The contemplated transaction will result in a primary equity commitment by the incoming investors of up to EUR 9.5 billion in aggregate, to be contributed partly at completion and partly in the years until 2029, for an equity stake of up to 46.0%.

In addition, Kreditanstalt für Wiederaufbau ('KfW'), acting on behalf of the German state, and TenneT Holding, reached an agreement on 3 February 2026 for KfW to acquire an equity stake of 25.1% in TenneT Germany for approximately EUR 3.3 billion. The terms of valuation and governance are the same as those agreed with the institutional investors. KfW will participate in subsequent equity contributions made by the three institutional investors to fulfill TenneT Germany's equity need over time and maintain its equity stake of 25.1%. The aforementioned results in a primary equity commitment of up to EUR 2.3 billion.

Completion of both transactions is subject to customary conditions including regulatory clearances and is expected to take place by the end of the first half-year of 2026, refer to section [Organisational and funding developments](#) and note 1 of the consolidation financial statements for more information.

Another significant step in TenneT Germany's stand-alone financing was the signing of a EUR 12 billion Revolving Credit Facility ('RCF') with BNP Paribas, Deutsche Bank, ING and UniCredit as underwriters. The RCF has a tenor of five years with two extension options of one year each and is one of the largest corporate RCFs in Europe. The RCF is subject to closing conditions of the partial sale of TenneT Germany, including a contribution of at least EUR 1.5 billion of equity.

The combination of the committed equity investments and EUR 12 billion RCF puts TenneT Germany in a strong position to raise additional external

financing on the debt markets. TenneT Germany announced in December 2025 the launch of its inaugural EUR 35 billion Debt Issuance Programme ('DIP'). The programme provides the framework for future debt issuances in the international capital markets. The DIP enables TenneT Germany to issue senior and hybrid bonds in various currencies and maturities, broadening the company's financing options and strengthening its access to international investor groups. TenneT Germany aims to fund its investments through a combination of equity, debt financing and hybrid financing. TenneT Germany is not planning to issue bonds until the transaction with the institutional investors is closed.

With the steps mentioned above, TenneT Germany has a stable funding plan for the coming years. By 2029, TenneT Germany expects to be equity self-funding on the back of the increased yearly revenues from its growing asset base.

#### Regulatory framework

The majority of activities of TenneT Netherlands and TenneT Germany are governed by the relevant regulatory authorities, Authority for Consumers & Markets ('ACM') in the Netherlands and Bundesnetzagentur ('BNetzA') in Germany. These regulatory bodies set the revenue cap TenneT is allowed to earn from the fees it charges customers to use the grid (grid tariffs) over a set regulatory period. These fees are used to finance the cost of maintaining, operating and expanding the grid and to realise a reasonable return.

As such, regulation determines the majority of our revenues, while also incentivising us on efficiency, innovation and progress. Regulation also provides the framework we need to attract equity and debt capital for future investments in grid expansion, replacement and maintenance. Furthermore, by incentivising TSOs to invest and operate efficiently and cost-effectively, regulation also serves to maintain affordability of grid fees and energy prices towards industrial customers and end consumers.

Consequently, TenneT Germany's and TenneT Netherlands' overall business, financial condition and net income are sensitive to regulatory changes and decisions of the regulator in each country. As a result,

#### Affordability: 2 GW Construction All Risk ('CAR') insurance framework

TenneT successfully negotiated the costs of insuring our assets in the 2GW Program, with a new tender agreed by TenneT's insurance teams in the Netherlands and Germany and partly executed via TenneT Reinsurance N.V.

The cost of the CAR insurance we pay to protect assets in the 2GW Program has been reduced by approximately 45% compared to the target, resulting in a saving of approximately EUR 700 million, resulting in fewer capital expenditures.

One framework is now in place for the insurance of the full 2GW Program until 1 January 2028 with the potential to extend until 2032. This means all conditions and prices are fixed and agreed and no further tendering or call-off is required.

stable, reliable, transparent and predictable regulation plays a critical role in our activities as a TSO and our ability to invest in the grid, with a long-term horizon.

In each country, the regulatory framework sets the methodology based on which the transmission system operators' tariffs are determined. While regulatory periods are established for relatively short time frames of typically five years or less, the underlying methodologies provide a stable long-term framework. Grid operators need this solid regulatory foundation to enable access to capital markets.

In Germany, the current (fourth) regulatory period began on 1 January 2024 and will last until 31 December 2028. In this regulatory period, TenneT Germany sees a reduced weighted average regulatory rate of return on equity on its regulated asset base. Due to this, TenneT,



together with other TSOs and DSOs, appealed against the BNetzA determination, but the Federal Court of Justice rejected this in 2024.

During 2024 TenneT also launched two further appeals against BNetzA regarding the rate of return on equity. TenneT argued that the new regulatory approach is discriminatory in the way it treats different areas of investments. BNetzA is considering the case put forward by TenneT. These appeals are still pending. An oral hearing in July 2025 took place at the higher regional court in Düsseldorf, but the court has not yet reached a decision. A further written submission by TenneT was provided in August 2025. Both cases were decided against TenneT TSO GmbH by the Higher Regional Court of Düsseldorf (OLG Düsseldorf) on 29 October 2025. In the court's view, both determinations are lawful in all respects. TenneT has filed an appeal against the rulings of the OLG Düsseldorf with the Federal Court of Justice (BGH).

---

## Grid costs

[Target Grid](#) and its back-casting model help us forecast grid costs and thus manage affordability in the longer term. According to our forecast, annual grid costs will grow substantially from 2025 to 2045 in both Germany and the Netherlands.

Having assessed our impact on the electricity invoice (retail of electricity, taxes, charges and levies, grid fees) of an average household in the Netherlands and in Germany, our share in Germany was around EUR 135 in 2025 (2024: EUR 150). The impact of the electricity bill on households in the Netherlands is estimated to be approximately EUR 130 in 2025 (2024: EUR 126).

---

The regulatory framework for the period from 2029 onwards is currently being redefined by the BNetzA. A first draft was published by the BNetzA in December 2025. The core element is expected to be the switch from a budget principle to a system of annual adjustment to take account of growth-related operating costs, as well as the introduction of a weighted average cost of capital (WACC) model for capital cost reimbursement. Incentive instruments to reward accelerated grid expansion and the associated redispatch savings, as well as other efficiency instruments, the design of which is currently still under consultation, have also been announced.

Furthermore, in the Netherlands, the current regulatory period is coming to an end in 2026. As such, the ACM has in February 2026 published the regulatory method decisions for the new regulatory period 2027-2031. The ACM decided an overhaul of the regulatory method from price-cap regulation towards cost-based regulation. From a net present value perspective, the decisions of ACM are an improvement for TenneT, as all costs will in principle be reimbursed, provided they are well substantiated. However, ACM has also indicated that the direct reimbursement of construction interest for large investments, known as 't-0 remuneration', will be phased out gradually. While this change is financially neutral over the useful life of an asset, the phased reduction leads to a temporary decrease in Adjusted FFO, increase of debt and as such in the early years a drop in the adjusted FFO to net debt ratio.

## What could prevent us from reaching our goals?

As TenneT continues to invest to operate, maintain and build the grid needed to enable the energy transition, our funding needs will remain high.

Although the financial restructuring for TenneT Germany and TenneT Netherlands achieved in 2025 has delivered a solid financial platform to move ahead confidently with investments in both countries, we must also look to the longer term. The financial health of TenneT and the continued progress of the energy transition relies on a stable regulatory framework.

Uncertainties in the political landscape in the Netherlands and Germany carry further potential risks for TenneT. Fortunately, stability has been provided by the Dutch state guarantee and the structural funding solution agreed for TenneT Germany.

However, due to our growing asset base, our EBIT and overall financial performance is becoming increasingly correlated with market interest change (affecting our regulatory returns) and progress on our major projects.

The risk of supplier instability is another factor that can have financial consequence. If large contractors that we depend upon experience business difficulties, projects could be delayed or even require re-tendering, causing disruption to our investment delivery.



# Risk management

Corporate risk management and internal control	77
Risk universe	79
Risk appetite	80
Key risks and opportunities	83
Statements of the Executive Board	93



# Corporate risk management and internal control

TenneT has implemented a holistic and integrated risk management and internal control system designed to support the achievement of its strategic, operational and sustainability objectives through the early identification, assessment and management of risks and opportunities.

Since 1 January 2025, TenneT has transitioned to two national TSOs in the Netherlands and Germany within the TenneT Group. As part of the Audit, Risk & Internal Control and Compliance & Integrity Holding Services ('ARC Holding Services'), the Dutch Risk Management and Internal Control functions define the overarching frameworks, policies and methodologies that ensure consistency, transparency and comparability across both subsidiaries. Each subsidiary applies these principles within its own governance framework and reports regularly to its respective Executive Board, Supervisory Body and Senior Leadership Team.

At TenneT Holding level, consolidated risk and control reporting provides a comprehensive overview of exposures, trends and assurance results, enabling the TenneT Holding Executive Board and the Audit, Risk & Compliance Committee (ARCC) to oversee key risks and the effectiveness of mitigating actions. Risks are identified, assessed and prioritised on an ongoing basis, with corresponding responses implemented and monitored to maintain a consolidated portfolio view for both TenneT Holding and its subsidiaries. Identified uncertainties, opportunities and control issues are reported quarterly to the TenneT Holding Executive Board and the ARCC.

Risk management principles and internal control standards are embedded in all activities performed at and for TenneT, supporting informed decision-making and ensuring compliance with legal, regulatory and ethical requirements.

## Risk management and internal control framework

The framework is built on recognised international standards, including COSO ERM (2017) and complies with applicable laws and codes such as the Dutch Corporate Governance Code, the German Control and Transparency in Business Act and the German Accounting Law Reform Act. These foundations ensure that TenneT's risk management and internal control framework meets the expectations of both shareholders and regulators in the Netherlands and Germany.

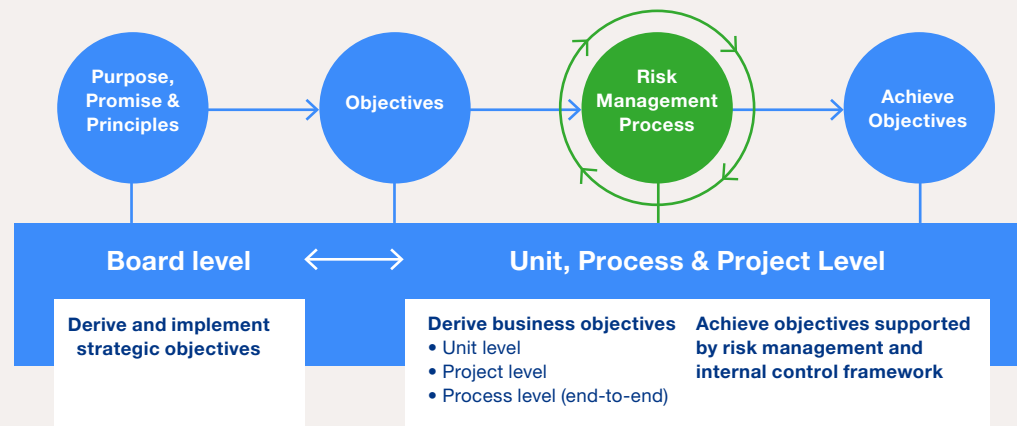
The Executive Board, supervised by the ARCC, oversees the effectiveness of this framework. It ensures that risk considerations are systematically integrated into strategic planning and embedded within the broader management control cycle that drives performance and accountability across the organisation.

In alignment with the Corporate Sustainability Reporting Directive (CSRD) and its double materiality approach, TenneT's risk processes also capture sustainability-related Impacts, Risks and Opportunities (IROs) alongside financial, compliance and operational risks. This integration strengthens the link between corporate strategy, sustainability performance and long-term value creation and transparency towards stakeholders and capital providers.

## Risk management practices

Risk management is embedded throughout the organisation and supports management at all levels in identifying, evaluating and addressing risks and opportunities. It brings together quarterly top-down and bottom-up dialogues, dedicated workshops, analysis and awareness sessions that promote a shared understanding of risk-taking and support consistent and informed decision-making.

## Unit, Process & Project Level





The main objectives of risk management are to:

- Create and preserve the value, assets and reputation of TenneT.
- Promote a level of risk-taking that is socially, environmentally and legally responsible, acceptable to the public and economically sustainable.
- Ensure compliance with legal and regulatory requirements as well as TenneT's values and internal rules and values.

To achieve these objectives, TenneT applies a structured framework that connects all levels of the organisation:

- Enterprise Risk Management (ERM) – providing a Subsidiary and Group-wide view on strategic and cross-functional risks.
- Operational Risk Management (ORM) – covering day-to-day operations, including Safety and Security Risk Management.
- Project Risk Management (PRM) – focused on large grid development and infrastructure projects.
- Internal Control and Process Risk Management – ensuring effective and compliant business processes.

TenneT continuously reviews and improves the maturity of its risk and control systems through standardisation, training and aligning with best practices and recognised industry standards. Recent developments include enhancements to risk identification and the adaptation of TenneT's Risk Universe to reflect the new Group structure and sustainability-related risks and opportunities.

### Internal control system

TenneT's internal control system (ICS) safeguards the effectiveness and efficiency of business processes, the reliability of financial and non-financial reporting, and compliance with applicable laws, regulations and internal policies.

The ICS is based on a set of monitoring measures and control activities over key operational processes that is integrated in processes and organisational structures aiming to ensure the accuracy of external financial and non-financial reporting. The ICS covers all relevant business processes and also includes controls beyond the accounting process.

As part of the ARC Holding Services, the Dutch Internal Control function defines common methodologies, policies and tools, while both control teams implement and monitor these within their respective subsidiaries. This combined approach ensures consistent internal control standards and transparency across the organisation.

A structured control self-assessment is performed twice a year and covers all significant business and reporting processes. Process owners evaluate the design and operational effectiveness of key controls, supported by documentation and evidence. Results are consolidated at TenneT Holding level and reported to the TenneT Holding Executive Board and the ARCC. The methodology is periodically reviewed to further improve efficiency and reliability. However, the effectiveness and reliability of the ICS can be limited by discretionary decisions, criminal acts, control failures or other circumstances.

The sustainability reporting process follows a similar risk management and internal control process as any other process in the organisation: once the process is defined, it is subjected to a process risk analysis. These risks are assessed both qualitatively and quantitatively. Based on the risk appetite for the area or process, the key risks are addressed through measures or key controls. Key controls are subject to the company's regular internal control assessment, review and reporting process.

The sustainability reporting process currently follows TenneT's established internal and external reporting procedures – from the registration of events and transactions, through data collection and consolidation, to reporting for internal and external stakeholders. Throughout this process, data and related information undergo several analyses and verification steps.

These steps are not specific sustainability checks, but general process controls to verify the appropriateness and accuracy of the information provided. During 2025, these controls were (partly) implemented across six priority areas. An initiative was launched to include them in the formal monitoring and reporting processes going forward. As sustainability reporting processes and controls continue to mature, measures have been introduced to strengthen data completeness and integrity, improve the accuracy of estimates, enhance the availability of value-chain data and ensure timely reporting.

# Risk universe

TenneT’s Risk Universe is a group-wide hierarchical framework that provides a consistent basis for identifying, categorising and aggregating risks and opportunities. It offers a structured overview of potential risk areas, clustered into categories that reflect the perspectives of different audiences such as Business Unit Management Teams, the Executive Board and the Holding level. This categorisation forms part of TenneT’s comprehensive risk management approach, ensuring that risks are consistently defined, comparable and traceable throughout the organisation.

The taxonomy is structured across three levels, linking operational detail with strategic oversight and ensuring a coherent, Group-wide view. Risks at Level 3 (Risks) are maintained by designated risk owners within the business. These are aggregated into Level 2 (Principal Risks), which are monitored at Leadership Team and Executive Board level, while Level 1 (Risk Areas) represents the overarching domains.

Every item in the risk registers is assigned to a Level 3 topic, enabling comparability, aggregation and analysis over time, across Business Units and subsidiaries.

The Risk Universe is reviewed at least annually—and, where needed, throughout the year—to reflect regulatory changes, market dynamics, technological developments and organisational changes. Updates are shared with subsidiaries and Business Units to ensure consistent application. Through this approach, TenneT maintains a reliable and adaptive enterprise risk framework that informs management and the Executive Board of key exposures, drives prioritisation of mitigation efforts, and ensures transparency in how risks are viewed, aggregated and addressed across the organisation.

TenneT’s Risk Universe <sup>1</sup>					
Level 1	Strategy & Business	Environment, Social & Governance	Financial	Operational & Technology	Regulatory, Compliance & Integrity
Level 2	<ul style="list-style-type: none"> <li>Energy Transition</li> <li>Grid Development</li> <li>Organisation and Transformation</li> <li>Geopolitical &amp; Macroeconomic Environment</li> <li>Reputation, Stakeholder &amp; Public Trust</li> <li>Innovation &amp; Digitalisation</li> <li>Political, Policy &amp; Regulatory Change</li> </ul>	<ul style="list-style-type: none"> <li>Environment</li> <li>Social</li> <li>Governance</li> </ul>	<ul style="list-style-type: none"> <li>Financial Planning &amp; Execution</li> <li>Funding, Markets &amp; Financial Risk</li> <li>Insurance &amp; Risk Transfer</li> <li>Financial Reporting &amp; Data Integrity</li> </ul>	<ul style="list-style-type: none"> <li>System Operations</li> <li>IT, OT &amp; Cybersecurity</li> <li>Supply Chain Management</li> <li>Project Management</li> <li>Workforce &amp; Safety (in- &amp; external)</li> <li>Asset Management &amp; Maintenance</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory</li> <li>Compliance &amp; Integrity</li> </ul>

<sup>1</sup> TenneT’s Risk Universe is condensed disclosed up to level 2.

# Risk appetite

## Risk appetite framework

TenneT's risk appetite defines the level of risk the Group is willing to accept in pursuit of its strategic, operational and sustainability objectives. It serves as a reference framework for decision-making across all activities, helping management to balance risk and opportunity in a consistent manner.

The appetite levels and principles set at TenneT Holding level are binding for all subsidiaries, ensuring a harmonised approach to risk-taking across the organisation. Entities may apply stricter limits where required by local regulation or operational circumstances but may not exceed the thresholds defined at TenneT Holding level. The Executive Board, together with the Senior Leadership Team, reviews and approves the Risk Appetite Statement annually to ensure that TenneT maintains an appropriate

balance between risk and value relative to potential opportunities. The framework distinguishes between high, medium and low levels of risk appetite, reflecting the degree of uncertainty the Group is willing to accept in achieving its objectives.

## Risk appetite levels

### High risk appetite

Areas in which we have a preference for disciplined risk-taking, because we have determined that the potential upsides and benefits outweigh the potential disadvantages. For areas with a high risk appetite, the related internal risk management and internal control systems should provide limited assurance to be deemed sufficient.

### Medium risk appetite

Areas in which TenneT must constantly strike a balance between potential upsides and benefits and potential downside aspects. For areas with a medium risk appetite, the related internal risk management and internal control systems should provide limited assurance to be deemed sufficient.

### Low risk appetite

Areas in which we avoid risks or act to minimise or eliminate the likelihood that risks will occur, because we have determined that the potential downside aspects are intolerable. These are areas in which we typically seek to maintain a very strong control environment. For areas with a low risk appetite, the related internal risk management and internal control systems should provide reasonable assurance to be deemed sufficient.

## High risk appetite

Risk area	Risk appetite statement	Risks that we are willing to take	Risks that we are not willing to take
<b>Customer connections</b>	We aim to connect customers to the grid in a timely and compliant manner by addressing capacity constraints while using innovative, non-linear solutions.	<ul style="list-style-type: none"> <li>Build substations or transformers without having a contract in place yet, when it is an appropriate greenfield location, has a reasonable distance to our current grid and has a reasonable distance to potential new customers.</li> <li>Sign time-based connection and transmission agreements where justified.</li> <li>Partner up with start-ups or innovative market entrants to accelerate solutions.</li> </ul>	<ul style="list-style-type: none"> <li>Undertake projects that could endanger safety or system stability.</li> <li>Act against laws, regulations or regulatory decisions.</li> <li>Set unrealistic expectations with stakeholders.</li> </ul>
<b>Project execution</b>	We use adaptive project approaches to design, build and deliver large-scale projects, while acknowledging that specific situations may require deliberate trade-offs between budget, quality or time.	<ul style="list-style-type: none"> <li>Take well-reasoned entrepreneurial decisions in anticipation of future regulatory developments.</li> <li>Apply pragmatic, standardised designs and lean project staffing.</li> <li>Acquire land or long-lead-time equipment proactively to secure project timelines.</li> </ul>	<ul style="list-style-type: none"> <li>Continue projects that significantly exceed budget or schedule without a clear recovery strategy.</li> <li>Lower quality or safety standards to accelerate delivery.</li> <li>Allow unnecessary scope changes after investment decisions.</li> </ul>
<b>Adaptation of new technology</b>	To prepare for the energy system of the future, such as Target Grid 2045, TenneT is willing to adopt technologies that are new to the company or the industry, provided safety, security and reliability are not compromised.	<ul style="list-style-type: none"> <li>Pilot emerging technologies in controlled or sandbox environments.</li> <li>Use technology that may require higher-than-expected investment costs to realise long-term benefits.</li> </ul>	<ul style="list-style-type: none"> <li>Implement business-critical technologies without proven fallback options.</li> <li>Use technology that compromises data protection or cybersecurity.</li> </ul>

**Medium risk appetite**

Risk area	Risk appetite statement	Risks that we are willing to take	Risks that we are not willing to take
<b>Financial health</b>	We maintain a robust financial position and credit ratings to secure long-term investments and access to capital markets.	<ul style="list-style-type: none"> <li>Incur higher expenditure if it results in improved safety, quality or timely delivery.</li> <li>Accept that in some cases expenditures are made without the guarantee that some or all of the costs are reimbursed by the regulatory framework or paid for by customers.</li> <li>Allow short-term project budget deviations to enable long-term efficiency gains.</li> </ul>	<ul style="list-style-type: none"> <li>Pursue cost savings that undermine security of supply or safety.</li> <li>Accept a credit rating insufficient to finance our CapEx programme.</li> <li>Make decisions that breach our policy or governance standards.</li> <li>Overpay suppliers or accept excessive prices to accelerate delivery.</li> </ul>
<b>Affordability</b>	We are committed to maintaining an affordable electricity transmission system for society, while finding a balance between reliability and sustainability.	<ul style="list-style-type: none"> <li>Accept spatial or cost constraints (e.g. GIS, underground cabling) when justified by operational or environmental needs.</li> <li>Invest in infrastructure now, even at the risk of short-term stranded assets, if it lowers future societal costs.</li> <li>Adopt standardisation for non-unique processes.</li> <li>Use of new technology that is new to TenneT but not to the industry.</li> </ul>	<ul style="list-style-type: none"> <li>We build projects at any cost.</li> <li>Allow uncontrolled project cost escalation.</li> <li>Cost reduction if it would negatively affect the strategy and vision on 'Target Grid 2045' or our green target ambition.</li> <li>Act in conflict with legal or regulatory regulations.</li> </ul>
<b>Attraction and retention of personnel</b>	We attract, retain and develop talent through modern working conditions, flexibility and performance-driven development, balancing agility with organisational stability.	<ul style="list-style-type: none"> <li>Adopt performance-based management approaches.</li> <li>Hiring based on potential and to develop the required technical skills.</li> <li>Use flexible employment options (probation, remote work, cross-border hiring).</li> <li>Reassess benefits and rewards to align with performance and roles.</li> </ul>	<ul style="list-style-type: none"> <li>Hire without the necessary qualification or security checks.</li> <li>Attract and retain employees at any cost.</li> <li>Over-rely on contractors, creating long-term knowledge gaps.</li> </ul>
<b>Environmental, Social and Governance (ESG)</b>	We align ESG initiatives with our values and strategy to create long-term societal value, maintaining transparency and continuous improvement.	<ul style="list-style-type: none"> <li>Accept limited environmental impact where necessary for Target Grid delivery, compensating where possible.</li> <li>Continuation of SF<sub>6</sub> gas in stations until a station can be updated by alternative solutions.</li> </ul>	<ul style="list-style-type: none"> <li>Breach ESG targets without proper justification.</li> <li>Lower our green targets or ambitions.</li> <li>Compromise on human rights, compliance or integrity standards.</li> </ul>
<b>Suppliers &amp; Supplies</b>	We maintain long-term supplier partnerships to ensure availability, quality and affordability of critical components in a tight market.	<ul style="list-style-type: none"> <li>Select the most suitable suppliers, while being mindful of costs.</li> <li>Use framework contracts to support supplier capacity growth.</li> <li>Combine procurement actions across projects to improve efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>Rely solely on one supplier for critical components where possible.</li> <li>Procure from sanctioned or blacklisted countries.</li> <li>Hire or contract non-suitable suppliers for cost or speed advantages.</li> <li>Make advance payments without contractual safeguards.</li> </ul>
<b>Legal and regulatory environment</b>	We accept a moderate level of risk from evolving national and European energy legislation and regulatory frameworks and may proactively anticipate or initiate developments where these support the energy transition and long-term system goals.	<ul style="list-style-type: none"> <li>Take proactive steps in anticipation of expected regulatory developments aligned with long-term goals.</li> <li>Use expropriation and duty to tolerate procedures as a last resort to secure essential infrastructure sites, once all other negotiation and mediation options have been exhausted.</li> </ul>	<ul style="list-style-type: none"> <li>Ignore regulatory or court decisions that directly affect our license to operate.</li> <li>To be unprepared to proceed when facing threats of regulatory proceedings.</li> </ul>



Risk area	Risk appetite statement	Risks that we are willing to take	Risks that we are not willing to take
<b>Asset Health and Maintenance</b>	We maintain our assets in a condition that ensures safety, reliability and regulatory compliance. We accept a moderate level of risk in optimising maintenance intervals and investment prioritisation, using data-driven insights and asset health indices to balance asset performance, cost efficiency and system availability.	<ul style="list-style-type: none"> <li>Use predictive analytics and asset health indices to prioritise maintenance activities.</li> <li>Accept short-term increases in our maintenance backlog where justified by reliable data, asset condition, security of supply and safety assessments.</li> </ul>	<ul style="list-style-type: none"> <li>Postpone planned maintenance or inspections when these can pose a significant risk to grid reliability or safety.</li> <li>Ignore grid-based early warning signs that could lead to major failures or outages.</li> <li>Operate assets beyond their technical or regulatory lifespan without proper mitigation measures and clear justification.</li> </ul>

## Low risk appetite

Risk area	Risk appetite statement	Risks that we are willing to take	Risks that we are not willing to take
<b>Health and safety</b>	Everyone working for or on behalf of TenneT must return home safe and healthy every day. We proactively prevent incidents through a strong safety culture and continuous trainings.	<ul style="list-style-type: none"> <li>Accept temporary workload peaks if they are balanced by recovery time.</li> </ul>	<ul style="list-style-type: none"> <li>Compromise on health and safety for cost or time reasons.</li> <li>Expose employees to unacceptable physical or psychological strain.</li> <li>Accept suppliers without a safety culture level certificate or with a certificate under level 3.</li> </ul>
<b>Cyber security and physical attacks</b>	<p>We continually assess best practices and resilience to control the risk of physical threats and to protect our assets from theft, physical attacks and intruders, while recognising that 100% protection is not possible.</p> <p>We take a very cautious approach to cyber risk, reducing risks as much as possible by proactively and continuously mitigating malware and other intrusions, preventing unauthorised disclosure of sensitive data and mitigating vulnerabilities in our security protocols.</p>		<ul style="list-style-type: none"> <li>Allow unauthorised personnel access to sites, locations or systems.</li> <li>Use hardware or software that poses a national security risk.</li> <li>Tolerate any cyber risk above 'extremely low'.</li> <li>Accept any deviation from international standards affecting cyber security.</li> <li>Cloud implementation for mission critical systems or applications.</li> </ul>
<b>Compliance and integrity</b>	We have zero tolerance for unethical behaviour such as corruption, fraud or conflicts of interest. We maintain a high standard of integrity and transparency, ensuring that our actions, decisions and partnerships are conducted in accordance with legal and ethical obligations.	<ul style="list-style-type: none"> <li>Accept isolated or minor data protection incidents that do not meet the regulatory reporting threshold, provided they are promptly contained, investigated and used to strengthen future controls.</li> </ul>	<ul style="list-style-type: none"> <li>Engage in corruption, bribery, fraud or facilitation of unlawful activity.</li> <li>Accept gifts or benefits that impair objectivity.</li> <li>Misrepresent or conceal material information.</li> </ul>
<b>Security of supply</b>	We ensure the security of supply today and tomorrow with grid availability above our target of 99.99962% for onshore and 95.07% for offshore, by taking into account high-voltage line capacities, availability of interconnected electricity, dispatching and the integration of maintenance planning.	<ul style="list-style-type: none"> <li>Facilitate flexibility in operational processes such as GOPACS (Grid Operators Platform for Ancillary Services).</li> <li>Apply risk-based maintenance to optimise resource use.</li> </ul>	<ul style="list-style-type: none"> <li>Tolerate outages, brownouts or blackouts that could compromise security of supply.</li> </ul>

# Key risks and opportunities

TenneT operates in a rapidly changing environment shaped by the energy transition, technological innovation and evolving societal and regulatory expectations. To deliver on its strategic goals, TenneT continuously assesses internal and external developments that may affect its ability to build, operate and finance the grid in a reliable, affordable and sustainable way.

This section provides an overview of the key risks and opportunities identified across the organisation. The overview reflects the results of quarterly risk dialogues with business units and corporate functions, complemented by dedicated workshops and management assessments. Each risk and opportunity is linked to one or more of TenneT's strategic focus areas, illustrating how risk management supports the execution of the company's long-term strategy and energy transition objectives.

The key risks are grouped into four categories — Strategic, Financial, Operational and Compliance — followed by a summary of Opportunities and Climate-related Risks and Opportunities in line with the requirements of the Corporate Sustainability Reporting Directive (CSRD).




While the tables highlight the most significant risks and opportunities, they do not represent an exhaustive list of all risks faced by TenneT. As TenneT's environment, structure and strategy evolve, the relative significance of certain risks and opportunities may change over time.

For all tables presented below, the following definitions are applied consistently across all risk categories:

- **Risk trend** – Indicates whether the overall exposure has increased (↑), remained stable (→) or decreased (↓) compared with the previous year.
- **Time horizon**
  - *Short-term*: Risks that may materialise within the next 1–2 years, potentially affecting near-term operational or financial performance.
  - *Medium-term*: Risks that may materialise within 3–10 years, often linked to programme execution, regulatory change or market developments.
  - *Long-term*: Risks that may materialise beyond 10 years, typically relating to strategic transformation, system transition or major infrastructure delivery.

## Strategic risks

Strategic risks reflect internal and external developments that may affect TenneT's ability to deliver on its long-term strategy and energy transition objectives. These include uncertainties in the political, regulatory and societal environment, as well as challenges related to organisational change and strategic execution. Proactively managing these risks is essential to safeguard TenneT's licence to operate, maintain stakeholder trust and ensure the delivery of a future-proof grid.

Risk	Description	Mitigating actions	Strategy	Trend	Horizon	Cross-border relevance
Stakeholder trust and reputation	Loss of social, political or stakeholder trust if expectations regarding affordability, transparency or security of supply are not met, potentially leading to reputational harm, public criticism or delayed project permitting.	<ul style="list-style-type: none"> <li>• Quarterly reputation monitoring and sentiment analysis.</li> <li>• Proactive engagement with ministries, regulators and communities.</li> <li>• Transparent communication on affordability and progress of the energy transition.</li> </ul>	<u>Deliver together</u>	→	Short-term	 
Regulatory return and remuneration model	Changes in regulation or remuneration frameworks could affect allowed returns, delay cost recovery and reduce investment capacity.	<ul style="list-style-type: none"> <li>• Continuous legal and regulatory monitoring and litigation if needed.</li> <li>• Active engagement with national and EU regulators on tariff design and investment frameworks.</li> </ul>	<u>Build the grid</u> <u>Utilise the grid</u>	↑	Medium-term	 
Organisational capability and transformation	Ongoing organisational transformation in the Netherlands and Germany may temporarily affect efficiency, decision-making and cross-border collaboration. Insufficient alignment between divisions or countries could reduce synergies, slow project delivery and increase costs, particularly for large programmes such as the 2GW Program.	<ul style="list-style-type: none"> <li>• Organisational transformation programme to support organisational efficiency.</li> <li>• Leadership development and cross-entity collaboration where needed and possible.</li> </ul>	<u>Deliver together</u>	↓	Short-term	 
Strategic plan delivery	Inability to deliver on Target Grid 2045 or other strategic milestones could undermine confidence in TenneT's contribution to the energy transition, affordability and security of supply.	<ul style="list-style-type: none"> <li>• Business Acceleration Team supporting execution.</li> </ul>	<u>Build the grid</u>	→	Long-term	 



Key risks and opportunities

Risk	Description	Mitigating actions	Strategy	Trend	Horizon	Cross-border relevance
Grid planning and assumptions	Uncertainties in demand forecasts or technology choices could affect grid planning decisions, leading to suboptimal network expansion, capacity mismatches, inefficient investments or assets that cannot be fully utilised. These risks are amplified by the long lead times of grid projects, as assumptions made today may differ from needs and technologies 10 to 20 years from now.	<ul style="list-style-type: none"> <li>Perform a study outlining Target Grid 2045 and exchange our market data and CGMES-compliant (Common Grid Model Exchange Standard) grid model with other TSOs, to be used for European grid planning studies.</li> <li>An offshore DC overlay topology (NL&amp;GE) has been established.</li> </ul>	<u>Build the grid</u>	→	Long-term	
Technology and digital transformation	Delays in digitalising systems and processes could reduce the efficiency, transparency and reliability of grid operations. Limited data integration and outdated tools may hinder coordination across entities and readiness for future smart-grid technologies.	<ul style="list-style-type: none"> <li>Data strategy execution programme.</li> <li>Digital innovation programme.</li> </ul>	<u>Deliver together</u>	→	Long-term	
Geopolitical and trade tensions	Global political developments — including shifts in US policy, rising tensions between major economies and trade frictions with the EU — could disrupt supply chains for critical materials and components such as cables, converters and semiconductors. Sanctions or export restrictions may delay offshore and cross-border projects, increase procurement costs and affect TenneT’s ability to deliver its investment programme on schedule.	<ul style="list-style-type: none"> <li>Diversify suppliers and sourcing regions for critical components.</li> <li>Strengthen strategic partnerships with manufacturers.</li> <li>Continuously monitor geopolitical and trade developments through dedicated risk analysis.</li> </ul>	<u>Build the grid</u>	→	Short-term	
Permitting and social acceptance	Lengthy or complex permitting procedures and limited public acceptance of new infrastructure could delay project execution and increase costs. Misalignment between national and local political interests may further prolong approval processes and constrain the pace of grid expansion.	<ul style="list-style-type: none"> <li>Stakeholder engagement and early consultation processes.</li> <li>Cooperation with authorities to streamline procedures.</li> </ul>	<u>Build the grid</u>	→	Short-term	
Offshore wind tender participation	The lack of investor bids for new offshore wind projects, such as Nederwiek I-A, reflects rising offshore construction costs and the slower-than-expected decarbonisation of the supply industry. As a result, investors are less willing to take financial risks, reducing market appetite and increasing the need for additional government support. These factors may delay project tenders, cause fines for unused capacity, postpone grid connections and raise costs, affecting TenneT’s long-term grid-expansion and energy-transition objectives.	<ul style="list-style-type: none"> <li>Active dialogue with policymakers, ministries, regulators and industry stakeholders to address offshore market challenges.</li> <li>Scenario planning and portfolio prioritisation to minimise financial exposure and maintain flexibility within the offshore investment programme.</li> </ul>	<u>Build the grid</u>	↑	Short-term	
Onshore and offshore project delivery	The onshore and/or offshore project portfolio could be delivered later than planned, due to, among other things, dependencies between projects, lengthy permitting procedures, scarcity of personnel and materials, and changes in assumptions or scenarios. This may result in a later availability of grid capacity.	<ul style="list-style-type: none"> <li>Coordination with public authorities via the Acceleration Package.</li> <li>Improved prioritisation of congestion critical projects.</li> <li>Standardisation and modular construction.</li> <li>Improved portfolio management and active management of project dependencies.</li> <li>Early scenario and scope alignment (Target Grid).</li> </ul>	<u>Build the grid</u>	↑	Short-term	

### Financial risks

Financial risks could affect TenneT's financial stability, access to capital and ability to fund its investment portfolio under acceptable conditions. These risks are driven by macroeconomic developments, inflation, market

dynamics, regulatory decisions and investor sentiment. Maintaining financial resilience and a strong credit profile is essential to ensure continued investment in grid expansion and the energy transition.

Risk	Description	Mitigating actions	Strategy	Trend	Horizon	Cross-border relevance
Affordability CapEx programme	TenneT's capital expenditure (CapEx) programme can increase or become unsustainable if budget overruns, economic volatility, changes in project requirements, political changes or rising construction costs occur. Such developments could strain public finances and stakeholder support, leading to project delays or a reduction in the programme's intended benefits.	<ul style="list-style-type: none"> <li>Continuous monitoring of project costs, contingencies and forecasts.</li> <li>Continuous dialogue with regulator and government to ensure transparency on cost developments and maintain support for grid investments.</li> <li>Long-term framework with suppliers to reduce exposure to price volatility and capacity constraints.</li> </ul>	<u>Build the grid</u>	↑	Medium-term	 
Cost efficiency and budget control	External pressures such as inflation and market scarcities, combined with internal inefficiencies or transformation costs, could lead to operating cost overruns or weaker performance in regulatory benchmarks.	<ul style="list-style-type: none"> <li>Strengthen cost awareness and performance measurement across all Business Units.</li> <li>Implement reduction plans for operational expenditures per business unit.</li> <li>Organisational transformation programme to increase organisational efficiency.</li> </ul>	<u>Deliver together</u>	→	Short-term	 
Investor and funding availability	Adverse market conditions, political developments or regulatory uncertainty could delay access to new equity or external financing, affecting TenneT's ability to fund large-scale investments while maintaining a stable credit profile.	<ul style="list-style-type: none"> <li>Equity for TenneT Germany secured via participation of three institutional investors and KfW.</li> <li>Issue green hybrid bonds and other debt financing instruments.</li> </ul>	<u>Build the grid</u>	↓	Short-term	 
Credit rating and financing costs	A downgrade or negative outlook from credit-rating agencies could increase borrowing costs and limit access to capital markets, delaying key projects and reducing financial flexibility.	<ul style="list-style-type: none"> <li>Continuous engagement with rating agencies and regulators to ensure alignment on investment frameworks and allowed returns.</li> <li>Institutional guarantee from the Dutch state.</li> </ul>	<u>Build the grid</u>	↓	Long-term	 
Counterparty default risk	Financial distress or insolvency of key suppliers, contractors or service providers could disrupt project execution, delay critical deliveries and result in additional replacement costs or contractual penalties, particularly for large and complex projects such as offshore infrastructure.	<ul style="list-style-type: none"> <li>Regular credit checks and financial health assessments of critical suppliers.</li> <li>Use of bank guarantees, and parent company guarantees.</li> <li>Diversification of suppliers and development of contingency plans for high-impact projects.</li> </ul>	<u>Build the grid</u>	→	Medium-term	 
Supply market-driven cost escalation	Rising inflation, constrained supplier capacity and volatile market conditions increase the risk of cost escalation and budget overruns in major procurement contracts. Limited competition in a seller's market and dependency on a small number of critical suppliers amplify TenneT's financial exposure to price fluctuations across materials, components and services.	<ul style="list-style-type: none"> <li>Strengthen strategic supplier relationship management and establish long-term framework agreements.</li> <li>Include index-based price adjustment clauses to reflect market developments.</li> <li>Qualification of new suppliers.</li> </ul>	<u>Build the grid</u>	→	Short-term	 





**Operational risks**

Operational risks relate to the reliability, safety and efficiency of TenneT's day-to-day activities in planning, constructing, operating and maintaining the electricity grid. These risks arise from technical failures, supplier dependencies, cyber and physical security threats, and the increasing












complexity of managing large-scale grid projects in a rapidly evolving energy system. TenneT manages these exposures through robust asset-management practices, preventive maintenance, contingency planning and continuous monitoring of operational performance. Strong safety and security management systems, supported by qualified personnel

and digital tools, ensure that operational risks are managed consistently across both national entities and are aligned with TenneT's overall risk framework.

Risk	Description	Mitigating actions	Strategy	Trend	Horizon	Cross-border relevance
Cyber and physical security incidents	As an operator of critical infrastructure, TenneT must protect its networks and assets against cyber intrusions and deliberate physical attacks. Exploitation of vulnerabilities in IT/OT systems or damage to substations, platforms or cables could disrupt operations, affect electricity-transmission reliability or compromise control-room oversight. The risk also extends to third-party and cloud-based systems supporting grid operations and data management.	<ul style="list-style-type: none"> <li>Maintain an ISO 27001-based Information Security Management System (ISMS).</li> <li>Continuous monitoring and incident response with authorities and strategic partners.</li> <li>Strengthen resilience through backup systems and emergency response planning.</li> <li>Improve security awareness for everyone working on behalf of TenneT.</li> </ul>	Utilise the grid	→	Medium-term	 
Asset data quality and integrity	Incomplete, inconsistent or inaccurate asset data could impair maintenance planning, investment decisions and system operations. Data quality issues may lead to inefficient planning, higher costs or incorrect risk prioritisation.	<ul style="list-style-type: none"> <li>Implementation of data governance and quality standards.</li> <li>Perform regular asset data validation and completeness checks.</li> </ul>	Utilise the grid	→	Medium-term	 
Resource availability and retention	A tight labour market for specialised profiles such as engineers and data experts, combined with an ageing workforce and organisational changes, may limit the availability of qualified personnel and slow project execution.	<ul style="list-style-type: none"> <li>Strategic workforce planning and competency-based recruitment.</li> <li>Increased focus on talent retention and development programmes.</li> <li>Cross-border collaboration on critical expertise.</li> </ul>	Deliver together	↓	Short-term	 
Demand and supply constraints	Limited availability of materials, products or specialised services in a seller's market may delay projects or increase costs, particularly when multiple TSOs/DSOs compete for the same suppliers.	<ul style="list-style-type: none"> <li>Implement framework agreements to ensure delivery certainty.</li> <li>Joint capacity planning with key suppliers.</li> <li>Diversify supplier base and apply strategic warehousing for critical items.</li> </ul>	Build the grid	↑	Medium-term	 
Realising our customer connection portfolio	Growing electrification and industrial demand are increasing customer connection requests faster than current planning and resource capacity, potentially resulting in delays, grid constraints and negative public attention.	<ul style="list-style-type: none"> <li>Strengthen coordination with DSOs and industrial customers.</li> <li>Prioritise connections based on system impact.</li> <li>Develop digital tools (e.g., ConnectNow) to shorten lead times.</li> <li>Regional analysis on grid load based on historic load data and seasonal changes.</li> </ul>	Build the grid Utilise the grid	→	Short-term	
Litigation and contractual disputes	TenneT may face litigation or contractual disputes with suppliers, contractors, landowners or other stakeholders related to project execution, access rights or performance obligations. Unfavourable rulings or settlements, or claims not covered by insurance, could result in financial losses, delays and reputational damage.	<ul style="list-style-type: none"> <li>Active claim and contract management processes.</li> <li>Use of arbitration procedures to resolve disputes efficiently.</li> <li>Regular legal reviews of major contract terms and obligations.</li> </ul>	Build the grid Utilise the grid	→	Short-term	 
Voltage control and system stability	Increasing renewable generation and changing grid dynamics may challenge voltage control and system stability, leading to fluctuations that could damage assets, shorten component lifetimes or temporarily interrupt supply.	<ul style="list-style-type: none"> <li>Dialogue with all Dutch DSOs on possible solutions.</li> <li>Compensation study for long term reactive power needs.</li> <li>Review of redispatch-related contracts.</li> <li>Examine ways to strengthen agreements and expectations with DSOs.</li> </ul>	Utilise the grid	→	Short-term	 
Scarcity of ancillary services options	Limited availability or price volatility in balancing and ancillary services may affect grid reliability and operational costs.	<ul style="list-style-type: none"> <li>Development of Regional Operational Security Coordination ('ROSC').</li> <li>Strengthen cooperation with market parties to increase flexibility options.</li> </ul>	Utilise the grid	→	Short-term	 



Key risks and opportunities

Risk	Description	Mitigating actions	Strategy	Trend	Horizon	Cross-border relevance
Psychosocial and wellbeing risks	High workload, increasing complexity and ongoing organisational change may affect employee wellbeing and resilience.	<ul style="list-style-type: none"> <li>Strengthen leadership training and awareness on psychosocial safety.</li> <li>Provide access to trusted advisors and support resources.</li> <li>Roadmap to make it easier and more accessible for employees to find professional help and guidance outside the company.</li> </ul>	<u>Deliver together</u>	→	Short-term	 
Environmental and HSE incidents	Construction and maintenance activities may cause accidental releases of harmful substances or other environmental impacts. Failure to meet health, safety or environmental standards could harm people, the environment or TenneT's reputation.	<ul style="list-style-type: none"> <li>Certified HSE management system (ISO 45001).</li> <li>Set firm emission-reduction and environmental goals.</li> <li>Apply Environmental Cost Indicator (ECI) in supplier selection.</li> </ul>	<u>Utilise the grid</u>	→	Medium-term	 
Major industrial or on-site accidents affecting multiple employees	Safety incidents and major occupational accidents (e.g. fire, explosion, helicopter crash, vessel collision, structural failure or release of toxic substances) could cause severe asset damage, multiple fatalities or significant environmental and reputational impact.	<ul style="list-style-type: none"> <li>Regular inspections, preventive maintenance, and safety-critical equipment testing to prevent mechanical or electrical failures.</li> <li>Conduct regular safety audits and lessons-learned sessions.</li> <li>Strengthen contractor HSE qualification and supervision.</li> </ul>	<u>Build the grid</u> <u>Deliver together</u>	→	Long-term	 
Individual occupational accidents	Employees may face safety risks during daily operations. Inconsistent adherence to safety protocols or varying levels of awareness, training or engagement could lead to preventable incidents affecting people and operations.	<ul style="list-style-type: none"> <li>Integrate HSE requirements in contracts and monitor compliance.</li> <li>Regular trainings for all employees.</li> <li>Implementation of Safety Culture Ladder (SCL).</li> </ul>	<u>Build the grid</u> <u>Deliver together</u>	→	Medium-term	 
Infrastructure failure	Major unavailability or system interruption caused by technical failure or delayed maintenance could result in outages and operational disruption.	<ul style="list-style-type: none"> <li>Apply a risk-based maintenance strategy.</li> <li>Standardise assets and equipment for efficiency.</li> <li>Implement 'Outage Window Optimisation' to improve grid maintenance planning.</li> </ul>	<u>Utilise the grid</u>	→	Long-term	 
Overloaded assets due to high PV feed-in	High photovoltaic (PV) feed-in, particularly in parts of Germany such as Bavaria, may overload transmission lines or transformers when regional systems cannot adequately control decentralised generation. Such situations could increase line utilisation, damage assets or trigger brownouts.	<ul style="list-style-type: none"> <li>Establish an ad-hoc process for controllability of small-scale PV units.</li> <li>Increased involvement of downstream grid operators.</li> <li>Improvement of forecasts for specific grid nodes.</li> <li>Reductions in long-term and day-ahead capacities.</li> </ul>	<u>Utilise the grid</u>	↑	Short-term	



**Compliance, Regulatory & Integrity risks**

Regulatory, compliance and integrity risks relate to TenneT’s responsibility to act in full accordance with applicable laws, regulations, internal policies and ethical standards in both the Netherlands and Germany. These risks may arise from changes in the legal or regulatory environment or from non-compliance by employees, contractors or business partners, and

include ethical conduct issues such as corruption, fraud and conflicts of interest. TenneT has a comprehensive compliance management system that includes regular training, policy updates, monitoring and reporting. The Code of Conduct, Supplier Code of Conduct and compliance initiatives on topics such as anti-corruption, data protection and market transparency reinforce TenneT’s commitment to enforce responsible

business conduct across TenneT Group. TenneT needs to rely on the behavior of its employees and contractors worldwide. The company does not, with good reason, continuously manage their behavior, nor fully embed it in processes and procedures.

Risk	Description	Mitigating actions	Strategy	Trend	Horizon	Cross border relevance
Fraud and ethical misconduct	As TenneT continues to grow and accelerate the energy transition, exposure to unethical behaviour such as fraud, bribery, conflicts of interest, misappropriation of assets or inaccurate reporting may increase. Such incidents could result in financial losses, reputational damage or regulatory sanctions.	<ul style="list-style-type: none"> <li>Regular fraud and integrity risk assessments.</li> <li>A Group-wide Speak-Up and investigation process.</li> <li>Periodic ethics trainings for all employees and management.</li> <li>Preventive and detective control measures, assessed at least annually by leadership.</li> </ul>	<u>Deliver together</u>	→	Long-term	
Non-compliance with laws, regulations or internal policies	Unintentional or deliberate breaches of laws, regulations or internal policies — such as antitrust, procurement or market-integrity rules — could result in regulatory investigations, fines or reputational damage.	<ul style="list-style-type: none"> <li>Maintaining a legal register and a compliance management system.</li> <li>Conducting an annual compliance dialogue with unit directors and their management team.</li> <li>Adherence to REMIT and other energy-market integrity obligations.</li> <li>Code of Conduct and Supplier Code of Conduct.</li> </ul>	<u>Deliver together</u>	→	Long-term	
Third-party compliance and supply-chain ethics	Non-compliance or unethical behaviour by contractors, suppliers or service providers could expose TenneT to legal, financial and reputational risks. This includes potential breaches of anti-bribery, labour, or environmental or human-rights standards within the supply chain.	<ul style="list-style-type: none"> <li>Integrate compliance and sustainability clauses in major contracts.</li> <li>Supplier due-diligence and integrity screenings.</li> <li>Require and monitor adherence to the Supplier Code of Conduct and perform periodic audits.</li> </ul>	<u>Deliver together</u>	→	Short-term	

**Reporting risks**

Reporting risks relate to the accuracy, reliability and timeliness of reporting. These risks might arise from human error, fraudulent activities, non-functioning controls, complexity of transactions or technological

issues. TenneT manages these exposures through internal controls and control self-assessments, reporting manuals, analyses, training, general IT controls and application controls and internal and external audits.

Risk	Description	Mitigating actions	Strategy	Trend	Horizon	Cross border relevance
Financial reporting risk	Deviations from the established reporting processes and related controls could impair the accuracy, reliability and timeliness of financial data used for internal reporting and external communications. This could result in poor business and investment decisions and regulatory fines. Financial restatements could significantly harm investor confidence.	<ul style="list-style-type: none"> <li>Group accounting manual.</li> <li>Business plans and quarterly Finance and Investment reports.</li> <li>Internal control framework for financial reporting processes, including control self-assessments.</li> <li>IFRS trainings.</li> </ul>	<u>Deliver together</u>	→	Medium-term	













Risk	Description	Mitigating actions	Strategy	Trend	Horizon	Cross border relevance
Non-financial reporting risk	Increasing complexity in non-financial reporting requirements (including CSRD, ESRS, EU Taxonomy and upcoming assurance standards) increase the risk of incomplete, inaccurate or delayed reporting, potentially resulting in regulatory scrutiny, audit findings or reputational impact. Restatements of non-financial information could cause reputational damage.	<ul style="list-style-type: none"> <li>Implement group-wide CSRD optimisation programme.</li> <li>Business plans and quarterly Integrated Performance Reports</li> <li>Disclosure Committee.</li> <li>Strengthen the internal control framework for non-financial data.</li> <li>Regularly review disclosure obligations and external assurance requirements.</li> </ul>	<u>Deliver together</u>	→	Medium-term	 

**Key opportunities**

In addition to the risks outlined in the previous sections, TenneT continuously identifies strategic opportunities that strengthen its long-term value creation and support the European energy transition. These opportunities reflect areas where innovation, sustainability and organisational development can enhance resilience, efficiency and

stakeholder trust. They are closely linked to our strategic pillars — Build the grid faster, Utilise the grid better and Deliver together — and demonstrate how TenneT’s proactive approach contributes not only to risk mitigation but also to positive impact and growth.

For the opportunity table presented below, the trend arrow indicates whether the potential to realise the opportunity has changed compared to last year. Conditions to realise the opportunity have improved (↑), remained stable (→) or conditions have become less favourable, reducing the likelihood that it can be captured (↓).

Opportunity	Description	Initiatives	Strategy	Trend	Horizon	Cross border relevance
Customer and market orientation and understanding	Strengthening customer and market orientation enables TenneT to build trustful and strategic relationships with customers, DSOs and market partners. Through open and reliable dialogue, TenneT can enhance collaboration, develop more flexible and tailored solutions, and be recognised as a valuable and trusted partner in the energy transition.	<ul style="list-style-type: none"> <li>Be open for non-linear solutions.</li> <li>Strategic partnerships with branch organisations.</li> <li>Clear communication plan.</li> </ul>	<u>Deliver together</u>	→	Short-term	
Green and sustainable financing	Growing investor demand for sustainable assets provides opportunities to secure green financing. This supports climate-aligned investments and strengthens TenneT’s financial resilience.	<ul style="list-style-type: none"> <li>Ongoing issuance of green financing instruments.</li> </ul>	<u>Build the grid</u>	→	Short-term	 
Sustainability and circular supply chains	Embedding circular design and material reuse reduces environmental impact and dependency on scarce resources.	<ul style="list-style-type: none"> <li>Integrate circularity criteria into procurement and supplier assessments.</li> <li>Apply Environmental Cost Indicator (ECI) in tenders.</li> <li>Develop pilot projects for recycling and reuse of components.</li> </ul>	<u>Build the grid</u>	→	Medium-term	 
Innovation and technology partnerships	Collaboration with industry, academia and start-ups enables faster adoption of new technologies such as HVDC systems, grid-forming inverters and smart maintenance tools. These partnerships enhance grid flexibility and accelerate the energy transition.	<ul style="list-style-type: none"> <li>Establish innovation partnerships and pilot programmes.</li> <li>Participate in EU research initiatives (e.g. Horizon Europe).</li> </ul>	<u>Build the grid</u>	→	Medium-term	 
Artificial intelligence and data analytics	Applying artificial intelligence, machine learning and advanced analytics creates opportunities to improve reliability, optimise performance and strengthen data-driven decision-making.	<ul style="list-style-type: none"> <li>Smart sensors.</li> <li>Line inspections using drones.</li> </ul>	<u>Utilise the grid</u>	→	Medium-term	 
Decentral flexibility	By developing decentral flexibility, TenneT will allow its customers to use the residual grid space and therefore connect faster. This will increase TenneT’s grid utilisation and therefore has a positive effect on the grid’s affordability.	<ul style="list-style-type: none"> <li>Developing and implementing non-firm contract such as TDTR, TBTR and WVTR.</li> <li>Developing and implementing peak-shaving contracts, such as CBC/CSC and RD.</li> <li>Connecting congestion softeners and installing decentral generation.</li> </ul>	<u>Utilise the grid</u>	↑	Short-term	



Opportunity	Description	Initiatives	Strategy	Trend	Horizon	Cross border relevance
Grid Enhancing Technologies	Developing and implementing Grid Enhancing Technologies will facilitate TenneT in utilising its current grid more efficiently, reducing grid congestion and improving affordability and reliability.	<ul style="list-style-type: none"> <li>Innovation ecosystem to foster co-creation with start-ups, suppliers, TSOs, DSOs and academia.</li> <li>Developing, implementing and scaling of innovations.</li> <li>Developing internal awareness and expertise.</li> </ul>	<u>Utilise the grid</u>	↑	Short-term	

**Climate-related risks and opportunities**

Climate-related risks and opportunities are assessed in line with the principles of the EU Corporate Sustainability Reporting Directive (CSRD)

and the IFRS S2 standard on climate disclosures. We have integrated these topics into our risk assessment process and identified the most relevant transition and physical climate risks, as well as related

opportunities. Some of these risks are also reflected in other parts of this report. However, this section provides a consolidated overview of TenneT's climate-related risk landscape.

**Transition risks**

Risk	Description	Mitigating actions
Policy and legal	Changes in European or national policies and regulations, for example related to the EU Energy Efficiency Directive, reporting obligations, or environmental standards, typically evolve over several years. However, the preparation, planning, and realisation of high-voltage infrastructure projects often span a much longer horizon of seven to fifteen years. As a result, new or amended regulations introduced during this period may require adjustments to designs or contracts, potentially leading to higher costs or project delays.	<ul style="list-style-type: none"> <li>Active engagement with policymakers, regulators, and suppliers is used to influence the alignment between policy and availability of solutions on the market. An active approach is taken to engage with suppliers in the development of technical solutions. In addition, we ensure the effective use of reporting tools to streamline ESG data collection, consolidation, and reporting in line with evolving regulatory requirements.</li> </ul>
Technology	Limitations or delays in technological developments, or in the internal adoption of new solutions, could restrict the availability and use of greener products, materials, or technologies needed to reduce greenhouse gas emissions. Such delays may lead to higher cumulative CO <sub>2</sub> emissions over time, prolong dependence on outdated technologies, and slow the transition towards sustainable operations.	<ul style="list-style-type: none"> <li>The risk is mitigated by collaboration with industry partners, research institutes, and suppliers to accelerate the development and deployment of sustainable technologies. This includes initiatives such as our <u>dynamic line rating</u> portfolio and digital grid solutions.</li> </ul>
Grid operations	The increase in renewable generation and electrification leads to more volatile and less predictable power flows which may increase redispatch needs and temporary reliance on conventional generation. During the transition phase this may offset some of the intended CO <sub>2</sub> reductions.	<ul style="list-style-type: none"> <li>We mitigate the risk by deploying advanced forecasting tools to improve accuracy in predicting renewable generation and demand patterns, and the planning and construction of DC-grid connections and European interconnectors to enhance cross-border flexibility.</li> </ul>
Reputation and community trust	The transition to a low-carbon energy system requires large-scale infrastructure projects that can affect local communities and the environment. If the pace or implementation of the energy transition raises concerns about affordability, land use, or quality of life, this may erode public trust and stakeholder support. A loss of trust could delay project approvals, increase legal challenges, or affect access to sustainable financing.	<ul style="list-style-type: none"> <li>We mitigate this risk by actively involving local communities and authorities in an early phase of the projects to identify concerns. We align our approach with the national acceleration package. We work together with the other network operators, ministry of Climate Policy and Green Growth and BNetzA to increase awareness of the need for timely grid development.</li> </ul>
Supply chain management	The energy transition increases global demand for critical raw materials such as copper, steel, and rare metals, which are essential for grid expansion and renewable integration. Limited availability or concentration of supply may lead to higher costs, delays, or dependence on suppliers with lower environmental and social standards. Future climate scenarios involving extreme heat or drought may further affect mining conditions and the availability of some raw materials, increasing volatility and supply-chain risk.	<ul style="list-style-type: none"> <li>The risk is mitigated through active supplier engagement and strategic partnerships that promote sustainable sourcing and circularity. We apply sustainability criteria in procurement and design, invest in innovations that reduce material use and environmental impact, and diversify and qualify suppliers where needed to strengthen resilience in the value chain. In addition, we forecast our long-term material demand and stabilise supply through multi-year contracts and framework agreements.</li> </ul>



Risk	Description	Mitigating actions
Grid capacity	Rapid electrification and the growing demand for requested connections are putting pressure on existing grid capacity. When grid expansion cannot keep pace, congestion and temporary bottlenecks arise, requiring redispatch or short-term use of fossil generation to maintain security of supply. These transitional effects can increase CO <sub>2</sub> emissions in the short run and delay the full benefits of a decarbonised energy system.	<ul style="list-style-type: none"> <li>The risk is mitigated by maximising the use of existing grid capacity through measures such as dynamic line rating, congestion management, demand response and storage solutions, while speeding up grid reinforcement projects and delivery timelines where needed to accelerate the energy transition. Furthermore, other approaches such as pilot projects are actively considered and implemented if possible. We coordinate planning with governments and market parties to align infrastructure development with electrification needs and reduce temporary fossil dependencies.</li> </ul>
Climate instability or tipping point	Climate change-induced changes in large-scale climate patterns can lead to potential tipping points within the physical climatic processes. This may cause greater seasonal variability. While summers remain hot, winters could become colder, stressing current design assumptions. Such conditions can stress assets not designed for prolonged freezing, increasing the risk of outages, material fatigue, or equipment failure.	<ul style="list-style-type: none"> <li>Knowledge and impact information on the relevant tipping points is sparse. Therefore, climate developments are continuously monitored to gain insights into future scenarios and effects. We monitor long-term climate data and where relevant adjust specifications for new and existing infrastructure to ensure resilience against temperature extremes.</li> </ul>

**Physical risks**

Risk	Description	Mitigating actions
Acute or extreme weather events	Due to climate change, the probability and severity of severe weather events changes. This can, for instance, cause thunderstorms, lightning, or hail to occur more frequently and/or have a greater impact on our assets. These events can damage onshore or offshore assets, disrupt electricity transmission, and increase the need for emergency measures.	<ul style="list-style-type: none"> <li>The effects of acute weather conditions are mitigated during the design, construction, and maintenance of our assets, for instance by the choice of location and materials. With support from KNMI, an extensive climate risk &amp; resilience analysis is underway to assess how the changing weather conditions could affect our assets and operational resilience.</li> </ul>
Chronic transitional climate changes	Gradual long-term climate changes, such as altered precipitation patterns, or rising sea levels, may increase salt corrosion, groundwater levels, and other environmental stresses on assets, affecting maintenance needs and long-term performance.	<ul style="list-style-type: none"> <li>Climate developments are continuously monitored to gain insights into future scenarios and effects. In addition, substations and buildings are insured during construction and operation. However, during large-scale weather events, insurance coverage may not apply.</li> </ul>
Increasing temperatures and heat waves	Persistent heatwaves and rising average and extreme temperatures can affect the physical properties and capacity of high-voltage lines, increase the risk of fire, and accelerate material ageing, potentially leading to outages or safety risks. Some existing assets were designed 20 to 60 years ago under cooler climatic conditions and are therefore more exposed to these temperature-related stresses.	<ul style="list-style-type: none"> <li>The effects of higher temperatures and heat waves are addressed in the design, construction and maintenance of assets, and managed through real-time grid operation and further load adjustments during heat waves. To aid monitoring of climate risks &amp; resilience, an asset-specific climate risk dashboard is in development.</li> </ul>
Increased extreme wind speeds & downdrafts (e.g. microbursts, gusts)	Due to climate change, the conditions for the development of extreme wind speeds or downburst events to occur likely increase. More frequent and intense wind events impose higher mechanical loads on overhead lines, pylons, and offshore structures, which may result in structural damage, reduced lifespan, or restricted access for maintenance, especially for existing assets.	<ul style="list-style-type: none"> <li>The risk is mitigated through resilient asset design and maintenance standards that account for extreme wind conditions in general. Continuous monitoring and periodic inspections ensure that critical infrastructure remains robust and reliable under changing weather patterns. Due to the uncertainty involved and absence of scientific knowledge, further assessments and targeted studies are being considered.</li> </ul>
Flooding	Flooding caused the rise in sea level, storm surges, extreme rainfall, or river overflow can affect land-based substations, pylon foundations, cable routes, and access to infrastructure, particularly in floodplains or low-lying and coastal zones. As the location of many onshore substations was determined decades ago under different climatic conditions, they may be more susceptible to flooding and require targeted adaptation measures.	<ul style="list-style-type: none"> <li>The risk is mitigated through detailed flood risk and vulnerability assessments that are being carried out in cooperation with relevant governmental institutions, such as water boards. Where required and possible, drainage systems and flood defences are strengthened to reduce exposure and enhance resilience against flooding.</li> </ul>
Increasing frequency of low wind and solar generation (combined with colder conditions)	Longer periods of low wind and solar generation ( <i>Dunkelflauten</i> ) can increase stress transport needs on the grid and reduce security of supply, leading to an increase in the need for conventional generation and/or energy storage solutions. Especially when these coincide with colder conditions ( <i>kalte dunkelflauten</i> ). These conditions may lead to higher operational costs and temporary reliance on conventional generation, increasing short-term emissions.	<ul style="list-style-type: none"> <li>The risk is mitigated by expanding cross-border interconnections and flexibility options that enable the exchange of renewable electricity between regions. Improved forecasting and system balancing further reduce exposure to prolonged periods of low renewable generation. Additional detailed risk and vulnerability assessments are carried out.</li> </ul>



Risk	Description	Mitigating actions
Landslides and soil erosion	Geological instability caused by heavy rainfall, flooding, soil degradation, or other environmental factors can lead to landslides and erosion, potentially damaging the foundations of substations, towers and other critical infrastructure, and disrupting grid operations.	<ul style="list-style-type: none"> <li>The risk is mitigated through careful selection of stable and low-risk locations during planning and construction, and continuous monitoring of soil conditions to identify early signs of instability and prevent damage. To aid monitoring of climate risks &amp; resilience, an asset-specific climate risk dashboard is in development.</li> </ul>

## Opportunities

Opportunities	How might this affect TenneT
<b>Grid operations</b>	Grid expansion strengthens TenneT's role in the energy transition by improving reliability and enabling increased transmission capacity, while also enhancing revenue streams in line with the strategic objectives set out in the 10-year investment plan.
<b>Resource efficiency</b>	Decentralised electricity production, storage and flexible demand create opportunities to use existing infrastructure more efficiently. This reduces the need for grid expansion, conserves resources and land, and supports long-term climate and sustainability goals.
<b>Energy source</b>	TenneT's extensive experience in connecting (renewable) energy sources, such as offshore wind, enables the company to further accelerate renewable integration and strengthen partnerships that support European decarbonisation targets.
<b>Products and Services</b>	Growing digitalisation and data availability enable new products and services, such as the Equigy platform, which enhance system flexibility and empower consumers to participate in balancing and sustainability markets.
<b>Markets</b>	Growing investor demand for long-term sustainable assets offers opportunities to secure green financing on favourable terms, enabling continued investment in climate-aligned infrastructure and strengthening TenneT's long-term financial resilience.
<b>Resilience</b>	Electrification and digitalisation drive opportunities to enhance operational resilience. Technologies such as automation, AI, and advanced monitoring improve system efficiency, and reduce outage risks. Big data approaches and the scalability of weather & climate model-based assessments improve and strengthen our climate adaptation capabilities.
<b>Sustainability</b>	By adhering to the latest sustainability standards and anticipating future developments, our grid expansion projects not only enhance the reliability and capacity of the grid but also stimulate the development of more sustainable buildings, grid assets and components.

# Statements of the Executive Board

The Executive Board is responsible for designing and operating TenneT's internal risk management and control systems, and for reviewing their effectiveness.

## Statement of responsibility

The Executive Board is responsible for having adequate internal risk management and control systems in place. The Executive Board regularly assesses the design and effectiveness of the internal risk management and control systems. The results of these assessments are shared with the Audit, Risk & Compliance Committee, acting as a committee of the Supervisory Board, the Supervisory Board itself and the external auditor.

In view of the internal and external challenges faced by TenneT in supporting the energy transition, the Executive Board strives to continuously adapt the priorities to current circumstances as part of sound internal risk management and control systems. The internal risk management and control systems do not provide absolute assurance that all corporate objectives will be fully achieved, nor does it give full assurance that material errors, losses, fraud or violations of laws and regulations will not occur in the operational processes and/or the financial reporting.

Taking the above into account, the Executive Board is of the opinion that the management report sufficiently describes the design and operation of TenneT's internal risk management and control systems on operational, compliance and reporting risks.

We confirm that, to the best of our knowledge, the financial statements for the period 1 January to 31 December 2025 have been prepared in accordance with IFRS as adopted by the EU, and with Part 9 of Book 2 of the Dutch Civil Code; that the disclosures in the financial statements give a true and fair view of TenneT's assets, liabilities, financial position

and results as a whole; and that the disclosures in the Integrated Annual Report give a true and fair view of TenneT's financial performance, results and position.

## Statement by the Executive Board

The Executive Board is of the opinion that as at 31 December 2025:

- The management report provides sufficient insights into any material failings in the effectiveness of the internal risk management and control systems.
- TenneT's internal risk management and control systems provide reasonable assurance that TenneT's financial reporting does not contain any errors of material significance and that the risk management and internal control systems have operated effectively in the year under review.
- TenneT's internal risk management and control systems provide limited assurance that TenneT's sustainability reporting is free from material misstatements.
- TenneT's internal risk management and control systems provide a level of comfort that we deem sufficient to properly fulfil the Executive Board's duty to manage the material operational and compliance risks that the company has identified within the risk appetite set by TenneT.

The Executive Board is of the opinion that the Group has adequate resources to remain operational during the next 12 months after the date of this report and that, based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis.

Arnhem, 2 March 2026

M.J.J. van Beek  
M.C. Abbenhuis  
D.K. Inia

## TenneT's Internal Risk Management & Control Systems



This visual is a reading guide that includes the relevant sections of TenneT's Internal Risk Management & Control Systems in this integrated annual report. The relevant sections contain information about the objectives, the characteristics and the inherent limitations of the internal Risk Management & Control Systems.



# Corporate governance



Corporate governance structure	95
Compliance and integrity	98
Executive Board	99
Executive Board biographies	107
Supervisory Board	109
Supervisory Board biographies	110
Supervisory Board report	113
Remuneration report	121



# Corporate governance structure

TenneT's corporate governance structure comprises the Executive Board, the Supervisory Board and the General Meeting of Shareholders. Additionally, our Audit, Risk & Internal Control and Compliance & Integrity unit and the external auditor play an important role in this structure.

## Executive Board

As of 1 May 2025, the Executive Board of TenneT Holding B.V. has three statutory directors. The Executive Board members have joint authority to represent the company. All three members of the Executive Board of TenneT Holding B.V. are managing directors of TenneT TSO B.V. During 2025, four managing directors of TenneT TSO GmbH and TenneT Offshore GmbH have been appointed. The CEO of the Executive Board of TenneT Holding is also chair of the Aufsichtsrat of TenneT TSO GmbH.

The Executive Board is responsible for sustainable long-term value creation by the company for its stakeholders, by managing impacts, risks and opportunities.

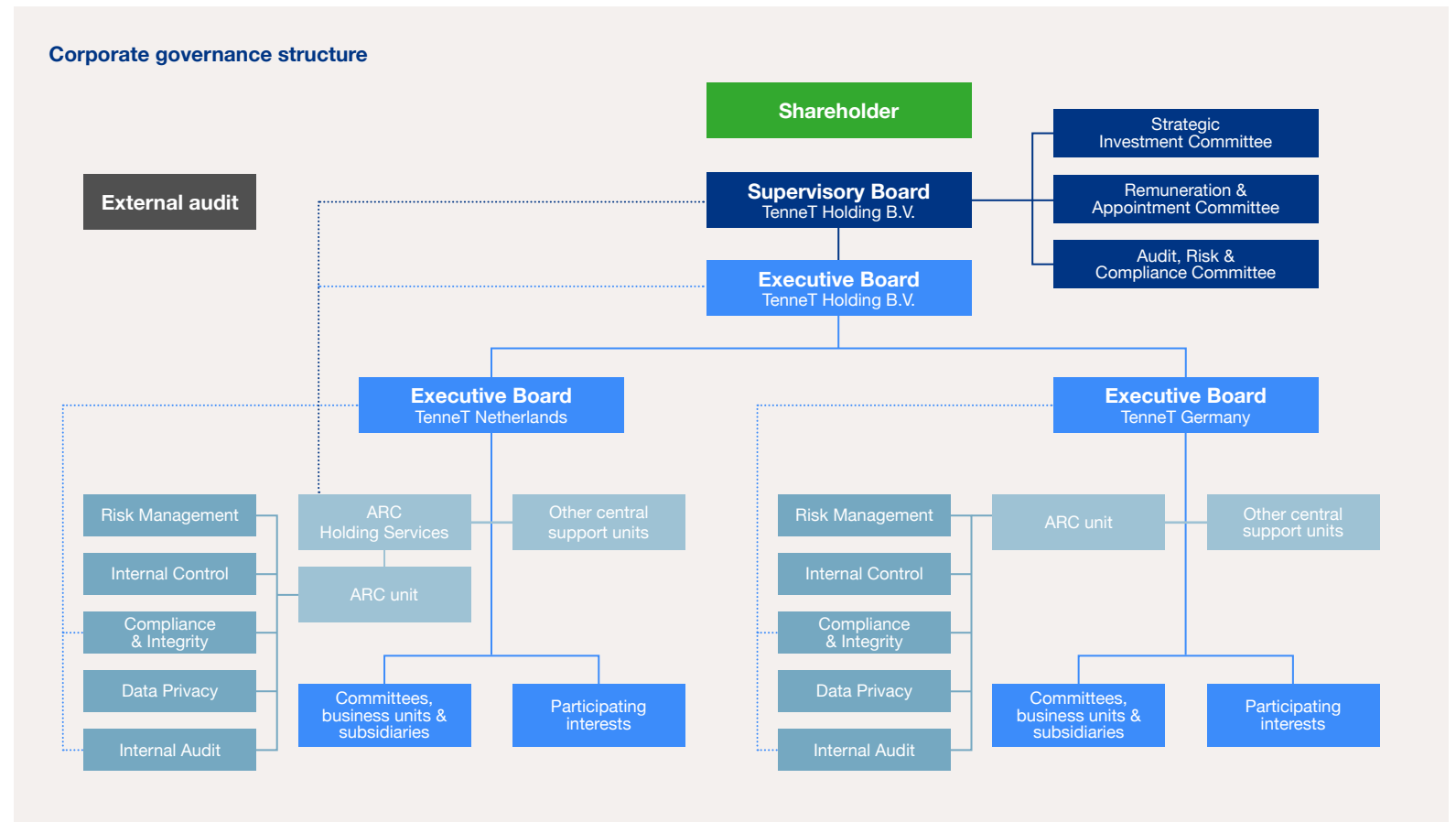
The legal structure of TenneT Holding B.V. includes both regulated and non-regulated activities. Further information about the Executive Board (such as its rotation schedule) is available on our [corporate website](#).

## Supervisory Board

The Supervisory Board of TenneT Holding B.V. supervises the policies, management and general affairs. It carries out its duties in the interests of the company and its stakeholders, and takes into account the effectiveness of the company's internal risk management and control systems and the integrity and quality of the financial and sustainability reporting. Supervisory Board decision-making is supported by the Strategic Investment Committee, the Remuneration & Appointment Committee and the Audit, Risk and Compliance Committee.

The temporary Supervisory Board Voltura Committee, established in 2024, remained in function in 2025. This committee prepares decisions on project Voltura (attracting third party investors on the level of TenneT Germany). TenneT has a two-tier board structure, as specified in the Electricity Act.

Further information about the Supervisory Board (such as its rules and rotation schedule) is available on our [corporate website](#).





## General Meeting of Shareholders

All shares in TenneT's capital are held by the Dutch state, which is represented by the Ministry of Finance. Under the Energy Act, only the Dutch state may hold interests in the Dutch part of the company. A General Meeting of Shareholders is held within six months after the end of each financial year. The General Meeting of Shareholders discharged the Executive Board and Supervisory Board members from liability from their respective activities in the year 2025. Other shareholder meetings are held as and when deemed necessary by the Executive Board, Supervisory Board or the Shareholder.

## Audit, Risk & Internal Control and Compliance & Integrity

As of 1 January 2025, two separate Audit, Risk & Internal Control and Compliance & Integrity (ARC) units have been established. Those ARC units bring together the teams of Internal Audit, Risk Management & Internal Control and Compliance & Integrity (incl. Data Privacy). The integrated teams provide benefits in terms of a single point of contact and an opportunity for more alignment and synergy. The resulting limitations to the independence of the Internal Audit teams are managed through the outsourcing of periodic audits on the Risk Management & Internal Control and Compliance & Integrity teams to a third party. The Dutch ARC unit has the authority to act on behalf of TenneT Holding, administering ARC Holding Services across the group. The ARC Holding Services role is established to ensure a uniform and high-quality ARC function across the two countries and to oversee ARC activities at a TenneT Holding level.

Both ARC units provides an integrated report on a quarterly basis to the Executive Board of the respective country, followed by a consolidated report to the Executive Board and the Audit, Risk & Compliance Committee, advising the Supervisory Board, of TenneT Holding.

The ARC units are led by the ARC directors, who report hierarchically to the respective CFOs. The management of Risk Management & Internal Control and the management of Compliance & Integrity report to the ARC directors, who also manage Internal Audit. Both the ARC directors and the heads of Compliance & Integrity have a dotted reporting line to the CEO.

The Risk Management & Internal Control and Compliance & Integrity teams train, advise and support the organisation in their field of expertise. The teams of Risk Management & Internal Control facilitate the company-level management systems for risks and internal controls. The Compliance & Integrity teams facilitate the company-level management systems for prevention, detection and responding to risks related to Compliance & Integrity, including data privacy.

Outside the ARC units, teams have been established to train, advise and support the organisation in the fields of health, safety and environment, business continuity management, information security and quality management (in line with NTA8120, ISO55001 and ISO9001).

The teams of Internal Audit strengthen the organisation's ability to create, protect and sustain value by providing the board and management with independent risk-based and objective assurance, advice, insight and foresight. Internal Audit drafts an audit plan after consultation with the different Executive Boards, the Audit, Risk & Compliance Committee and the external auditor. The internal audit plan is submitted to the Executive Board, and then to the Supervisory Board of TenneT Holding, for approval. The functioning of Internal Audit is annually assessed by the Executive Board of TenneT Holding after consultation with the Audit, Risk & Compliance Committee. The performance of the internal audit function is assessed at least every five years by an independent third party. The latest independent assessment was performed in December 2021.

## Committees and business units

In line with the good governance practice of the three lines model by the Institute of Internal Auditors, the committees and business units are responsible for directing and leading activities to achieve the objectives. The committees and business units are accountable for establishing and maintaining appropriate structures, policies and processes for the management of activities, including governance, risk management and internal controls, covering the respective impacts, risks and opportunities. While operational responsibility lies with the business units, ultimate accountability remains with the Executive Boards.

The Business Guidance and Strategy and Partnerships business units play a central role in defining the metrics and targets used to assess the integrated performance, working in close collaboration with the business units responsible for the impacts, risks and opportunities. Objectives and targets are included in the Integrated Performance Plan ('IPP') on an annual basis. Performance against these targets is reported to the respective Executive Boards through quarterly Integrated Performance Reports ('IPR'), enabling informed oversight and strategic alignment. Afterwards, a consolidated report is provided to the TenneT Holding Executive Board. In addition to the IPP and IPR, the boards are informed on the progress of individual business units in the quarterly Unit Performance Dialogues ('UPD').

In the current way of working, End-to-End ('E2E') steering of TenneT's core processes and the impacts, risks and opportunities are systematically addressed through four dedicated committees, each responsible for a (sub)portfolio of improvement initiatives that span the entire TenneT process landscape. These initiatives are aligned with one or more E2E processes and are described in more detail in the '[Our performance 2025](#)' section in this report.

## Systems & Markets Committees ('SMCs')

The SMCs of both TenneT Netherlands and TenneT Germany are the internal platform for TenneT for all topics concerning, among others, market facilitation, system operations development, regional coordination and positioning on forthcoming regulatory issues within a period of one to five years. The SMCs foster TenneT's strategic ambitions to drive the energy transition, to ensure security of supply and to safeguard TenneT's financial health, by steering on harmonised positioning and representation towards external stakeholders. The SMCs take strategic decisions with impact on the topics within its scope.

## Future Design Committees ('FDCs')

Both FDCs develop and communicate perspectives and scenarios as well as grid- and non-grid solutions on the future energy system to challenge conventional thinking. They appraise new energy concepts, propose

strategic partnerships and provide ideas for a fact-based dialogue with government, regulators, industry, academia and other stakeholders and can, for this purpose, establish working groups and nominate experts.

#### Asset Committees ('ACs')

The two ACs decide and advise the EBs on TenneT's grid investments and related maintenance to ensure the balance between security of supply, affordability and sustainability for the grid asset portfolio in relation to the organisation's strategic objectives. The ACs are accountable for the management of the overall integrated grid asset portfolio both onshore and offshore. Their responsibilities range from solving the identified grid constraints to the realisation of both portfolios and strategic maintenance plans. They ensure a feasible and reliable integrated grid asset portfolio within the boundaries of the NEP (Netzentwicklungsplan) and FEP (Flächenentwicklungsplan), IPs (Investeringsplannen), strategic maintenance plans and availability of resources.

#### Business Enabling Foundation Committees ('BEFCs')

Both BEFCs cover all initiatives to change and improve both existing business processes and IT systems as well as the introduction of (innovative) new processes and systems, which relates to the Enabling processes, as long as they do not have a direct impact on one of the core processes (and are therefore covered by another committee). A key priority of TenneT's enabling units is to provide a solid foundation. The BEFCs shall amplify this focus and function as a decisive committee.

#### Works councils

TenneT's works councils in both the Netherlands and Germany plays a key role in representing employees' interests within the governance structure. They serve as a formal channel for dialogue between the workforce and the Executive Board, ensuring that employee perspectives are considered in strategic and operational decision-making. Regular and structured conversations take place between the works councils and the Executive Board, fostering transparency, mutual understanding, and alignment on key topics such as working conditions, organisational changes, and sustainability initiatives. This engagement supports inclusive governance and contributes to a responsible corporate culture.

#### External auditor

The General Meeting of Shareholders has the power to appoint external auditors to audit the financial statements and provide assurance on the Sustainability statements in the Integrated Annual Report, both as prepared by the Executive Board. These auditors report to the Supervisory Board and the Executive Board and their findings are presented in an independent auditor's report, an assurance report, an interim report (management letter) and an audit results report. The General Meeting of Shareholders appointed Deloitte Accountants B.V. as TenneT's external auditor as of 1 January 2020. In 2022 and 2025, the Executive Board, Supervisory Board, shareholder and Deloitte have agreed to prolong the contract of Deloitte for another two-year period in accordance with the prolongation options in the contract. The prolongation is for the financial reporting periods 2024 up to and including 2027.

The functioning of the external auditor is supervised by the Supervisory Board and advised by the Audit, Risk & Compliance Committee, considering observations of the Executive Board.

The external auditor attends all meetings of the Audit, Risk & Compliance Committee, including the meeting at which the independent auditor's report on the financial statements is discussed. If required, the external auditor also attends the relevant Supervisory Board meeting. In line with previous year, the external auditor attended one meeting of the Strategic Investments Committee for information purposes.

#### Deviations from the Dutch Corporate Governance Code

Certain principles and best-practice provisions in the Code do not apply to TenneT. The reasons why and to what extent TenneT decided not to or could not adopt these particular principles and best-practice provisions are explained hereafter:

#### Chapter 2:

- 2.1.3: Not applicable: no Executive Committee has been established at TenneT.
- 2.2.1: In line with the Dutch policy State Participations 2022, paragraph 5.2.3, both Executive Board as well as Supervisory Board members are appointed for a term of four years and can be re-appointed for a second term of four years. Only in exceptional and well-motivated cases, Executive Board and Supervisory Board members may subsequently be reappointed twice for a respective third and fourth term of two years. So, the total maximum period for both Executive Board and Supervisory Board members is 12 years. With this maximum of 12 years, TenneT deviates from principle 2.2.1 of the Code.
- 2.3.2: If the Supervisory Board has more than four members, the Code stipulates that the board shall appoint from among its members an Audit Committee, a Remuneration Committee, and a Selection and Appointments Committee. The TenneT Supervisory Board has combined the tasks of the latter two committees into a Remuneration and Appointments Committee.
- 2.3.8: Not applicable: no delegated Supervisory Board member is employed by TenneT.
- 2.7.5, 2.8.1 – 2.8.3: Not applicable: these provisions do not apply to TenneT because it has only one shareholder, being the Dutch state.

#### Chapter 3:

- 3.1.3: Not applicable: no Executive Committee has been established at TenneT.
- 3.3.2, 3.3.3: Not applicable: these provisions do not apply to TenneT because it has only one shareholder, being the Dutch state.

#### Chapter 4:

Regarding paragraphs 4.1 and 4.4 TenneT complies with the Code. Paragraphs 4.2, 4.3 and 4.5 are not applicable to TenneT because it has only one shareholder, being the Dutch state.

#### Chapter 5:

Given TenneT's two-tier board structure, this chapter is not applicable.

# Compliance and integrity

A culture of compliance and integrity is essential for TenneT's sustainable success. Therefore, we strive to prevent and – at an early stage – identify and respond to compliance and integrity risks that could jeopardise the implementation of the company's strategy and objectives, leading to economic and/or legal consequences, as well as reputational damage.

Especially in view of the high annual investment volume, we consider the compliance risk significant. The Compliance & Integrity teams are part of the ARC units (Audit, Risk & Internal Control and Compliance & Integrity). The directors of the ARC units report to the CFOs, with a dotted line to the CEOs.

Our Code of Conduct, with our Guiding Principles of 'Ownership', 'Connection', and 'Courage', and a number of compliance directives guide our employees to conduct business ethically and to comply with the applicable laws and regulations. All employees are requested to follow e-learnings on Code of Conduct topics and all new employees participate in compliance trainings as part of their onboarding programme.

## Data privacy

In the course of its business activities, TenneT regularly processes personal data. We use standardised processes to assess risks and protect the rights of data subjects. Compliance with external laws and regulations, as well as internal rules, is ensured by the responsible specialist departments, which receive advice from the data protection team. Moreover, in each unit a privacy champion is the focal point of contact for privacy matters. This liaison between the units and the privacy teams furthers two-way communication and to-the-point privacy advice by the privacy teams. The independent function of the data protection officers is guaranteed within the ARC units.

TenneT regularly reviews its processes for processing personal data and trains its employees to meet data protection requirements. Also, external service providers are requested to sign data protection agreements.

## Advice & reporting

The Compliance & Integrity teams advise the business on various compliance, integrity and data protection aspects, and reports quarterly to the TenneT Executive Board and the Audit, Risk and Compliance Committee of the Supervisory Board regarding such topics.

A maturity scan of the Compliance and Privacy programmes has led to improvements in these areas and will lead to further enhancement in 2026.

Various channels exist through which (potential) Code of Conduct violations, including compliance and data protection issues, can be reported. Moreover, a speak-up portal, which is operated by an external party, allows for (potential) Code of Conduct violations to be (anonymously) reported.

Identified compliance risks are dealt with by the Compliance and Integrity Committees in their quarterly meetings. In 2025, no compliance incidents with a material impact were identified for TenneT. Material impact is defined in our risk matrix as a breach that has a significant adverse effect on TenneT's reputation or financial position.

## Operational compliance

The units are responsible for the day-to-day processes and procedures to manage compliance & integrity risks. Within TenneT we have identified the following laws and regulations to be the most relevant for our operating activities:

- Energy law and other electricity acts, regulations and codes
- Environmental law
- Procurement laws
- Privacy laws
- Health, safety and environment regulations
- External reporting rules
- Security regulations

To ensure compliance with the above-mentioned laws and regulations, the units are supported by expert teams within the Legal, Supply Chain Management, Audit, Risk & Compliance, Health, Safety and Environment, Financial Governance Services and Business Technology (including the Corporate Security Office) units. The applicable laws and regulations have been translated into processes and procedures, described by Corporate Policies, Business and Functional Directives, Handbooks and Manuals, which are available in a central register, Guide@TenneT.



# Executive Board



## Roles and responsibilities

The law, Corporate Governance Code, the Companies Articles of Association, the Rules Governing the Supervisory Board and the Rules Governing the Executive Board (in conjunction with the Terms of Reference Executive Board) lay down the roles and responsibilities of SB, SB committees and EB regarding dedicated controls and procedures applied to the management of impacts, risks and opportunities. They are integrated with other internal functions in the way the EB portfolios are structured. The EB Board portfolios were for the greater part of 2025 as shown in the table at the top right of the page.

For more information on the committees and business units, see the [Corporate governance structure](#) section.

The impacts, risks and opportunities reside mainly within the following EB roles because of the disclosed reporting lines, as disclosed in the next table.

Impacts, risks and opportunities	Main EB role and unit
Employer of choice	CEO (PPL)
Diversity and inclusion	
Talent attraction	
Climate change mitigation	CEO (STP)
Species population size (birds)	
Land and seabed use change	
Human rights in the value chain	
Land-related impacts on local communities	CEO (PUC)
Pollution (nitrogen)	
Health and safety own operations	COO (HSE)
Waste	
Security	COO (BTO)
Grid congestion	COO (CCC)
Climate change mitigation (Delivering the energy transition)	COO (ESP)
Affordability	
Climate change adaptation	
Security of supply	COO (SOP)
Corruption & bribery	CFO (ARC)
Resource inflow	CFO (SCM)

CEO Manon van Beek <sup>1</sup>	COO Maarten Abbenhuis	CFO Arina Freitag <sup>2</sup>	
LEG: Legal Affairs	AMT: Asset Management	HSE: Health, Safety and Environment	ARC: Audit, Risk Management & Internal Control and Compliance & Integrity
PPL: People	BTO: Business Technology Organisation	LPD: Large Projects DC	BGD: Business Guidance
PUC: Public Affairs & Communications	CCC: Customer Connections & Capacity	LPG: Large Projects AC-DE	FGS: Financial Governance Services
STP: Strategy & Partnerships	CMT: Customers and Markets	LPN: Large Projects AC-NL	REG: Regulatory Affairs
	ESP: Energy System Planning	LPO: Large Projects Offshore	SCM: Supply Chain Management
	GFO: Grid Field Operations, Maintenance and (Baseload) Projects	SOP: System Operations	

<sup>1</sup> TenneT has started the recruitment and selection process for a new CEO, as Manon van Beek's second term will end in 2026.

<sup>2</sup> The role of CFO of TenneT Holding was fulfilled by Arina Freitag up until 31 December 2025. As of 1 January 2026, Dieuwert Inia is the CFO of TenneT Holding.

## Reflection of Executive Board on impacts, risks and opportunities

The Executive Board ('EB') discussed the Double Materiality Assessment ('DMA') and Impacts (both negative and positive), Risks and Opportunities ('IROs') and noted that compared to TenneT's previous DMA, previously identified IROs have remained material.

The EB oversees setting targets related to material IROs, through the Integrated Performance Plan that is related to TenneT's Strategy and has been approved by the EB.

TenneT's corporate targets are discussed yearly by the EB and the RAC and approved by the SB. They are reported on to the EB members in the unit performance dialogues, to the EB in the quarterly Committee Chairs updates (Asset Committee, Future Design Committee, System and Markets Committee and Business Enabling Foundation Committee). Progress is reported to the SB in the quarterly Integrated Performance Report, the Finance Report, the Quarterly Investment Report and the Audit, Risk and Compliance Report. When targets have not been met, the cause as well as mitigating measures are discussed. Where needed, targets are sharpened for the following year to keep improving and policies are updated to reflect (new) targets and actions to be taken, that will then be reported on and monitored as described before.

Besides the targets, the EB has various periodic updates on the IROs in the EB meetings. EB members discussed IROs with their direct reports in their regular meetings and unit performance dialogues. The EB discusses the monthly safety report and a safety incident report, including measures taken. There are also 'targeted' weekly meetings, such as the weekly safety meeting.

In the various quarterly reports (the Integrated Performance Report, the Quarterly Investment Report and the Integrated Audit, Risk and Compliance report), the EB and SB are informed by the respective directors/TenneT-experts about the material impacts, risks, mitigating measures and opportunities.

In more detail the following topics are considered by the EB with respect to IROs:

### Employer of choice

At the start of 2025, when the two TSOs focused on national operations under one TenneT Holding company, seven key cooperation topics have been identified as crucial to generate synergetic benefits ('Synergetic Topics'). 'Remaining an employer of choice' was defined as one of these – in line with being an IRO – targeted at maintaining an attractive employer brand, attracting and retaining talent, and facilitating efficient (international) learning and development.



TenneT conducts quarterly pulse surveys, of which the insights are shared at Holding, national and unit level and discussed in the EB every quarter.

TenneT's targets are set upon:

- I feel sufficiently informed about TenneT's strategy and performance.
- I receive the support I need in my job to contribute to TenneT's strategy and performance.
- I feel motivated to help TenneT to be successful in these times of change.

The overall yearly results over 2025 showed slight declines compared to 2024 which can partly be attributed to the organisation transformation process TenneT is in. The EB noted that there were significant differences between the units. The outcomes were discussed every quarter with the respective Unit Directors in the Unit Performance Dialogues ('UPDs').

### Diversity and inclusion

The EB met with TenneT's Inclusion, Diversity and Equity ('IDE') officers, and discussed that KPI targets require different focus per country: TenneT Netherlands needs to focus more on inflow of females; TenneT Germany more on inflow of internationals. The EB appreciated recent developments such as the 'Disability Pact' for better accessibility of TenneT locations, a new guideline for Sexual Safety, incorporating IDE in all processes and procedures and adding neurodiversity as a focus point. The 2025 target for female hires (33%) was not met by TenneT Netherlands with 31%, but was met by TenneT Germany with 33%. The 2025 target for international hires, 11%, has been met by TenneT Netherlands with 13% and met by TenneT Germany with 11%. This resulted in TenneT Group not meeting its female hires target with 32%, but meeting with 11% its international hires target.

### Talent attraction

TenneT conducted new employer brand campaigns, to reinforce our position as a leading and attractive employer, both now and in the future. By showcasing TenneT's unique values and culture, we aim to strengthen our external and internal reputation and attract top talent to support our continued growth and innovation.

TenneT managed to attract 2,238 colleagues in 2025. Further awareness and attention for international hires and related IDE targets and topics remain high on the EB agenda. Of equal importance is retaining talent, which TenneT ensures by stimulating job rotation, a good learning and development program as well as a very competitive remuneration package. In total 1,095 colleagues left TenneT in 2025, resulting in a net growth of 1,143 colleagues.

The results of the KPIs for international and female hires were discussed every quarter with the respective Unit Directors in the UPDs.

### Delivering the energy transition

TenneT delivers increasingly complex cross-border infrastructure. Therefore, shaping the conditions for successful execution becomes essential. As such, TenneT's growing international engagement reflects a strategic positioning shift as two national TSOs working closely together under one holding company, on the energy transition, across Europe, and globally.

In 2025, the TenneT Netherlands CEO became chair of the CEO group of the Offshore TSO Collaboration: twelve TSOs from the North Sea that collaborate to advance infrastructure development in line with the objectives of the Esbjerg and Ostend Declarations: North Sea Energy Cooperation ('NSEC'). Both declarations aim to significantly increase the combined offshore wind capacity of the Northern Seas. The initial results of the joint study demonstrate how a regional approach to offshore grid development in the Northern Seas can offer both economic and environmental benefits for all Europeans. With the election of TenneT Netherlands' CEO as chair of the CEO group, TenneT has more influence on the agenda of the OTC and TenneT Netherlands represents OTC

externally, for instance vis-a-vis high governmental stakeholders such as ministers.

In the Investment Plan 2026-2040, TenneT had to announce delays in 60% of the projects compared to the Investment Plan 2024. Developing and building TenneT's infrastructure projects remains complex and is taking long time. Delays occur in the study phase, the permit application procedure and the actual realisation phase. Reasons for the delays include the complexity of location determination in a country as densely populated as the Netherlands is, and a shortage of personnel and equipment.

The EB concluded that 'not taking acceleration measures on the investment portfolio now are the new costs': longer project duration costs more. To this end, TenneT aligned with the Ministry of Climate Policy and Green Growth and on the Acceleration Package ('Versnellingsmaatregelenpakket'). This Acceleration Package provides a jointly agreed framework to fast-track critical grid projects by removing procedural barriers, shortening decision cycles and enabling earlier, more predictable delivery across the portfolio. TenneT established an Acceleration Measures Steering Committee to assess acceleration in project execution.

Furthermore, TenneT shared its policy recommendations with the European Commission on the European Grids Package to accelerate grid deployment, connect new customers and drive sustainable economic growth.

Progress made and measures to be taken to deliver the energy transition are part of the UPDs of the Large Projects and Grid Field Operations units.

### Grid congestion

In approving individual project investment proposals, the EB considered whether these would contribute to mitigate congestion. Several investment projects and other solutions to mitigate congestion, have been discussed and approved. Although TenneT is on track to reach the realisation of 100 customer bays per year in service by 2028,



TenneT recognised the need for further mitigating measures, which were discussed and implemented where possible. Additional measures are being researched going forward.

Furthermore, the COO attended a meeting with the shareholder with the International Monetary Fund about the energy market, grid congestion and energy tariffs.

Congestion management costs and redispatch volume are part of the country KPIs and discussed quarterly with the System Operations units.

#### Land-related impacts on local communities

TenneT has asked the Board of Government Advisors (College van Rijksadviseurs), an independent advisory body that advises the government on spatial planning, infrastructure, sustainability and the living environment, to advise on safeguarding spatial quality in grid expansions. The spatial claim that the energy transition demands causes friction with the environment, resulting in longer project realisation lead times. The advice comprised three recommendations:

**Pylon choice:** is it possible for TenneT to choose one uniform type of pylon and to keep further decision-making about pylon choices outside of the environmental process?

**Project procedure:** how should TenneT give spatial quality a prominent role within the project procedure and at the same time guarantee an integral design, taking into account the strict preconditions of regulations such as Natura2000 and UNESCO?

**Stations:** in what way can spatial quality be a guiding factor in both the choice of location and the design of high-voltage stations?

The EB took note of the advice, supporting standardisation to speed up spatial planning procedures and requested it to be included in the Provincial Consultation.

TenneT weighs the spatial, environmental and societal impact of our assets in the areas they are located, as this helps to build acceptance and reduces potential resistance for projects to be realised.

#### Affordability

Affordability continued to be top of mind for the EB during 2025. Pursuant to the sharpened strategy, the CapEx Action Plan has been set for TenneT Germany in close alignment with the shareholder. TenneT has developed an Affordability Action Plan for the Netherlands which will be finalised in Q1 2026, also in close alignment with the shareholder and the Ministry of Climate Policy and Green Growth. The Affordability Action Plan NL builds upon the measures recommended in the Interdepartmental Review ('IBO') Financing Electricity Infrastructure and includes the measures (to be) taken based on the Acceleration Package. Both Action Plans will be monitored in the quarterly reports to the EB.

Several exception report requests have been rejected for the shorter or longer term in view of, among other things, the need to develop the project at this moment in time and insufficient details about the reasons for price increases. The EB pushed for further standardisation for onshore projects, following the successful standardisation of the 2GW offshore program.

The EB noted that the affordability dialogue is a good opportunity to underline the OpEx impact and inform external stakeholders that redispatch costs, for instance, have a major impact on affordability.

The COO joined an Asset Committee meeting to underline the importance of quality control throughout TenneT's investment process and the importance of budget discipline/project control given the occurrence of several Exception Reports being submitted within a (relatively) short time-frame in 2025.

The results of the KPIs related to affordability were discussed every quarter in the UPDs with the Unit Directors of the Large Projects and Grid Field Operations units.

#### Health and safety own operations

Relevant safety developments are discussed as the first topic in every EB meeting. The monthly safety reports are discussed every month, followed by a dialogue about a specific incident report, where the EB focuses with the respective experts on the lessons learned and measures taken.

The number of Life Saving Rules ('LSR') violations, the application of the Fair Approach (an open dialogue with the person causing the violation) and consequence management were discussed pursuant to the monthly safety reports. The EB noted that while the amount of LSR violations remains high and needs to go down, at the same time it is a sign of an open reporting culture.

The EB discussed how there needed to be more attention paid to adhering to the electrical Life Saving Rules and appreciated these having been included in the toolbox dialogues with (sub)contractors and joint-venture partners for electrical works.

The EB noted appreciatively that the Fair Approach has focused more on clarifying the circumstances of the violations that caused the behaviour so that learnings and further preventive measures can be taken. The EB took note of consequence management being applied: people consciously violating the LSR have been sent away from sites or have only been allowed on 'greenfield' sites and not on 'brownfield' sites.

The impact of digital/AI to improve the health and safety of TenneT employees was discussed by the EB. This included innovative trainings, having easily accessible technical information available on site, drone inspections (no more climbing; applied in TenneT Germany already) and installation of bird markers by drones on pylons were mentioned as examples.

TenneT approved the Alcohol, Drugs and Medicines Policy in 2025. In the policy, TenneT sets strict rules of conduct for alcohol and drug use to ensure safety and professionalism at all TenneT locations.



TenneT TSO B.V. has been certified for its health and safety management system in accordance with ISO 45001.

The results of the KPIs for safety were discussed every quarter with all Unit Directors in the UPDs.

### Security of supply

This topic is the second topic on the EB meeting agenda; it is reported upon every week. Incidents are discussed and lessons learned are shared, internally and externally, for instance in the ENTSO-E meetings. Following the Iberian black-out of 28 April 2025, the EB discussed the preliminary findings, internal findings, measures taken and those that are ongoing, and how to prepare for external communications in similar situations.

The EB appreciated that the combined power systems of Lithuania, Latvia, and Estonia have successfully joined the Continental Europe Synchronous Area ('CESA'), marking a significant milestone for European system operators and for Europe.

TenneT published the yearly report Monitoring Security of Supply in the Netherlands in May 2025. For more information, visit [TenneT's website](#).

The EB discussed the two black-outs in two days in southern France (in Cannes/Antibes on Saturday 24 May 2025 and in Nice on 25 May 2025), caused by arson in substations. This is a very serious signal in view of Security of Supply.

The results of the KPIs for security of supply are part of the quarterly country performance reports. These were also on the agenda of the UPD every quarter for the units System Operations.

### Climate change adaptation

The increased frequency of extreme weather events due to climate change present risks that are critical for TenneT to incorporate in designing its electricity grid for the future. For designing robust and sustainable assets, TenneT Netherlands uses sets of criteria to face the increased pressure of extreme weather events. These criteria have

been designed for each of the specific components that together form TenneT's high-voltage grid. An example of this is the high-voltage masts that are designed in compliance with Dutch regulation (namely NEN-regulations), which describe which wind-speeds these masts must be able to withstand. Another example is that high-voltage substations are to be built with their critical components placed at elevated levels, to withstand floods with low-returning frequency but with predicted flood-levels that cause failures in the distribution and transport functions of the substation.

TenneT is currently working on its weatherproofing programme to address climate change adaptation.

### Climate change mitigation

TenneT sees the energy transition as its most significant contribution to climate change mitigation. To that end, the EB discussed the developments of TenneT's vision of the energy system of the future: Target Grid. The EB appreciated the close alignment sought with the Ministry of Climate Policy and Green Growth, with national plans and programmes and with industry, as well as the fact that Target Grid has been made part of the Affordability Action Plan.

For climate change mitigation, TenneT has science-based targets in place, which are revalidated periodically. The science-based targets are to reduce absolute scope 1 and 2 GHG emissions by 95% and scope 3 category 1 and 2 GHG emissions by 30% by 2030, using 2019 as the baseline year. The progress towards the targets is reported upon in the Integrated Performance Report.

TenneT has concluded in the framework of the Energy Efficiency Directive Concern Report that TenneT is able to influence its energy use and is currently researching/developing measures which can reduce energy use (mainly grid losses).

When discussing project investment proposals, the EB always paid attention to choices made and their effects on sustainability, such as for instance for applying a gas insulated switchgear installation with SF<sub>6</sub> gas versus space available (in m<sup>2</sup>) for an air insulated switchgear.

The KPI for SF<sub>6</sub> gas emissions are discussed in the quarterly UPDs with Asset Management. Emissions in relation to TenneT's materials are discussed with Supply Chain Management in the UPDs.

### Biodiversity: (i) Species population size (birds); (ii) Land and seabed use and (iii) Pollution (nitrogen)

Climate change and biodiversity loss are interconnected and if done right, the energy transition can mitigate the impact of these global challenges. That is why the EB concurred with the Nature Ambition 2030 to contribute to a nature positive society by committing to no net loss of biodiversity in 2030, while using opportunities to aim for net gain.

The EB appreciated that almost all the required activities to achieve no net loss are already part of TenneT's current way of working and already integrated into existing project procedures and operational budgets (like wire markers on high voltage lines or ecological maintenance of substations). For additional measures towards net gain, there is dedicated budget available in offshore projects (% of project value); for onshore substations such a guideline is in preparation.

Experience in the past showed that applying nature-inclusive design in projects can decrease lead times, as it tends to limit the number of formal objections by local communities or governments.

While the EB supports reducing nitrogen emissions, they noted that on the one hand TenneT is working on the Acceleration Package, whilst on the other hand projects are delayed because of strict permit requirements related to nitrogen emissions which causes further delay, thus slowing down the energy transition.

TenneT is developing a set of indicators that, for the short term, mostly reflect the efforts undertaken to achieve our nature ambition. In the long term these will be complemented with indicators on the state of biodiversity.



### Resource inflow

In the yearly sustainability update, the EB noted appreciatively that TenneT started several pilots relating to low-carbon steel for lattice steel towers (reduction of 61% CO<sub>2</sub>e), recycled copper for transformers (reduction of 8% CO<sub>2</sub>e for selected transformers) and low-carbon overhead line conductors (the tender was awarded with the sustainability (Environmental Cost Indicator) criterion). Further initiatives include low-carbon concrete and the use of alternative fuels on construction sites.

The results of the KPI of the circular inflow of copper were discussed every quarter in the UPD of Supply Chain Management.

### Waste

Data for waste/outflow is improving but remains challenging while in most cases the handling of waste contractually falls under the responsibility of TenneT's direct suppliers.

### Human rights in the value chain

The topic of human rights is one of the four pillars of TenneT's Sustainability Framework 2030. TenneT has, among others, human rights risks in its Enterprise Risk Management and has integrated due diligence requirements in the qualification systems and contracts of suppliers. In one specific case, the EB has decided to terminate an existing framework contract with a Chinese supplier following an independent assessment of the mother company of the supplier.

The results of the KPIs for human rights assessments of non-European platform yards were on the agenda of the quarterly UPD for the Large Projects Offshore unit.

### Corruption & bribery

Corruption and bribery is a newly identified IRO. The financial magnitude is large in terms of potential financial penalties, legal standing, operational stability and reputational damage. TenneT has a speak-up portal in which alleged cases can be anonymously reported, also by third parties globally.

### Security

In the current geopolitical landscape energy, security is national security. TenneT approaches physical, cyber (Information Technology/Operational Technology; hereafter IT/OT) and personnel security in an integrated framework that is directly related to IRO 'Security of Supply'. The EB plays an essential role in the security governance at TenneT and the steering on the strategic security risks. To do this, the EB is periodically briefed on all developments in TenneT's threat landscape and the implications on the security risk profile of TenneT. Based on this information, the EB discussed and decided on multiple additional investments/measures in security and resilience. These investments vary from physical asset protection, IT/OT cyber security and incident response and additional personnel security measures. As security requires effective public-private collaboration, the EB was actively involved in multiple discussions with national and international governmental security partners. This included multiple events around the NATO summit in The Hague. Security developments and performance are discussed quarterly with the Corporate Security Officer and relevant directors.

### Reflection of committees on impacts, risks and opportunities

#### Systems & Markets Committee ('SMC')

In 2025, the SMC discussed the following IROs: security of supply, delivering the energy transition, delivering the energy transition - grid congestion as well as security as these cover the following agenda topics. The SMC discussed data-sharing governance, Agency for the Cooperation of Energy Regulators' multi-annual work programme and developments in methodologies, the Iberian incident report and measures (to be) taken by TenneT, physical congestion, prevention of potential non-compliance risks, ancillary services procurement, hedging opportunities in the Dutch bidding zone, updated electricity regulations and [LionLink](#) market arrangements.

### Future Design Committee ('FDC')

The FDC discussed in 2025, amongst other things, the development and communication of energy system scenarios, as well as grid- and non-grid solutions of the future energy system to challenge conventional thinking and stimulate innovation. The following IROs were discussed:

- Innovation: The FDC discussed and approved the innovation radar to expand and modernise the grid infrastructure, operating an evolving grid under rapidly changing environment, integrating energy system and markets in a changing energy landscape and future-proofing the workforce.
- Delivering the energy transition: The FDC has approved several project initiation documents to expand the grid and eventually deliver the energy transition.
- Delivering the energy transition – Grid congestion: The FDC has approved several project initiation documents, that will result in the relief of grid congestion.
- Affordability was a standard element to be discussed in TenneT policies, such as including Phasor Measurement Units ('PMU') in the Power System Stability Policy. Discussed and weighted was the cost of the PMU in comparison with the benefits of better insight in grid stability and therefore contributes to security of supply.
- Security of supply: Like affordability, security of supply is one of the boundary conditions of all discussions being held within the committee. Next to the measures regarding Phasor Measurement Units, the FDC discussed the outcome of a study about 'Inertia and system strength measures'. Inertia is caused by the infeed of more and more renewables and challenges grid stability and strength.

The committee approved the investigation of short- and long-term measures.

### Asset Committee ('AC')

In 2025, the AC prepared EB and SB decision-making for projects with a value of > EUR 50 million and for the shareholder with a project value of > EUR 200 million.

In 2025, the Asset Chain Strategy was approved as part of the Strategic Asset Management Plan in conformity with ISO 55001. Boundary conditions for the Asset Chain Strategy are safety, security of supply and financial health (related to IROs: health and safety own operations, security, security of supply and affordability). The five priorities for the Asset Chain Strategy are: customer connections, grid expansion, risk-based activity planning, affordability, and sustainability. These priorities are related to the following IROs: delivering the energy transition, delivering the energy transition – grid congestion, security of supply, affordability, land-related impacts on local communities, climate change adaptation and mitigation and biodiversity: (i) bird collisions; (ii) land and seabed use and (iii) nitrogen.

IROs are discussed in relation to the specific project approval requests that are on the AC agenda and progress is discussed in relation to TenneT's investment portfolio for the coming ten years. The AC handles the principles of 'high voltage lines (instead of cables), unless' and 'Air Insulated Switchgear (instead of Gas Insulated Switchgear), unless'.

During 2025, the IRO Affordability was addressed in the AC by the COO to underline the importance of quality control, budget discipline and forecast ability given the occurrence of several Exception Reports being submitted to the EB within a (relatively) short time-frame in 2025.

Quarterly KPI reporting is done in the Asset Portfolio Report. Individual units in charge of specific material impacts, risks and opportunities have developed relevant policies for these topics. For example, procurement strategies for SF<sub>6</sub>-free assets or regarding circularity requirements for our suppliers are defined by Asset Management and Supply Chain Management. The AC is involved when defining objectives (as part of the Portfolio Management Process) for the next year. The newly defined objectives consider the company strategy and the approved Asset Chain

Strategy. The latter in particular provides guidance in case of applicable trade-offs. If applicable – as mentioned mostly with regard to the objectives for improvement measures – the AC closely monitors progress.

### Business Enabling Foundation Committee ('BEFC')

The BEFC informed in 2025 the EB/SB/committees on an ad-hoc basis about the following material topics: delivering the energy transition, delivering the energy transition - grid congestion and security. The BEFC approved a significant budget for the Acceleration Package, which is related to IROs delivering the energy transition, delivering the energy transition - grid congestion and security of supply.

Regular quarterly reporting started in 2025. Individual units in charge of specific topics will develop relevant policies for these topics. The BEFC is involved when defining objectives (as part of the Portfolio Management Process) for the next year. These newly defined objectives consider the company strategy and the newly revised Enabling Function strategy. The Enabling Foundation closely monitors progress mostly with regard to the objectives for improvement measures. Furthermore, monitoring of the KPIs is mostly done at unit level.

### Policies and other items

In 2025, the EB discussed and approved the (updates of the) following policies:

- Disability Pact
- New Guideline for Sexual Safety
- Updated Corporate Investment Manual
- Expat Policy Framework for Long Term assignments
- Internal Audit Charter TenneT Holding
- Internal Audit Charter TenneT Netherlands
- Internal Audit Charter TenneT Germany
- Tax Policy
- Alcohol, Drugs and Medicines policy
- Corporate Policy External Power of Attorney
- Functional Description Business Guidance NL
- Nature Ambition 2030

## Skills and expertise

The EB members have kept their knowledge up to date in their other executive and non-executive roles as well as by attending external trainings and TenneT deep dives, dialogues and permanent education sessions. For the capability matrix of the EB, see the table on the right of this page.

Appropriate skills and expertise are sufficiently available within TenneT's workforce. By working on impacts, risks and opportunities in a cross-unit way, TenneT's internal expertise is growing further. Where needed, there is sufficient access to external advisors through framework contracts.

### Capability matrix

Competencies	M.J.J. van Beek (CEO)	M.C. Abbenhuis (COO)	A.C.H. Freitag (CFO)	T.C. Meyerjürgens (COO)
General management	●	●	●	●
Financial management	●	●	●	●
Capital market/investor relations	●	●	●	●
Technology	●	●	●	●
IT	●	●	●	●
Risk management	●	●	●	●
Project management (large infrastructure projects)	●	●	●	●
Human resources	●	●	●	●
Marketing/Public Affairs/Brand image	●	●	●	●
Regulation	●	●	●	●
Public sector/State-owned companies	●	●	●	●
Political/managerial experience and network the Netherlands	●	●	●	●
Political/managerial experience and network Germany	●	●	●	●
International background/experience	●	●	●	●
Legal	●	●	●	●
Experience in energy, industrial and/or financial sector	●	●	●	●
Knowledge of Dutch Corporate Governance Code	●	●	●	●
Corporate Social Responsibility/CSRD	●	●	●	●

● high ● medium ● low

# Executive Board biographies



## Manon van Beek

Chair Executive Board / Chief Executive Officer  
55, Dutch (f)

**Initial appointment:** 1 September 2018

**Expiry second term:** 31 August 2026

### Other positions qualitate qua:

- Chair of the Aufsichtsrat TenneT TSO GmbH
- Chair Executive Board TenneT TSO B.V.
- Member Board TenneT Verwaltungs GmbH (until 30 April 2025)
- General Member Board of German-Dutch Chamber of Commerce DNHK

### Other positions on a personal title:

- Member Supervisory Board of the Delft University of Technology
- Member Supervisory Board DNV Group AS



## Maarten Abbenhuis

Member Executive Board / Chief Operating Officer  
52, Dutch (m)

**Initial appointment:** 1 January 2021

**Expiry second term:** 31 December 2028

### Other positions qualitate qua:

- Member Executive Board TenneT TSO B.V.
- Member Members' Council Netbeheer Nederland

### Other positions on a personal title:

- Member Supervisory Board of Royal Swinkels N.V.



## Arina Freitag

Member Executive Board / Chief Financial Officer  
55, German (f)

**Initial appointment:** 1 January 2022

**Expiry first term:** 31 December 2025

### Other positions qualitate qua:

- Member Executive Board TenneT TSO B.V.
- Member Board TenneT TSO GmbH (until 30 April 2025)
- Member Board TenneT Offshore GmbH (until 30 April 2025)
- Member Supervisory Board of GreenneT
- Member Board Flexcess GmbH (until 31 May 2025)

### Other positions on a personal title:

- Member Advisory Board Landesbank Baden-Württemberg
- Deputy Chair of the European Commission for Energy and Environment of the Wirtschaftsrat of the CDU e.V. (as of 1 June 2025)



### Tim Meyerjürgens

Member Executive Board / Chief Operating Officer  
50, German (m)

**Initial appointment:** 1 March 2019

**Expiry second term:** 30 April 2025

#### Other positions qualitate qua:

- Member Board TenneT TSO GmbH
- Member Board TenneT Verwaltungs GmbH
- Member Board TenneT Offshore GmbH
- Chair Supervisory Board of GreenneT
- Member Board of Directors German Offshore Wind Energy Foundation
- Member Advisory Board Federal Association of Wind Farms Offshore
- Member Board of Directors FGH (Forschungsgemeinschaft für Elektrische Anlagen und Stromwirtschaft e.V.)
- Member Board of Trustees FGE (Forschungsgesellschaft Energie e.V.)

- Member Board of Directors FfE (Forschungsstelle für Energiewirtschaft e.V.)
- Member Board of Directors of VBEW (Verband der Bayerischen Energie und Wasserwirtschaft)
- Guest BDEW (Bundesverband der Energie- und Wasserwirtschaft)
- Council of the Thinktank Agora Energiewende
- Member of the Board of CERRE (Centre on Regulation in Europe)

#### Other positions on a personal title:

- Supervisory Board Member of LITGRID AB



### Dieuwert Inia

Member Executive Board / Chief Financial Officer  
56, Dutch (m)

**Initial appointment:** 1 January 2026

**Expiry first term:** 31 December 2029

#### Other positions qualitate qua:

- Member Executive Board TenneT TSO B.V.

#### Other positions on a personal title:

- Member Board of the Foundation for the Support of the Netherlands Bach Society



# Supervisory Board

# Supervisory Board biographies



## Ab van der Touw

Chair Supervisory Board, Member Audit, Risk and Compliance Committee, Member Remuneration and Appointment Committee  
70, Dutch (m)

**Initial appointment:** 1 June 2018

**Expiry second term:** 31 May 2026

### Principal position:

- Former CEO Siemens Nederland (until 31 March 2018)

### Other positions:

- Member Board German-Dutch Chamber of Commerce (DNHK)
- Chair Fonds Slachtofferhulp
- Chair Supervisory Board N.V. NIBA
- Member Board stichting Instituut GAK
- (External) member Ondernemingskamer Gerechtshof 's-Gravenhage
- Chair Advisory Council Ministry of Defence
- Chair Board Platform Talent voor Technologie
- Chair Supervisory Board Van Leeuwen Buizen Groep B.V.
- Chair Advisory Committee Nederlands-Indië Monument
- Member Board United Europe



## Essimari Kairisto

Vice-chair Supervisory Board  
Chair Audit, Risk and Compliance Committee  
59, German and Finnish (f)

**Initial appointment:** 1 May 2019

**Expiry second term:** 30 April 2027

### Principal position:

- Former CFO Hochtief Solutions AG

### Other positions:

- Member Supervisory Board Fortum Oyj (until 31 March 2025)
- Member Board of Partners Freudenberg & Co. KG
- Member Supervisory Board Freudenberg SE
- Chair Board of Trustees Deutsch Finnische Gesellschaft e.V.
- Member Board of Directors Iveco Group N.V.
- Member Supervisory Board Fugro N.V.
- Member Supervisory Board MCF Corporate Finance GmbH
- Member Board of Directors Neste Oyj (as of 27 March 2025)
- Member Board of Directors Huhtamäki Oyj (as of 24 April 2025)
- Member Advisory Board German-Finnish Chamber of Commerce Helsinki (as of 7 May 2025)



### Edna Schöne

Member Supervisory Board  
Chair Remuneration and Appointment Committee  
Member of the Strategic Investment Committee  
54, German (f)

**Initial appointment:** 1 May 2019

**Expiry second term:** 30 April 2027

#### Principal position:

- Member Executive Board Euler Hermes AG

#### Other positions:

- Member Board Lateinamerikaverein
- Member Executive Committee Ostausschuss der deutschen Wirtschaft
- Member Executive Committee International Chamber of Commerce Germany
- Member Unternehmens-beirat KfW Ipex
- Member Board LAVFE-Foundation



### Stijn van Els

Member Supervisory Board  
Chair Strategic Investment Committee  
61, Dutch (m)

**Initial appointment:** 1 May 2019

**Expiry second term:** 30 April 2027

#### Principal position:

- Former CEO Shell Germany

#### Other positions:

- Member Supervisory Board IDA Foundation



### Maarten Camps

Member Supervisory Board

Member Strategic Investment Committee

61, Dutch (m)

**Initial appointment:** 1 September 2023

**Expiry first term:** 31 August 2027

#### Principal position:

- Chair Executive Board UWV, Social Security and Public Employment Agency of the Netherlands

#### Other positions:

- Member Supervisory Board Jinc
- Member Supervisory Board Jinc Continuity Foundation
- Member Supervisory Board Reading and Writing Foundation
- Member Advisory Board stichting Instituut GAK
- Member Strategic Advisory Board TNO unit Health & Work (as of 1 November 2025)



### Kuldip Singh

Member Supervisory Board

Member Audit, Risk and Compliance Committee

Member Remuneration and Appointment Committee

52, Dutch (m)

**Initial appointment:** 1 September 2023

**Expiry first term:** 31 August 2027

#### Principal position:

- Former Global Head Digital & Business Transformation Customer Solutions E.on Group

#### Other positions:

- Member Supervisory Board KPMG
- Member Supervisory Board ROM InWest
- Chair Supervisory Board Whiffle
- Chair Supervisory Board Kyndryl Nederland B.V.
- Member Executive Board Wickey Holding B.V.
- Lecturer Governance Academy
- Chair Supervisory Board Skoon Energy B.V.



# Supervisory Board report

## Supervisory Board reflections on 2025

### Introduction

2025 has been a remarkable year for the Supervisory Board ('SB') of TenneT. A major achievement was finding an equity financing solution for TenneT Germany after an intensive process covering several years.

TenneT cares about the people working for TenneT and the communities in which TenneT executes its projects. The SB acknowledged that, despite all TenneT's highly appreciated efforts to improve its safety performance over 2025, the progress is not what the SB hoped for and TenneT safety target TRIR has not been met; therefore, safety will continue to be TenneT's major focus point for the SB.

Despite the growing infeed from renewable energy sources and the additional pressure this places on grid stability, TenneT once again achieved an impressive onshore grid availability rate of 99.99977%.

### Restructuring of TenneT's funding model with Dutch state guarantee

In April 2025, TenneT announced a significant restructuring of its funding model to facilitate the financial separation of its Dutch and German operations. With consent from senior EMTN and USPP noteholders, banks, and Schuldschein holders, this restructuring allows both TenneT Netherlands and TenneT Germany to independently raise debt through separate entities in the future. This restructuring was a crucial prerequisite to enter a structural equity solution for TenneT Germany under the careful oversight of the SB.

The Dutch government announced its intention to provide a state guarantee to TenneT Netherlands B.V., supporting our investments over the next decade. This guarantee, approved by the Dutch Parliament, was

signed in September 2025. It will enhance the credit rating of TenneT Netherlands' eligible debt instruments to match the Dutch state's triple-A status, ensuring robust access to debt capital markets. The SB closely followed this process.

### Finding a structural equity solution for TenneT Germany

In line with its commitment to secure alternative structured funding solutions for TenneT Germany, the SB oversaw in 2025 a dual-track process under the initiative named Project Voltura, considering both an initial public offering (IPO) and private investment options.

The SB met regularly and established a temporary Committee - the SB Voltura Committee - chaired by Essimari Kairisto, with members Maarten Camps and Ab van der Touw. This SB Voltura Committee convened 12 times throughout the year, in addition to receiving weekly written updates, ensuring effective oversight and timely decision-making.

To arrive at a preferred track with two attractive options at the table, the SB conducted thorough evaluations and extensive deliberations, prepared by the EB and the project Voltura team. Ultimately, being well-informed on both options and after joint consultation of the EB and SB with the Minister of Finance, it approved proceeding with the private placement route. On 24 September 2025, an agreement was signed with institutional investors - including APG (investing on behalf of Dutch pension fund ABP), Singapore sovereign wealth fund ('GIC'), and Norges Bank Investment Management ('NBIM') - committing to invest in TenneT Germany up to EUR 9.5 billion in equity during the funding period from closing until 2029. The three institutional investors are envisaged to obtain up to 46% stake in TenneT Germany over time.

On 3 February 2026, TenneT Holding reached an agreement with Kreditanstalt für Wiederaufbau (KfW), acting on behalf of the

German state, on the sale of a 25.1% stake in TenneT Germany for approximately EUR 3.3 billion.

The SB is truly pleased to have achieved a structural financing solution for TenneT Germany's equity need.

The SB acknowledges the significant workload and efforts invested by all those involved in navigating this complex and critical financing process and expresses its gratitude to the EB, the project Voltura team and all TenneT employees for their dedication.

### Creating two independent TSOs (and EBs) working together in one TenneT group

To enable investor participation in TenneT Germany, TenneT TSO B.V. and TenneT TSO GmbH started their operations on 1 January 2025 as two largely independent TSOs cooperating closely within TenneT Holding B.V. As a consequence, the TenneT Executive Boards were restructured and strengthened with new members as described below; for the content and decision-making in the separate EB meetings, the avoidance of (potential) conflicts of interest was closely monitored by both the EB and SB and minuted.

#### EB compositions as of 1 January 2025

- TenneT Holding: Manon van Beek (CEO), Maarten Abbenhuis (COO), Arina Freitag (CFO) and Tim Meyerjürgens (COO)
- TenneT Netherlands: Manon van Beek (CEO), Maarten Abbenhuis (COO) and Arina Freitag (CFO)
- TenneT Germany: Tim Meyerjürgens (CEO) and Arina Freitag (CFO)

#### EB compositions as of 1 May 2025

TenneT Germany's new CFO, Markus Binder, joined the EB of TenneT Germany as of 1 May 2025 as successor of Arina Freitag who resigned as of 30 April 2025. Tim Meyerjürgens resigned from the EB of TenneT



Holding B.V. as of 30 April 2025 so he could apply full focus on his tasks as CEO of TenneT Germany. The SB greatly appreciated Tim's contribution to TenneT Holding's success in driving the energy transition in terms of innovation, scaling up in execution on land and at sea and across national borders and wholeheartedly thanked him for that. The EBs were restructured as follows:

- TenneT Holding: Manon van Beek (CEO), Maarten Abbenhuis (COO) and Arina Freitag (CFO)
- TenneT Netherlands: Manon van Beek (CEO), Maarten Abbenhuis (COO) and Arina Freitag (CFO)
- TenneT Germany: Tim Meyerjürgens (CEO) and Markus Binder (CFO)

#### EB compositions as of 1 December 2025

Starting 1 September 2025 Kathrin Günther, Chief Transformation Officer (CTO), has joined the EB of TenneT Germany and as of 1 December 2025 Ina Kamps, COO, as well. The CTO role was added to strengthen the agenda of financing and investor-readiness, to lead the overall performance transformation agenda across the organisation, to drive improvements in productivity and cost efficiency and to provide a clear statutory counterpart to investors and regulators on organisational transformation progress and value creation. The EBs were restructured as follows:

- TenneT Holding: Manon van Beek (CEO), Maarten Abbenhuis (COO) and Arina Freitag (CFO)
- TenneT Netherlands: Manon van Beek (CEO), Maarten Abbenhuis (COO) and Arina Freitag (CFO)
- TenneT Germany: Tim Meyerjürgens (CEO), Markus Binder (CFO), Kathrin Günther (CTO) and Ina Kamps (COO)

#### EB compositions as of 1 January 2026

The contract of Arina Freitag, CFO of TenneT Holding and TenneT TSO B.V. ended on 31 December 2025. Dieuwert Inia succeeded her as CFO of TenneT Holding B.V. and TenneT TSO B.V. on 1 January 2026. As a consequence, the EB of TenneT Holding B.V. and TenneT TSO B.V. consists effective 1 January 2026 of: Manon van Beek (CEO), Maarten Abbenhuis (COO) and Dieuwert Inia (CFO).

### Steering towards diversity in the broadest sense

During the greater part of 2025 the EB of TenneT Holding consisted of a CEO, a CFO and a COO, with a 67% female (CEO and CFO) and 33% male (COO) ratio. TenneT strives for an equal balance in female/male EB members and with an uneven number of EB members, at least 33% of the EB members is female. Two of the EB members are Dutch (CEO and COO) and one is German (CFO).

The EB of TenneT Holding B.V. and of TenneT TSO B.V. is composed in a personal union with the EB of TenneT Holding and therefore has the same composition in terms of diversity.

The Executive Board of TenneT Germany has a 50%-50% gender mix as of 1 December 2025, namely two women (COO and CTO) and two men (CEO and CFO).

In 2025, the SB played a key role in the selection and nomination of the new EB members, in close coordination with the EB of TenneT Holding, the shareholder and the Aufsichtsrat of TenneT Germany. In addition to capabilities, special attention was paid to diversity in the broadest sense of the word – gender, and also in terms of thinking, experience, and background. The SB is pleased to see that both EBs now have strong executives and strong team spirit.

### Organisational transformation of TenneT

TenneT has started redesigning its organisation by moving away from a functional structure with stand-alone business units into integrated end-to-end value streams. This way TenneT aims to ensure a more results-oriented, faster and more efficient way of working to deliver together for customers, build the grid faster (by for instance speeding up the investment process) and utilise the grid better – with a keen focus on affordability. During 2025, the SB monitored this organisational transformation process that will take effect in the course of 2026. The SB paid special attention to the design principles and choices to validate that the right roles and responsibilities and checks and balances will be in place.

In addition to organisational change, the SB pays special attention to organisational behaviour and cultural change. For example, the SB participated in a dedicated workshop on this topic together with the EB and Works Council.

### Sharpened Strategy 2030

TenneT finalised its updated strategy in 2025, in consultation with the shareholder. It focuses on delivering together for customers by building the grid faster and utilising the grid better, while meeting standards of safety, security of supply, quality, sustainability and financial health. Key performance indicators have been established to measure progress. Pursuant to the sharpened strategy, the CapEx Action Plan has been set for TenneT Germany and agreed with the shareholder during the General Shareholder's Meeting in March 2025. A similar CapEx Action Plan for the Netherlands is work in progress. The latter builds on the measures recommended in the Interdepartmental Review ('IBO') Financing Electricity Infrastructure and on the push from the industry on energy prices. These financial steering mechanisms will be used to manage price developments and ensure transparency in policy decisions – while ensuring security of supply and sustainability. The SB acknowledges the importance of affordability and recognised at the same time that substantial investments are required for the energy transition and energy security. The SB will continue to closely monitor the topic of affordability in both countries in 2026, partly on the basis of these Action Plans.

### SB composition

#### Diversity

The SB consists of six members, with a 33% female and 67% male ratio. TenneT strives for an equal balance in female/male representation within the SB towards 2030. Additionally, three members have international cultural backgrounds: Edna Schöne (German and Swedish), Essimari Kairisto (German and Finnish) and Kuldip Singh (Dutch and Indian). This diversity of cultural perspectives, combined with the SB's varying international - and - executive experience, ensured balanced decision-making. The SB's employer role was intense in 2025 with all the EB changes and appointments. In its supervising role, the SB effectively



challenged the EB where necessary (e.g., on safety performance and the follow-up of IT audit findings). Furthermore, the SB acted as a constructive sparring partner, e.g., during the Voltura – and organisational transformation process.

#### No conflict of interest with other ancillary positions of SB members

The (ancillary) positions of SB members, as listed on TenneT's website and in the [SB biographies](#), were assessed during 2025 to avoid potential (perceived) conflicts of interest. It was concluded that there were no (potential) conflict-of-interest-situations at hand. More specifically, in this respect it is noted that both the Chair of the Supervisory Board position for Kuldip Singh at Skoon Energy B.V., nor the Supervisory Board position of Essimari Kairisto with Fortum Oyj (until 31 March 2025) was found to conflict with the unbundling requirements from the Dutch Energy Act.

Potential conflicts of interest related to SB and committee agenda items are systematically reviewed prior to each meeting. The company secretary carefully assesses whether any agenda topic could give rise to an actual or perceived conflict of interest. If such a situation is identified, the affected SB member is excluded from relevant documentation and decision-making, with these actions duly recorded. Additionally, at the start of every SB meeting, a further assessment is conducted to confirm the absence of conflicts of interest. No such conflicts were identified in 2025.

The percentage of independent SB members during 2025 was 100%.

#### Set-up of SB- and committee meetings

TenneT's SB consists of four committees: the Audit, Risk and Compliance Committee ('ARCC'), the Remuneration and Appointment Committee ('RAC'), the Strategic Investment Committee ('SIC') and the (temporary) SB Voltura Committee. These committees prepare and guide SB decision making. All SB members have access to committee documentation and may attend any committee meeting. Committee chairs report to the SB on key discussions and the rationale behind proposed decisions. For further details on the roles and responsibilities of the SB and its committees,

SB attendance 2025	Supervisory Board	Audit, Risk and Compliance Committee	Remuneration and Appointment Committee	Strategic Investment Committee	Voltura Committee
A.F. van der Touw	12/12	4/4	5/5		10/11
(Chair)					
E. Kairisto	11/12	4/4			11/11
A.C.C. van Els	12/12			5/5	
E.M. Schöne	12/12		5/5	5/5	1/1 <sup>1</sup>
M.R.P.M. Camps	11/12			5/5	9/11
K. Singh	11/12	4/4	5/5		

<sup>1</sup> Ms. Schöne was member of the temporary SB Voltura Committee until 31 March 2025.

reference is made to the '[Rules Governing the Supervisory Board](#)' on TenneT's website.

#### SB meetings

The SB convened 12 times, of which 4 meetings were to specifically discuss the Voltura project. SB meetings always commenced with a closed 'SB-only' part to ensure alignment on agenda topics, and concluded with the opportunity for SB-only reflection. After the SB-only part at the start of each SB meeting, it was established between the SB and EB members whether there is a potential or perceived conflict of interest; none were identified during the year.

#### ARCC

The ARCC consists of Essimari Kairisto (chair), Ab van der Touw and Kuldip Singh. The ARCC met 4 times in 2025. The CFO participated in these meetings next to responsible Directors per topic.

A recurring item on the ARCC agenda was the status quo of resolving internal and external IT- and cyber security audit findings; for these dialogues, the COO of TenneT Holding (Maarten Abbenhuis), respectively the Director of the unit BTO joined the meetings.

The financial reporting was discussed in relation to the Integrated Annual Report ('IAR') 2024, the half-year report 2025 and the related

documentation by the external auditor, where applicable differentiated for TenneT Holding B.V., TenneT Netherlands and TenneT Germany.

The ARCC also examined quarterly reports on Finance and Audit, Risk, and Compliance, requested the inclusion of full-year [EBIT](#) and [OPEX](#) forecasts in the quarterly financing report, and enhanced reporting by providing greater detail on principal risks, their context, and mitigation measures.

Further to the topics described in the Double Materiality Assessment, the ARCC paid special attention to:

- The ARCC appreciated that the EB also discusses [OpEx](#) and [CapEx](#) developments with the shareholder in their quarterly meetings.
- Verklaring Omtrent Risicobeheersing ('VOR') the management statement on the effectiveness of internal risk management and control systems: this is a requirement based on the update of the Dutch Corporate Governance Code and is a statement that needs to cover more topics than it used to in the past. During 2025 further preparations for this statement and the use of the COSO framework for internal controls has been discussed by the ARCC; upon the ARCC's recommendation the SB approved the use of this framework.
- The updated Internal Audit Charters for TenneT Holding and TenneT Netherlands – these were approved by the SB; the SB took note of the Internal Audit Charter for TenneT Germany.



- Updates on legal developments and proceedings, the yearly evaluation of the internal audit function and the yearly update by the tax function; the ARCC endorsed the TenneT Tax Policy.

The ARCC paid a special welcome to TenneT's new lead audit partner from Deloitte, Niels van Groenendael. He succeeded Jasper de Bruin after TenneT's General Shareholder's Meeting pursuant to rotating requirements to ensure the auditors' independency regulations applicable to public interest entities. The same applied for the lead audit partner of TenneT Germany, Benedikt Brüggemann, who was succeeded by Jan Fuerwentsches. The ARCC thanked Jasper de Bruin and Benedikt Brüggemann for the good cooperation and professional dialogues.

#### [Audit by the External Auditor/Interim report 2025](#)

The external auditor reported in its interim report to the EB and SB on the improvements realised in TenneT's internal control environment, fraud risk and IT controls, which were discussed in the ARCC November meeting.

Deloitte requested the EB's attention for improvement measures for a specific accrual process that is largely manually conducted and involves significant amounts. Mitigation actions have been set in motion in combination with the request for an audit by the external auditor.

For TenneT's organisational transformation programme, Deloitte provided recommendations to ensure the necessary checks and balances for the finance function are in place. The procedures regarding cyber security were not part of the interim report and will be reported by Deloitte in the course of 2026.

#### [Integrated reporting, audit and financial statements](#)

In 2025, the SB discussed the financial statements for the financial year 2024 as part of the IAR 2024, as well as the Green Finance Report 2024, the independent auditor's report, the assurance report of the independent auditor related to non-financial information, the interim report/management letter and the audit results report issued by TenneT's external auditor. The ARCC meeting of 28 February 2025 to prepare the financial statements and Integrated Annual Report ('IAR') over 2024 was

preceded by the regular meeting between the ARCC and the external auditor. To ensure an open dialogue on matters related to the IAR, this meeting took place without EB members nor the company secretary being present. As a result of the ARCC preparations and advice on the financial statements and IAR 2024, the SB endorsed the documents and recommended that the General Shareholder Meeting adopt the financial statements. The SB recommended the General Shareholder Meeting to discharge the EB members from liability for its management of the company in 2024 and discharge the SB from liability for its supervision of the management of the company over the year 2024, both of which took place.

As part of the quarterly performance cycle, the SB reviewed the 2025 internal quarterly reports on Integrated Performance, Finance, Investments, Audit, Risk and Compliance and Safety. Furthermore, the results from internal risk and control assessments, the Group Budget & Target Overview 2026-2028 (based on the Integrated Performance Plans of TenneT Netherlands and TenneT Germany), the 2026 Budget and Financing Plan 2026 were approved. The SB oversees setting targets related to material impacts, risks and opportunities, through the aforementioned Integrated Performance Plan. Monitoring of the progress (actual performance versus the targets) was performed by discussing the quarterly Integrated Performance Reports.

#### [RAC](#)

The RAC consists of Edna Schöne (chair), Ab van der Touw and Kuldip Singh (member with an enhanced recommendation right from the Dutch Works Council). The RAC met five times. The CEO and the director of the unit People participated in the meetings and stepped out where appropriate.

The RAC held Performance Dialogues with the individual EB members (including a 360 degree review) and with the CEO about the functioning of the whole EB as a team. The realisation of the EB performance targets was discussed in combination with further measures where necessary. The RAC proposed to simplify the EB performance targets for 2025 by limiting the number of targets and making the deliverables even

smarter, which the SB approved. The EB, with their various expertise, experience and personalities, is a strong and complementary team that visibly enjoyed navigating TenneT's challenges and successes in 2025.

The term of the current CFO of TenneT Holding B.V. and TenneT TSO B.V., Arina Freitag, ended on 31 December 2025. The SB thanked Arina Freitag for her full dedication to the Ampere and Voltura project and further financial topics over the past four years, as well as for her attention to matters related to the units Regulatory Affairs, Audit, Risk and Compliance and Supply Chain Management.

During 2025 the RAC conducted the search for her successor. In the person of Dieuwert Inia, the SB found a seasoned energy sector expert with experience in multiple financial transactions and a good understanding of capital markets as well as business planning and cash flow forecasting. Dieuwert Inia has been appointed as CFO and statutory director of TenneT Holding B.V. and TenneT TSO B.V., effective 1 January 2026 after several introductory meetings at the end of 2025. Dieuwert Inia is male and he is a Dutch national.

The RAC paid special attention to the management review and development steps in order to ensure that TenneT has qualified internal candidates (male and female) for EB succession when applicable. Furthermore, the RAC will keep challenging and monitoring the development of talented (female and multicultural) leaders to ensure qualified candidates are in the pipeline for EB positions.

During 2025 the RAC finalised the Remuneration Policy for TenneT Germany in close alignment with the shareholder, as well as the searches for the CTO and COO of TenneT Germany.

The RAC engaged in dialogues with the shareholder about the TenneT Holding B.V. remuneration policy; these will be continued in 2026.

As the second term of the chair of the SB ends on 31 May 2026, the RAC started the search for his successor in 2025 to ensure a thorough hand-over period. The second terms of three further SB members end



simultaneously on 30 April 2027. With one of these SB members being the Chair of the SIC, the RAC considered finding a successor for that role the most pressing matter in view of the insight needed in TenneT's onshore and offshore investment portfolio and its challenges. To ensure a careful, thorough and therefore longer transitory period the RAC started the search for a successor of the SIC chair in Q4 2025.

### SB Voltura Committee

Reference is made to the prior text 'Structural equity solution for TenneT Germany'.

### SIC

The SIC consists of Stijn van Els (chair), Edna Schöne and Maarten Camps. The SIC met 5 times. The COOs of TenneT Holding and TenneT Germany (who became the CEO of TenneT Germany per 1 May 2025), participated in these meetings – in their absence they were represented by the respective country chairs of the Asset Committee.

The topics of safety and security of supply were always the first to be discussed. The SIC questioned the life saving rules violations and consequence management in more detail and recognised that safety performance is fundamentally a cultural matter requiring ongoing active management attention throughout the whole organisation and the supply chain partners alike. The SIC appreciated the exchange of lessons learned, noting that TenneT Netherlands outperformed on leading safety indicators, while TenneT Germany showed stronger results on lagging indicators.

The SIC discussed the quarterly safety reports and the quarterly investment reports.

The SIC, ARCC and SB closely monitored offshore wind farm developments caused by lagging industrial demand.

The SB furthermore closely monitored the long-term process leading to the necessity for TenneT to terminate its cooperation with one of TenneT's consortium partners Petrofac.

The SIC lauded the EB for its strong pushback on scope changes late in the process or during execution as well as on cost increases. This is related to the cultural change that is needed within the project organisation to limit exception requests and price increases to the largest extent possible. A project proposal was only approved in the following SIC/SB meeting because initial insight in risk and other choices made was unsatisfactory. For another project, the SIC requested further measures, such as clarification of ownership of scope change consequences between the various units. The SIC concluded that exception requests for TenneT Germany are mainly caused by additional connection requests from the regional grid operators in the TenneT area and to a lesser extent by price increases or scope changes, while in TenneT Netherlands the majority of exception requests are caused by scope changes (updated scenarios impact) in the 150/110 kV grid due to the long duration of the project prior to the building start in combination with price increases driven by the market. In 2025, the SIC discussed 77 investment proposals with a total value of EUR 56 billion; these were followed by SB approval. The external auditor attended the SIC meeting in November to observe the controls exercised in the SIC; good controls were confirmed.

### Material impacts, risks and opportunities

The SB discussed the Double Materiality Assessment 2025 ('DMA') during several occasions in 2025. The SB appreciated that the shareholder was involved in the DMA dialogues. The SB proposed further topics and approved the following updated DMA/IROs:

#### Employer of choice

To the SB, remaining an employer of choice consists of various elements. It is about inclusion, diversity and equity, employee engagement, safety, as well as the way TenneT's employees contribute to the energy transition - reference is made to the elaboration of the DMAs below.

#### Diversity and inclusion and talent attraction

The RAC appreciated the way TenneT once again managed to attract and onboard 2,238 new colleagues in 2025. The RAC noted the 2025 target for female hires (33%) was not met by TenneT Netherlands with 31% and met by TenneT Germany with 33%. The 2025 target for international hires,

11%, has been met by TenneT Netherlands with 13% and met by TenneT Germany with 11%. This resulted in TenneT Group not meeting its female hires target with 32%, but meeting with 11% its international hires target. The RAC will keep monitoring diverse hiring, diverse talent development throughout the organisation as well as maintaining an inclusive culture and the targets set to that end.

### Delivering the energy transition

A large part of this priority is covered by TenneT's investment portfolio in the Dutch and German grids with a value of several billions – and as such, discussed in the SIC.

In various SIC meetings the German Grid Development Plan and the Dutch Investment Plan have been discussed in view of the choices (to be) made and the impact thereof on the energy landscape versus the investment portfolio. The SB noted and appreciated the potential the offshore optimisation (higher utilisation of the offshore grid connections) may lead to a decrease of one or two offshore connections to be executed by TenneT.

The SB appreciated the dialogues that the EB had about the Dutch Investment Plan jointly with the Ministry of Climate Policy and Green Growth and the shareholder and the dialogues with the shareholder about the German Grid Development Plan.

Several innovative and sustainable initiatives were discussed in the SB, such as the implementation of new innovative alternatives for gas insulated switchgear, moving away from the greenhouse gas SF<sub>6</sub>.

### Delivering the energy transition – grid congestion

In the yearly strategy session it was discussed that grid congestion is one of the dynamics that test the robustness of our strategy, because it limits the pace of the energy transition.

As for solving grid congestion, the SB welcomed innovative solutions like cleaning up the queue of customer connection requests and TDTR which allow TenneT to connect more customers to the existing grid. TenneT

Netherlands already realised more than the full year target of 33 new/upgraded bays in Q3 and is on track to reach the target of 100 customer bays in service by 2028. As grid congestion is an increasing concern in Germany too, the SB appreciated that TenneT Netherlands shared its lessons learned with TenneT GE.

#### Land-related impacts on local communities

The SB noted that in 2025 the energy boards consisting of (semi) public and regional authorities, TSOs and DSOs to enable spatial integration for energy infrastructure have realised significant progress. In the region Flevoland-Gelderland-Utrecht for example, three energy boards interacted together intensively to allow accelerated realisation/ expansion of multiple investment projects in three highly congested provinces.

The SB were informed, in relation to cable installation works, why horizontal drilling is preferred to open excavation: the latter has much more impact for the landowners than horizontal drilling. Cost related to horizontal drilling are relatively stable as opposed to open excavations - mainly due to labour costs. The decision on whether horizontal drilling or open excavations are applied is made per project on a case-by-case basis taking both cost and time into account.

#### Affordability

Pursuant to the sharpened strategy, (i) the CapEx Action Plan has been set for TenneT Germany in close alignment with the shareholder and (ii) an Affordability Action Plan for the Netherlands. This builds upon the measures recommended in the Interdepartmental Review ('IBO') Financing Electricity Infrastructure which will be finalised in Q1 2026, also in close alignment with the shareholder. Both Action Plans will be monitored in the quarterly reports and will be discussed with the SB and shareholder.

TenneT informed the shareholder specifically about cost developments in relation to the specific investment proposal requests.

Further affordability-related topics discussed between the EB and the SB were:

- a further push on onshore standardisation has been given in both countries;
- TenneT decided not to participate in a non-socialised interconnector project between Germany and the UK, among others because of the German CapEx Action Plan.
- impact on the supply chain in relation to various measures taken by the Trump administration and the political developments for preference of high voltage lines (less costly and more secure) above high voltage cables.

#### Health and safety own operations

Safety is always the first topic to be addressed in SIC- and SB meetings.

In 2025, the focus on safety remained a top priority for the SB. TenneT's safety trends are stabilising or only slightly getting better, while there still is a need for improvement. The SB discussed the correlation between the numbers of Life Saving Rules ('LSR') violations and a safe, open reporting culture. Because the safety performance needs to improve, the SB notably appreciated the improvements in investigations on the LSR violations. The SB will keep supporting and challenging TenneT to improve its safety performance.

The SB appreciated the four German TSOs committing to one common safety culture based on the TenneT's Safety standards. The SB were pleased that TenneT TSO B.V. has been certified for its health and safety management system in accordance with ISO 45001.

Other important topics were work pressure and psychological safety, which was discussed with the Dutch Works Council ('OR') in the meetings between the SB members with enhanced recommendation right of the OR and the yearly meeting with the SB, EB and OR.

#### Security of supply

Security of supply is the second item to be addressed in SIC- and SB meetings. It relates to several topics. The SB discussed the learnings from the Iberian black-out that occurred on 28 April 2025. The SB acknowledged that several causes/circumstances led to the black-out and

discussed the measures TenneT has already taken (and continues to take) to prevent such a situation.

In 2025, several projects to install (static) synchronous condensers to stabilise the grid have been approved by the SB.

Audit findings and measures taken in relation to IT security are discussed each quarter within the ARCC and SB and were also discussed pursuant to Deloitte's management letter.

#### Climate change adaptation

The SB discussed Target Grid, TenneT's vision on the energy system of the future, which includes sector coupling and innovative solutions (multi-hub system) to improve security of supply whilst making it possible to realise less converter stations. The SB noted that Target Grid's latest insights have been used for the Dutch National Plan Energy System (the governmental view on the Energy System), which the Ministry of Climate Policy and Green Growth plans to update in 2026.

TenneT continuously re-evaluates and updates its climate risk mitigation measures as more knowledge becomes available on climate change impacts on Europe.

#### Climate change mitigation

The energy transition largely contributes to climate change mitigation. The SIC had a dialogue about – and the SB took note of - TenneT's weighting mechanism in project execution in relation to CO<sub>2</sub> reductions: how TenneT weighs sustainability versus affordability.

The internal carbon price and the 'Environmental cost indicator' are used to monetise TenneT's environmental impact to ensure that the risks of not adhering to it are future-proof. For instance, following outcomes of regulations such as F-gas, using SF<sub>6</sub> assets or replacing SF<sub>6</sub> might become more expensive in the future.



### **Biodiversity: (i) bird collisions; (ii) land and seabed use and (iii) nitrogen**

The SB took note of TenneT's new Nature Ambition 2030 as part of TenneT's Sustainability Framework. The SB appreciated the clarity on how TenneT can structurally embed nature measures in the design and execution of its projects. By doing so, TenneT aims to (i) prevent negative nature impact and (ii) include nature positive effects. The SB discussed the delicate balance between biodiversity and the need to accelerate investments and appreciated TenneT's efforts to use contractors with electric machinery. The SB will monitor further developments going forward.

### **Circularity – resource inflow**

A good example of managing resource inflow is recycled copper, for which TenneT has set the target of a minimum of 40% recycled copper content. The SB noted that, while using recycled copper may require a higher short-term investment, it addresses the shortage of virgin copper essential for net zero energy targets. Using recycled copper increases the availability of secondary scrap, reducing dependence on virgin materials and mitigating rising material costs, safeguarding both planning and affordability of the projects.

### **Circularity – waste**

The SB were informed that TenneT currently is concentrating on collecting the relevant data together with its contractors. Based on these data, further targets will be set.

### **Human rights in the value chain**

The SB acknowledged TenneT Netherlands' decision to terminate its contract with a Chinese cable supplier, whose mother company had been subject to public criticism in relation to forced labour. The SB recognised that this step, while increasing operational pressure by reducing the number of available suppliers, reflected a commitment to upholding international human rights standards in the supply chain.

### **Corruption and bribery**

Especially when operating globally this is a topic to remain aware of. The SB noted that TenneT employees need to do regular e-learnings about this topic. Furthermore, the Compliance department has supported (and will keep doing so) offshore colleagues because of their operations in among others the far east.

### **Security**

Next to digital security, physical security impacts security of supply and is therefore pivotal for TenneT. This topic spans from seabed and offshore platform security to increasing resilience and close cooperation with various national and international public and private organisations. Some of the measures TenneT takes include applying the concept of 'security by design', significant investments in Information Technology and Operational Technology cyber security and response capabilities, as well as security assurance in critical components and services. In 2025, the SB member with a special focus on digital- and physical security has been updated regularly about relevant strategies and developments - where useful, by a site visit with the COO and Director BTO. The full SB engaged in a dedicated Permanent Education session about Security that covered the full spectrum of security topics that TenneT is working on.

### **SB Self-evaluation**

The 2025 SB-self-evaluation was conducted under the guidance of an external board room consultant. After the SB-only session a joint session between the SB and EB followed.

The main outcomes were to (i) spend more time on TenneT's 'regular' business (investment projects, maintenance, operations, business development), (ii) to spend more time with the EB on dilemmas; and (iii) to recalibrate SB and EB shareholder's roles in TenneT Holding vis-à-vis TenneT Germany while securing the synergetic collaboration between the Dutch and German TSOs in one group.

### Capability matrix

Competencies	A.F. van der Touw (chair)	E.M. Kairisto (vice-chair)	A.C.C. van Els	E. Schöne	K. Singh	M.R.P.M. Camps
General management	●	●	●	●	●	●
Financial management	●	●	●	●	●	●
Capital market/ investor relations	●	●	●	●	●	●
Technology	●	●	●	●	●	●
IT	●	●	●	●	●	●
Risk management	●	●	●	●	●	●
Project management (large infrastructure projects)	●	●	●	●	●	●
Human resources	●	●	●	●	●	●
Marketing/Public Affairs/ Brand image	●	●	●	●	●	●
Regulation	●	●	●	●	●	●
Public sector/State owned companies	●	●	●	●	●	●
Political/managerial experience and network the Netherlands	●	●	●	●	●	●
Political/managerial experience and network Germany	●	●	●	●	●	●
International background/experience	●	●	●	●	●	●
Legal	●	●	●	●	●	●
Experience in energy-, industrial and/or financial sector	●	●	●	●	●	●
Knowledge of Dutch Corporate Governance Code	●	●	●	●	●	●
Corporate Social Responsibility/ CSRD	●	●	●	●	●	●

● high ● medium ● low

### Permanent Education

The SB engaged in the following Permanent Education sessions, related to the strategy:

- CSR/ ESG reporting (sustainability);
- Strategic synergy areas for the two nationally oriented TSOs cooperating under one Holding: Insurance, Supply Chain, 2GW offshore projects (strategy in general);
- CapEx Action plan (affordability); in a joint session with the shareholder; and
- National, on- and offshore security and IT security (security of supply).

### Dutch Works Council

The SB members with enhanced recommendation rights (Stijn van Els and Kuldip Singh) met with the Dutch Works Council (OR) two times. Topics discussed were among others Voltura, the two national TSOs operating independently under the Holding and the organisational transformation programme. The Chair of the SB joined two meetings between the EB and the OR, in which the main topic was the organisational transformation programme.

The full SB met with the OR and the EB once for a joint workshop on organisational behaviour and culture, followed by a lunch to further exchange thoughts on the topic.

### Thank you

The SB would like to thank everyone working with and for TenneT for the great results over 2025 that TenneT was able to achieve thanks to everyone's tireless contributions: a wholehearted thank you!



# Remuneration report

## Remuneration policy

The remuneration policy of TenneT Holding B.V. aims to offer remuneration at a level that will attract and retain highly qualified and capable statutory directors both from outside as well as those who come from within the organisation, being Executive Board members. This policy also applies to Supervisory Board members of TenneT Holding B.V.

The remuneration policy meets the best-practice provisions on remuneration as defined in the Dutch Corporate Governance Code 2022. Since all of the shares in TenneT Holding B.V. are held by the Dutch state, the remuneration policy of TenneT Holding B.V. falls within the scope of the State Participations Policy 2022 ('Nota Deelnemingenbeleid Rijksoverheid 2022' as published on 1 July 2022).

The remuneration policy of TenneT Holding B.V. (hereafter: TenneT) has been approved by the Shareholder and is effective as of January 2020. It is also in line with the State Participations Policy 2022. The most important elements of the remuneration policy are described hereafter.

### Employment market reference group

Remuneration for the statutory board members of TenneT has been set using a benchmark, a comparison with organisations competing in the same business and employment markets as TenneT. These organisations include:

- International transmission system operators (TSOs);
- Operators of infrastructure;
- Installation/engineering companies;
- Building companies;
- Financial institutions.

The outcome of this benchmark showed a higher remuneration level than TenneT's current level of remuneration, which has been set by the Shareholder in line with the remuneration policy as of January 2020, and the State Participations Policy 2022, and includes equal pay, regardless of gender or nationality.

The Supervisory Board reviews the remuneration policy for statutory board members once every four years. The review process has started during 2024. Together with the Shareholder and Korn Ferry a remuneration level benchmark was conducted in 2024. The remuneration policy review has not yet been completed due to the prioritisation in 2025 for TenneT and its Shareholder to find a structural solution for TenneT Germany's capital

requirement and the split of TenneT's Dutch and German operations. Furthermore, TenneT is awaiting the outcome of the review by the shareholder on the remuneration policies of all its state participations.

### Remuneration norm

The moment the Supervisory Board appoints a new statutory director it applies the remuneration policy as approved by the Shareholder. Excluding pension and other allowances, the fixed remuneration of the CEO is capped at EUR 488,460 for 2025. The fixed remuneration of the other Executive Board members has been capped at 90% of the remuneration of the CEO. The Supervisory Board applies the principle of equal pay to the remuneration policy for the statutory directors.

If, in the opinion of the Supervisory Board, the maximum remuneration as required by the Shareholder leads to unacceptable risks to the organisation because no suitable candidates can be found to fulfil the role of statutory director, the Supervisory Board shall consult the Shareholder.

The Supervisory Board decides on the annual increase in salary. If the remuneration of a statutory director has reached its maximum, further increases are limited to the structural increments as agreed upon in the collective labour agreement which is applicable to all employees of TenneT TSO B.V.

### Service agreement and compensation for early termination

In principle, with effect from 2017, service agreements for Executive Board members – with the exception of internal appointments – are concluded for a fixed-term of four years. In the event that the service contract is terminated prior to the expiry date, TenneT pays a maximum of one year's salary as a termination compensation, unless the statutory director resigns voluntarily, or the termination is the result of his or her actions. As an exception to our policy, agreed with the Shareholder, Ms. Freitag received this termination compensation since she was not re-appointed and/or employed for a second term, ended at 31 December 2025, at the initiative of TenneT.

### Variable remuneration

Contrary to the remuneration policy applicable to the Executive Board members of TenneT Netherlands, to further encourage the achievement of TenneT Germany's objectives, part of the TenneT Germany Executive Board members' remuneration is linked to certain challenging targets. The variable remuneration criteria support the realisation of TenneT Germany's strategic objectives and therewith long-term value creation. The targets are set by the Executive Board of TenneT Holding B.V. These targets are set for the entire year 2025 and include those of a public or societal nature and focus on long-term value creation. The annual variable remuneration is limited to 20% of the fixed annual salary. From the time in which the Company concludes binding agreements with investors who have not previously held a direct or indirect investment in TenneT Germany, the variable remuneration is limited to 40% of the fixed annual salary. As Mr. Meyerjürgens was a board member of TenneT Holding till 30 April 2025 and his services for both TenneT TSO GmbH and TenneT Holding are compensated in one set of remuneration, the



variable remuneration for the period 1 January 2025 till 30 April 2025 should be disclosed in the Integrated Annual Report of TenneT Holding.

The performance criteria fall into three categories: financial, operational and ESG. The comparative weighting of these performance categories varies from one year to the next. Each category includes certain public or societal objectives and does not account for less than 20% of the total.

#### Pensions

The retirement age of statutory directors is based on the statutory pension age for Dutch contracts for statutory directors based in the Netherlands. The retirement age of a statutory director based in Germany is based on the statutory pension age as applicable in Germany. Statutory directors participate in the regular pension scheme of the country in which they are covered for social insurance.

Statutory directors based in the Netherlands participate in a pension arrangement as defined in the collective labour agreement and as applicable for all employees in the Netherlands. The employer and employee contribution for the statutory directors follow the same rules as applicable to all other employees. Dutch pension regulations define the pensionable salary up to the fiscal maximum of EUR 137,800 (2024 and 2025).

The statutory directors based in the Netherlands receive the same compensation as TenneT employees with a salary above the fiscal maximum pension salary. The compensation is based on the fiscally allowed age dependent premium percentages up to fiscal maximum pension salary.

German based statutory directors participate in the regular pension scheme ('Beitragsplan') or any other pension scheme that such statutory director may have already been entitled to.

In Germany TenneT currently has two pension schemes. For employees starting after 1 April 2008 pension scheme 2008 is applicable. Mr. Meyerjürgens joined TenneT's TSO GmbH predecessor E.ON Netz GmbH on 1 March 2003. At that time a company pension based on the pension scheme 2001 was provided to him. Mr. Meyerjürgens kept participating in his pension scheme. For Ms. Freitag the pension scheme 2008 was applicable. Further reference is made to note [17](#) of the consolidated financial statements.

#### Other allowances and secondary benefits

The total remuneration package for statutory board members includes an allowance for necessary out-of-pocket expenses, the use of a lease car (of a type comparable to those provided to statutory board members of similar organisations) including possible private use, accident and directors' and officers' liability insurance, and thirty days paid leave per annum. Sign-on bonuses and recruitment incentive payments are not applicable for statutory board members.

Secondary benefits also include a nominal contribution towards health insurance premiums and the choice of other flexible individualised benefits, such as converting holiday allowance into extra leave hours. Most of these benefits are applicable to all TenneT employees, working under the Dutch collective labour agreement. The company does not provide any loans, loan guarantees or advances against future earnings to any statutory board member.

#### Taxes

TenneT shall fully indemnify, hold harmless and compensate statutory directors against all claims, demands, actions, suits, damages, liabilities, losses, settlements, judgements, costs and expenses (including but not limited to reasonable attorney's fees and costs), which arise out of or relate to any act or omission of TenneT in relation to the double taxation claim. As a result, statutory board members will neither have any disadvantage of the international allocation of their remuneration, nor will there be a gain advantage from the advancing arrangement with TenneT, since it will be settled afterwards.

#### (Re-)Appointment of Executive Board members and Supervisory Board members

In line with the Dutch policy State Participations 2022 and the Guideline Appointments for State Participations, both Executive Board as well as Supervisory Board members are appointed for a term of four years and can be re-appointed for a second term of four years. Only in exceptional and well-motivated cases, Executive Board members may subsequently be reappointed for two years and Supervisory Board members twice for a third respectively fourth term of two years. So, the total maximum period for the Executive Board members is 10 years and for Supervisory Board members 12 years.



## Board remuneration

This section specifies the current remuneration for statutory directors as well as members of the Supervisory Board.

During 2025, the Executive Board of TenneT Holding B.V. was composed of the following statutory board members:

	Position	Date of 1 <sup>st</sup> appointment	End of 1 <sup>st</sup> term	End of 2 <sup>nd</sup> term
M.J.J. van Beek	CEO	1 September 2018	31 August 2022	31 August 2026 <sup>1</sup>
T.C. Meyerjürgens <sup>2</sup>	COO	1 March 2020	29 February 2024	30 April 2025
M.C. Abbenhuis	COO	1 January 2021	31 December 2024	31 December 2028
A.C.H. Freitag <sup>3</sup>	CFO	1 January 2022	31 December 2025	

1 TenneT has started the recruitment and selection process for a new CEO, as Manon van Beek's second term will end in 2026.

2 As of 1 March 2019, Mr. Meyerjürgens was appointed as director; between 1 March 2020 and 30 April 2025, Mr. Meyerjürgens was statutory director of TenneT Holding B.V.

3 The contract of Ms. Freitag has ended 31 December 2025. At 1 January 2026 Mr. Inia was appointed as CFO

Ms. Van Beek and Mr. Meyerjürgens are and Ms. Freitag was employed for the duration of a fixed-term. Mr. Abbenhuis has an open-ended underlying employment contract.

## Remuneration of the statutory directors

2025 (in EUR thousand)	Fixed remuneration	Gross Pension	Net pension	Total pension	Other allowance <sup>1</sup>	Variable remuneration	Termination benefit	Total remuneration
<b>Current board members</b>								
M.J.J. van Beek	488	25	54	79	33	-	-	600
M.C. Abbenhuis	440	25	46	71	29	-	-	540
A.C.H. Freitag	440	63	-	63	54	-	440	997
<b>Total remuneration current board members</b>	<b>1,368</b>	<b>113</b>	<b>100</b>	<b>213</b>	<b>116</b>	<b>-</b>	<b>440</b>	<b>2,137</b>
T.C. Meyerjürgens <sup>2</sup>	163	45	-	45	2	31	-	241
<b>Total remuneration previous board members</b>	<b>163</b>	<b>45</b>	<b>-</b>	<b>45</b>	<b>2</b>	<b>31</b>	<b>-</b>	<b>241</b>
<b>Total remuneration board members</b>	<b>1,531</b>	<b>158</b>	<b>100</b>	<b>258</b>	<b>118</b>	<b>31</b>	<b>440</b>	<b>2,378</b>

1 The column 'Other allowance' includes certain perquisites provided to statutory directors in 2025, such as life-cycle allowance, an employer contribution to the Dutch statutory health insurance as part of the collective labour agreement. The costs shown in this column are excluding the annual employer contributions to the Dutch and German social security. For Ms. Van Beek and Mr. Abbenhuis the 2025 employer social contributions amounted to EUR 12 thousand. For Ms. Freitag the 2025 employer social contributions amounted to EUR 11 thousand and for Mr. Meyerjürgens EUR 5 thousand.

2 Mr. Meyerjürgens resigned from his position as a member of the TenneT Holding Executive Board effective 30 April 2025. The reported remuneration has been disclosed on a pro rata basis, calculated as four twelfths.

2024 (in EUR thousand)	Fixed remuneration	Gross Pension	Net pension	Total pension	Other allowance <sup>1</sup>	Total remuneration
<b>Current board members</b>						
M.J.J. van Beek	457	25	49	74	37	568
T.C. Meyerjürgens	411	124	-	124	36	571
M.C. Abbenhuis	411	25	43	68	21	500
A.C.H. Freitag	411	36	-	36	43	490
<b>Total remuneration current board members</b>	<b>1,690</b>	<b>210</b>	<b>92</b>	<b>302</b>	<b>137</b>	<b>2,129</b>

1 The column 'Other allowance' includes certain perquisites provided to statutory directors in 2024, such as life-cycle allowance, an employer contribution to the Dutch statutory health insurance as part of the collective labour agreement. The costs shown in this column are excluding the annual employer contributions to the Dutch and German social security. For Ms. Van Beek and Mr. Abbenhuis the 2024 employer social contributions amounted to EUR 11 thousand. For Ms. Freitag and Mr. Meyerjürgens the 2024 employer social contributions amounted to EUR 10 thousand.

## Fixed remuneration

In January 2025 the salaries of all statutory directors have been increased by 7%. This increase is fully applied in the 2025 figures. This increase is in line with the collective labour agreement.

## Variable remuneration

The Executive Board of TenneT Holding B.V. and the Supervisory Board of TenneT TSO GmbH decided on the TenneT Germany Executive Board members' variable payment realisation percentages over 2025 based on the achievement of present criteria. The realised percentages are included in the table below.

Category	KPI	Target	Relative share	Realised
Financial (50%)	Underlying EBIT	> EUR 1,655 million <sup>1</sup>	50%	65%
	CapEx	> EUR 11,978 million <sup>1</sup>	50%	0%
Operational (20%)	Newly installed KM of lines & cables	> 256 KM <sup>1</sup>	50%	100%
	Grid availability	100%	50%	100%
	TRIR	< 4.2 <sup>1</sup>	50%	20%
ESG (30%)	Diversity inflow (based on management reporting)	> 33% female > 11% non-German	25%	0%
	Scope 1 and 2 emission reduction	90% reduction versus 2019	25%	100%
<b>Total variable remuneration</b>			<b>100%</b>	<b>47%</b>

1 For this target a sliding scale applies



The total realised variable remuneration amounts to EUR 92 thousand, which is determined as 19% of the gross salary. Mr. Meyerjürgens resigned from his position as a member of the TenneT Holding Executive Board effective 30 April 2025. The variable remuneration as disclosed in the remuneration table for the statutory directors is on a pro rata basis, calculated as four twelfths.

#### Pension cost

The pensions of all Dutch statutory board members are administered by the ABP Pension Fund. The pension accrual is based on an average pay system up to the fiscal maximum (gross pension). With respect to the fixed remuneration exceeding the fiscal maximum, the Dutch statutory board members may participate in a net pension system.

As explained in the remuneration policy the pension of the German statutory directors was based on actuarial calculations in line with IAS 19. The amount is equal to the yearly service costs.

#### Other allowances and secondary benefits

All statutory directors have a company car available to them. The value of private use is part of the other allowances as shown in the table. The company does not reimburse its statutory directors for any personal income tax consequence resulting from the private use of leased cars.

For Dutch statutory directors the secondary benefits as shown in the remuneration table, include a contribution to health insurance and a budget for flexible terms of employment.

Each statutory director received an allowance for necessary out-of-pocket expenses, of EUR 2,196 a year. This allowance is not included in the remuneration table as it is a compensation for expenses incurred and hence not considered a remuneration component.

The total remuneration paid to the statutory directors is reconciled to and further disclosed in note 25 of the consolidated financial statements.

#### Remuneration ratio

The remuneration ratio CEO to employees is measured by comparing the total remuneration, (including fixed salary, pension benefits and other allowances) of the CEO with the median total remuneration (including fixed salary, pension benefits and other allowances) of all other employees. The remuneration ratio CEO to senior management is measured by comparing the total remuneration (including fixed salary, pension benefits and other allowances) of the CEO with the median total remuneration (including fixed salary, pension benefits and other allowances) of the Senior Leadership Team (SLT). The SLT consisted in 2025 in average of 32 directors, all direct reports to the Executive Board.

The remuneration ratio of the highest paid employee to employees is excluding termination benefits and measured by comparing the annual total compensation, with the median of all other employees. As of 2023 the remuneration CEO paid employee to average of all other employees is a new ratio calculation. Based on Dutch Corporate Governance Code 2022 it is also required to disclose current year's ratio and five previous years.

Employees with a part-time employment contract are not recalculated to one full-time equivalent. The same is applied to employees joining TenneT during the course of the year, their remuneration is not recalculated to twelve months.

	2025	2024	2023	2022	2021	2020
Remuneration ratio CEO to median of employees	5.9	5.9	5.6	5.9	5.8	6.2
Remuneration ratio CEO to average of employees	5.8	5.8	5.5	5.7	5.7	6.2
Remuneration ratio highest paid employee to median of employees <sup>1</sup>	5.9	6.0	5.6	6.8	7.0	7.0
Remuneration ratio CEO to median of SLT	1.9	1.8	1.7	1.5	1.9	1.8

<sup>1</sup> In the years 2020, 2023 and 2025 the CEO is the highest paid individual. Mr. Meyerjürgens is in the years 2021, 2022 and 2024 the highest paid individual, due to pension entitlements.



## Remuneration of the Supervisory Board

The remuneration policy for the Supervisory Board defines the remuneration for the different roles and committees of the Supervisory Board. During 2025 each Supervisory Board member was serving on one, two or three of a total of four committees. The roles and responsibilities of members of the Supervisory Board were as follows:

	Supervisory Board	Audit, Risk and Compliance Committee	Remuneration and Appointments Committee	Strategic Investments Committee	Voltura Committee <sup>1</sup>
A.F. van der Touw	Chair	Member	Member		Member
E. Kairisto	Vice chair	Chair			Chair
M.R.P.M. Camps	Member			Member	Member
A.C.C. van Els	Member			Chair	
E.M. Schöne	Member		Chair	Member	
K. Singh	Member	Member	Member		

<sup>1</sup> Temporary special committee on funding solution for TenneT Germany. Ms. Kairisto chairs this committee, Mr. Van der Touw, Mr. Camps are members; Ms. Schöne was member until 31 March 2025.

In January 2025 the remuneration of all Supervisory Board members have been increased by 7%. This increase is fully applied in the 2025 figures. This increase is in line with the collective labour agreement.

Supervisory Board member remuneration was as follows:

(in EUR)	
Chair	40,493 per annum
Vice-chair	33,303 per annum
Member	30,106 per annum
Audit, Risk and Compliance Committee	8,860 per annum
Remuneration and Appointment Committee	6,968 per annum
Strategic Investment Committee	6,968 per annum
Voltura Committee	6,968 per annum

The total remuneration received by the Supervisory Board in their capacity as TenneT Holding B.V. Supervisory Board members during 2025 was as follows:

(in EUR thousand)	2025			2024		
	Fixed remuneration	Committee fee	Total	Fixed remuneration	Committee fee	Total
A.F. van der Touw	40	23	63	38	21	59
E. Kairisto	33	16	49	31	15	46
M.R.P.M. Camps	30	14	44	28	10	38
A.C.C. van Els	30	7	37	28	13	41
E.M. Schöne	30	16	46	28	16	44
K. Singh	30	16	46	28	8	36
<b>Total</b>	<b>193</b>	<b>92</b>	<b>285</b>	<b>181</b>	<b>83</b>	<b>264</b>

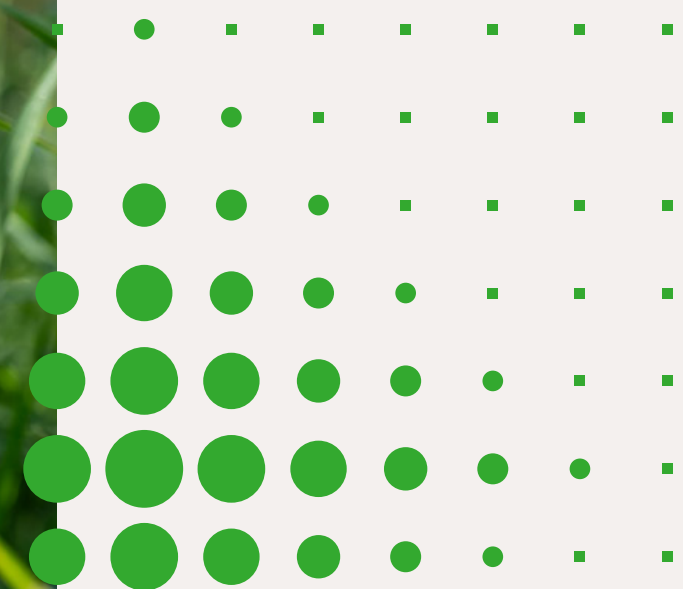
The Aufsichtsrat is a governance body for TenneT TSO GmbH; it is therefore not considered a committee of the Supervisory Board of TenneT Holding. Ms. Van Beek, CEO of TenneT Holding B.V. and (qualitate qua) chair of the Aufsichtsrat, received no remuneration for this role. As of 1 January 2025 Mr. Van der Touw, Mr. Camps and Mr. Van Els represented the Supervisory Board of TenneT Holding in the Aufsichtsrat of TenneT TSO GmbH and each received a remuneration of EUR 20 thousand.

Each Supervisory Board member received an allowance for necessary out-of-pocket expenses, of 10% of the total remuneration. This allowance is not included in the remuneration table as it is a compensation for expenses incurred and hence not considered a remuneration component.



# Sustainability statements

General information	127
Environmental	135
Social	161
Governance	178
Appendices	180





# General information

In 2025, we continued our commitment to transparent and meaningful sustainability reporting. Building on our experience with the European Sustainability Reporting Standards (ESRS), we present our second Integrated Annual Report under the Corporate Sustainability Reporting Directive (CSRD).

While the CSRD landscape is evolving, notably through the European Commission's Omnibus Simplification Package, we remain committed to high-quality reporting. The Omnibus proposes a narrower scope and delayed timelines for future CSRD implementation, but also introduces revised ESRS drafts that emphasise materiality, reduce complexity, and improve interoperability with global standards. We embrace these developments as they support more focused and accessible reporting, while recognising the importance of transparency and meaningful disclosures.

As one of the first-wave reporters, we continue to apply the ESRS proactively, even as national transpositions are still underway. We acknowledge that sustainability reporting is a journey; one that requires ongoing refinement of data, definitions, and methodologies. With the support of colleagues across TenneT, we strive to improve our sustainability performance and reporting practices year by year.

## Basis for preparation

### Scope

The sustainability statements have been prepared on a consolidated basis. The scope of consolidation is the same as for the [financial statements](#) and incorporates TenneT Holding B.V. and its subsidiaries at 31 December 2025. This includes non-regulated subsidiaries, which business activities differ from the core operations of the group. These subsidiaries currently adhere to their own distinct policies and manage operations in accordance with their guidelines. Consequently, when

referring to policies and actions that apply across the entire group, these exclude TenneT Reinsurance N.V., CEVON B.V., Duvekot Rentmeesters B.V., Nederlands-Duitse Internet Exchange B.V., Relined GmbH and Relined B.V. as they have their own policies and are not within the scope of the policies of the group. Performance metrics for these subsidiaries have been included within the reporting scope in relation to topics deemed material to their operations. For reference purposes, the relative share of these non-regulated activities compared to the overall TenneT group results 2025 were 0.3% of underlying EBIT and 0.6% of total headcount.

As a company, we aim to inform our stakeholders in a clear and transparent manner. However, in rare cases, we have made use of the option to omit certain information. For example: when disclosure could compromise the security or reliability of our critical infrastructure. Such decisions are made with careful consideration, balancing transparency with our responsibility to safeguard public interests.

The information presented in these sustainability statements extends beyond our own organisational boundaries and includes relevant elements from our upstream and downstream value chain. The scope of the information incorporated from the value chain information varies depending on the nature of the material impact, risk, or opportunity, and is further detailed in the sections [Double materiality assessment](#).

### Transitional provisions

In line with the applicable transitional provisions, we have applied the phase-in disclosure requirements, including those introduced through the Commission Delegated Regulation (EU) 2025/1416 amending Delegated Regulation (EU) 2023/2772 published in July 2025.

Consequently, our sustainability statements do not fully align with the disclosure requirements set out in ESRS E4, ESRS S2, ESRS S3 and

ESRS S4 for material impacts, risks, and opportunities (IROs) related to the sustainability matters addressed in these standards. For the respective material IROs, we have provided disclosures on their interaction with our business model and strategy, the policies governing their management, actions undertaken during the reporting period, and relevant metrics and targets.

Additionally, the metric work-related ill-health and the anticipated financial effects of material risks and opportunities on TenneT's financial position, performance, and cash flows over the short, medium, and long-term have not been disclosed.

### Entity-specific disclosures

TenneT identified a selected number of entity-specific sustainability matters. We report on our management of these matters according to the minimum disclosure requirements of ESRS 2. In absence of ESRS sector-specific standards on the Energy utilities sector, we apply GRI G4 standards for the Energy utilities sector in reporting on the material IRO 'Security of Supply'.

### Sources of estimations and outcome uncertainty

In certain areas we make use of (value chain) estimations in the metrics that measure our performance. Whenever estimations are made, the methodology including the significant assumptions used are disclosed in the 'Methodology' sections of the topic-specific chapters of the respective estimate. Inherent to the estimation, the estimation outcome should be read with uncertainty.



### Changes in preparation or presentation including changes due to errors in the prior period

Whenever we have changed our metrics compared to the prior reporting period, we have indicated as such in the respective topic-specific chapter. This considers both new metrics that replace outdated ones as refinements in the methodology of a metric. Whenever a change has been made due to an error in the figures presented in the prior period, we have disclosed this in the section where this metric has been presented.

## Governance

### General

A detailed overview of the governance processes related to sustainability matters oversight by the Executive Board and Supervisory Board is provided in the [Corporate Governance](#) section. This includes the structures and procedures in place to monitor, manage, and steer sustainability-related topics across the organisation. The remuneration of the TenneT Holding Executive Board is disclosed in the [Remuneration report](#). The remuneration of TenneT Holding's Executive Board members per 31 December 2025, does not contain variable remuneration and as such it does not factor in ESG-related matters such as climate-related considerations. The variable remuneration of former TenneT Holding Executive Board member Mr. Meyerjürgens includes ESG-related matters, which are disclosed in the [Remuneration report](#).

### Statement on due diligence

TenneT's due diligence process is described across multiple sections of our sustainability statements. To enhance transparency and accessibility, we provide below a consolidated overview that outlines how the core elements of our due diligence approach are addressed for each

Core elements of due diligence	Section	Pages
How it is embedded in governance, strategy and business model	General, Governance,	<a href="#">127-134</a> , <a href="#">178-179</a>
How we engaged with affected stakeholders	General, Social, Governance	<a href="#">127-134</a> , <a href="#">161-177</a> <a href="#">178-179</a>
How we identified and assessed negative impacts on people and the environment	General, Environment, Social, Governance	<a href="#">127-134</a> , <a href="#">135-160</a> , <a href="#">161-177</a> , <a href="#">178-179</a>
How we took action to address negative impacts on people and the environment	Environment, Social	<a href="#">135-160</a> , <a href="#">161-177</a>
How we track effectiveness of these efforts and communicate	Environment, Social	<a href="#">135-160</a> , <a href="#">161-177</a>

material topic. This includes how we identify, assess, and manage actual and potential impacts, risks, and opportunities in line with applicable standards and stakeholder expectations.

### Risk management and internal controls over sustainability reporting

Further details on our risk management and internal control systems, including their application to sustainability reporting, can be found in the [Risk Management](#) section.

## Strategy

### Strategy, business model and value chain

We make reference to the other sections in our Integrated Annual Report for a description of our strategy, business model and value chain.

- TenneT's business model and core tasks are included in the [Our profile](#) section in this report. Based on the list of NACE codes for economic activities, no new products or services are offered as of this year. The same applies for the significant markets and/or customer groups served. Information that describes the size of our business, such as headcount per service area, is provided in the [Social](#) section of the sustainability statements, while a breakdown of total revenue is available in [note 3](#) of the consolidated financial statements. Considering our business model and core tasks, TenneT is not excluded from EU Paris-aligned benchmarks.
- The value chains in which we operate are described in the section [Value chain and impacts](#), including the value chain of electricity generation to consumption as well as the value chain relating to the resources we require to execute our core activities.
- Our strategy is described and depicted in the [Our purpose and strategy](#) section of this report.

- The section [How we create value](#) combines our business model, value chain and strategy to explain how TenneT creates value for society. It outlines the inputs we rely on, the outputs we generate, and the outcomes we aim to achieve. This structured approach helps demonstrate the broader impact of our activities on society and the energy system.

The interaction between our material IROs and our strategy is disclosed in the Environmental, Social and Governance chapters of the sustainability statements.

### Resilience of strategy

TenneT conducts a resilience assessment of its strategy and business model twice per year to evaluate the capacity to address material IROs. This process involved a thorough analysis of how IROs are embedded within our current strategic framework and how effectively our strategy and business model can adapt to evolving material IROs.

A reciprocal relationship exists between our strategy and the identified IROs: material IROs influence strategic direction, while strategic decisions in turn shape the nature and impact of these IROs. Each topic-specific chapter outlines how IROs are linked to strategic priorities, demonstrating that our business model and strategy are intentionally designed to integrate and respond to all material IROs. This especially becomes evident for our newly identified IROs, which have been explicitly linked to strategic focus areas. Their inclusion reinforces the robustness and adaptability of our strategic framework.

This integrated approach confirms that TenneT's strategy and business model are sufficiently resilient. Additionally, a dedicated climate change resilience assessment is provided in the section [Climate Resilience](#), offering further insights into our preparedness for climate-related challenges.



## Interests and views of stakeholders

Our approach to interacting with, engaging and considering the interests and views of stakeholders is included in the [Our stakeholders](#) section, which provides a broad overview of how we connect with various stakeholder groups. A more detailed focus on our engagement with our own workforce and workers in the value chain is provided in the [Social](#) section of the sustainability statements. This section details how we safeguard stakeholder interests, views, and rights through structured business processes and targeted engagement efforts. For instance, our works councils (the Dutch 'Ondernemingsraad' and German 'Betriebsrat') are actively involved in strategic discussions, and the perspectives of value chain workers are collected by our Strategy and Partnerships unit, for instance during site visits. Where stakeholders are specifically involved in setting targets or policies, we mention them explicitly in the sections hereafter.

## Impact, risks and opportunities management

How we manage our material IROs is set out in the respective sections of the Environmental, Social and Governance chapters on the following pages. These sections include the criteria relevant to the minimum disclosure requirements. Where specific sub-paragraphs apply, such as baseline values or base years, targets underpinned by conclusive scientific evidence, or the presence of interim targets, these are explicitly addressed in the corresponding sections. Other minimum disclosure requirements are deemed inherently clear, such as whether a metric has been labelled with meaningful, clear and precise names and descriptions for example.

## Double materiality assessment

### Introduction

In 2025, we conducted a comprehensive double materiality assessment (DMA), in accordance with our internal policy to perform a full reassessment every two to three years. This latest assessment builds on the foundation laid in 2023, but introduces several methodological

refinements that reflect both internal developments and evolving external expectations.

One of the most significant changes in our approach was the alignment of our scoring methodology with the framework used by our internal risk management function. By adopting a six-point scale to assess both the likelihood and financial magnitude of risks and opportunities, we ensured greater consistency across our internal processes. This scoring logic was also applied to the assessment of impacts, allowing for a more integrated and comparable evaluation of all IROs.

Another key difference from the 2023 assessment lies in our stakeholder engagement strategy. Whereas the previous assessment relied on surveys with key stakeholder groups, the 2025 assessment was informed by in-depth interviews. These interviews provided richer qualitative insights into the IROs that stakeholders associate with our operations and value chain, helping us to better understand the nuances and interdependencies of these topics.

### Methodology

#### Understanding the context

The scope of our assessment covered the consolidated group, including both our regulated and non-regulated activities in the Netherlands and Germany. In our process to identify IROs, we examined our entire value chain, which includes the generation, transmission, and consumption of electricity, as well as the materials and resources required to construct and maintain our grid infrastructure. We focused on gross IROs, without considering TenneT's management of the topic.

In identifying risks and opportunities, we focused on dependencies related to the six capitals described in our value creation model (see page 26). This holistic perspective allowed us to capture a broad range of sustainability-related factors that influence our business model and strategic direction.

To build a robust understanding of our IROs, we drew on multiple sources of information. These included the results of our 2023 DMA, internal documentation, interviews with internal and external stakeholders, peer benchmarking, and media analysis. We also reviewed the sub-topics and sub-sub-topics listed in ESRS 1 AR 16, and consulted sector-specific standards from GRI and SASB to ensure completeness and relevance.

Although we did not engage directly with affected stakeholders during this assessment, we made a concerted effort to incorporate their perspectives. This was achieved through interviews with external stakeholders who represent or interact with affected groups, and through analysis of media coverage that reflects public concerns and expectations.

Our assessment also considered the outcomes of our broader risk management processes. However, we acknowledge that not all ESG risks identified through this exercise are currently addressed within our operational risk management framework.

#### Environmental focus areas

As part of understanding the context, we also conducted a targeted assessment of environmental topics, including climate change, pollution, water and marine resources, biodiversity, and circularity. We achieved this through a two-tiered screening of our assets.

- For assets currently under construction, we are legally required to conduct Environmental Assessments. These assessments vary by location and asset type, and their outcomes were used as input for our DMA.
- For existing assets, we performed a high-level screening of IROs using stakeholder interviews, peer reviews, and media analysis.

Specifically for climate change, we considered climate-related physical and transition risks that were identified from our climate resilience analysis. The process to identify relevant climate risks is described in the section [Climate resilience analysis](#).



Additionally, we specifically assessed biodiversity and ecosystems-related impacts, risks and opportunities, guided by the TNFD LEAP framework and WWF Risk Filter methodology. While multiple sources informed our assessment, no scenario analysis was conducted. We analysed spatial data for our assets, including pylons, overhead lines, cables, stations, and offshore platforms, and considered their placement and operational purpose to assess exposure to nature-related dependencies and impacts. Asset data was combined with biodiversity datasets and aggregated for functional coherence. Where WWF Risk Filter did not cover certain impacts (e.g., disturbance) or data was unavailable, we conducted a literature review using scientific sources, government reports, and national spatial data. Each dataset was assessed for quality, including resolution, coverage, accuracy, and rights. Key sources included UNEP-WCMC's World Database of Protected Areas, BirdLife International's Key Biodiversity Areas, and research on global connectivity of protected areas.

This integration identified overlaps between TenneT assets and protected or connectivity-critical areas. Buffer zones were applied around assets near biodiversity-sensitive areas. To complement this, we incorporated species occurrence data from GBIF and IUCN Red List categories for 153,000 species, covering migratory corridors, breeding habitats, and feeding patterns.

For offshore infrastructure, we applied a seascape-based assessment using bathymetry and the Marine Ecosystems of the World (MEOW) framework to capture habitat diversity. We also evaluated potential disturbances such as noise, light, electromagnetic radiation, vibration, and collision through literature review across asset types.

We developed a transition risk layer aligned with TNFD guidance, assessing regulatory stringency, public sentiment, and market criteria in Germany and the Netherlands. Technology risk was excluded due to data limitations. Systemic risks were considered at ecosystem and financial stability levels, recognising dependencies on ecosystem services and potential disruptions from climate-driven changes.

#### *Value chain*

Our value chain is continuously monitored through our due diligence processes. The insights gained from these processes were incorporated into the DMA, alongside findings from an interview with one of our largest suppliers and a peer review of sector-specific IROs. These steps helped us identify IROs that may not be immediately visible within our own operations but are nonetheless material due to their relevance in the broader value chain.

The result of this phase was a comprehensive list of potential and actual positive and negative impacts, risks, and opportunities. We then analysed this list to identify whether specific impacts give rise to risks and opportunities. In some cases, clear connections emerged — for example, our impact on resource availability due to material needs is directly linked to risks associated with material scarcity and price volatility.

#### *Assessment of materiality*

Once the full list of IROs was established, we proceeded to aggregate IROs based on similarities and shared management approaches. In this aggregation, note that all factors were considered, but not all factors are equally as relevant for our business context. We then prioritised them based on their materiality. For impacts, we assessed severity using the dimensions of scale, scope, and irredeemability, and considered the likelihood of potential impacts occurring. For risks and opportunities, we evaluated financial magnitude and likelihood, applying the same six-point scale used in our internal risk management processes.

To ensure a balanced and informed assessment, we convened a workshop with representatives from key internal functions. These included Audit, Risk and Compliance, Business Guidance, Financial Governance and Services and Strategy and Partnerships. Prior to the workshop, participants individually scored each aggregated IRO. During the session, differences in scoring were discussed and reconciled, resulting in a final list of material IROs.

This process was applied consistently across all IROs, ensuring that each topic was evaluated on equal footing. Topics that exceeded our defined materiality threshold were classified as material to the company.

#### *Validation of the outcomes*

Following the assessment, the final list of material IROs underwent a structured validation process. First, the outcomes were reviewed and endorsed by our CSR Steering Committee, which includes representatives from the senior leadership team. The list was then submitted for approval to the Executive Board, and subsequently validated by the Supervisory Board.

This multi-tiered validation process ensures that our materiality assessment is not only methodologically sound but also aligned with strategic priorities and governance oversight.



### Material IROs and their interaction with strategy and business model

The material IROs are included in the table below. Their interaction with our strategy and business model is disclosed in the respective topic-specific chapter. All IROs are applicable to TenneT Holding, except for the IROs indicated with 'NL', which only apply to TenneT Netherlands.

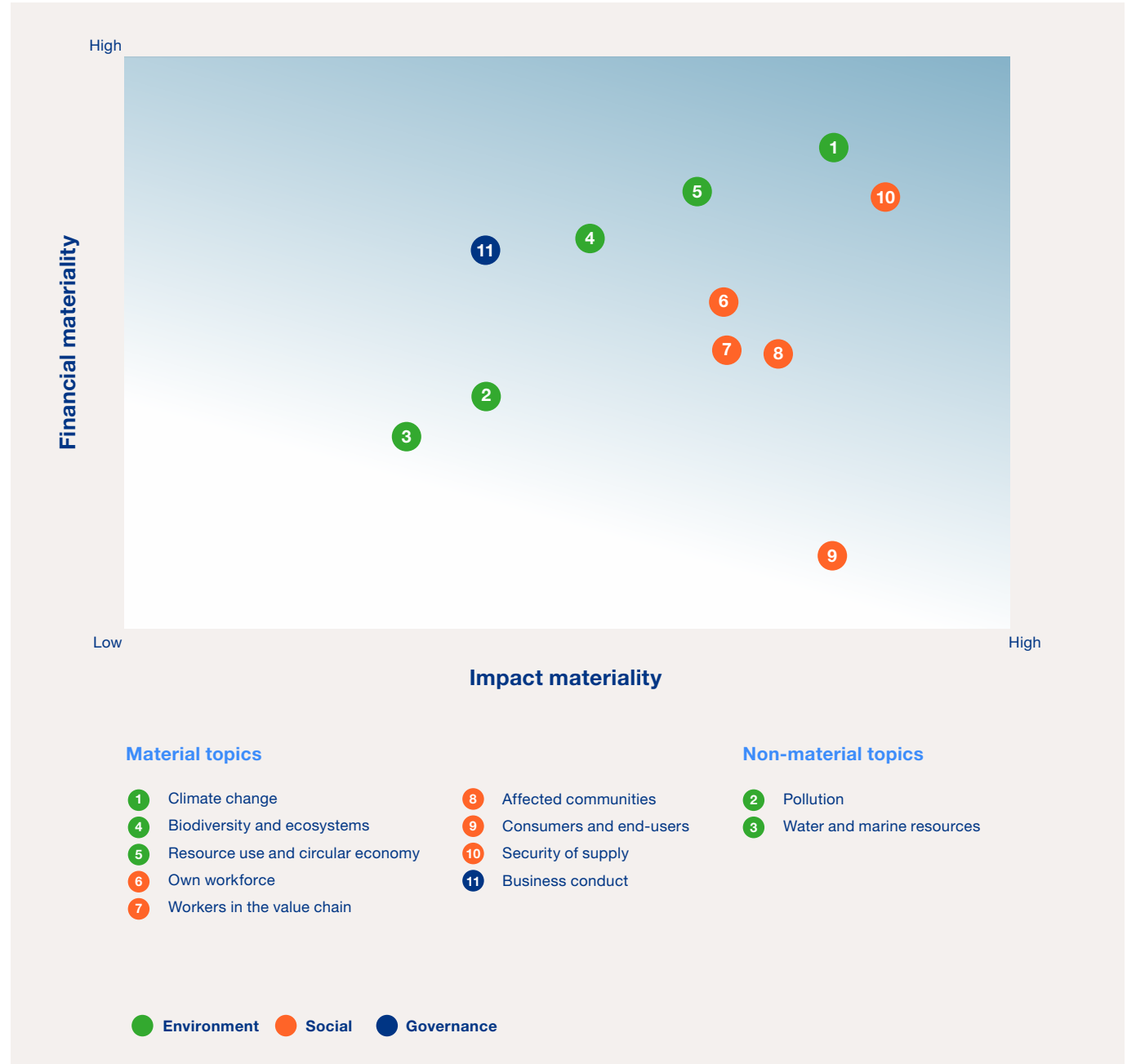
### Developments in our material impacts, risks and opportunities

Our 2025 DMA confirms that all topics considered material in 2023 remain material. This continuity reflects the sustained relevance of these topics across our operations and stakeholder landscape.

Several new topics have been added to the materiality scope in 2025. These include land-related impacts on local communities, affordability, security, corruption and bribery and biodiversity and ecosystems (incl. nitrogen). Their inclusion reflects growing societal and regulatory attention, which increased both the severity, financial magnitude and likelihood of these IROs, as well as our improved understanding of their relevance to our business and stakeholders. Moreover, as our knowledge of climate risks has deepened, particularly regarding the effects of extreme weather events on our assets, we now recognise climate change adaptation as a material topic. Finally, while our negative impacts on biodiversity and corruption and bribery risks were already considered important in 2023, they have now been formally classified as material. This reclassification is a result of our enhanced methodology and a more nuanced understanding of their potential negative impacts.

### Materiality matrix

We have plotted the material topics in our materiality matrix based on their related IROs. To ensure consistency and transparency, each topic has been positioned by selecting the highest IRO score from both an impact perspective and a financial materiality perspective. This approach allows us to reflect the most significant potential effects on our business and stakeholders. For reference, please see the table below, which outlines the IROs associated with each material topic.







Sustainability matter	Category	Value Chain	Time-horizon
<b>Social</b>			
<b>Own workforce</b>			
<i>Employer of choice</i>			
TenneT has an actual positive impact in our role as an employer. Our people are our most important asset, and we are committed to providing an environment in which they feel motivated and can thrive.	+	■	
<i>Diversity and inclusion</i>			
TenneT faces potential negative impacts regarding gender equality, equal pay, diversity, and inclusion. As part of the traditionally male-dominated energy sector, there is a risk of gender gaps, unequal treatment, and under-representation of women in leadership roles. Additionally, the physical demands of certain roles may limit the inclusion of persons with disabilities. Structural barriers in recruitment and promotion processes may also affect individuals from non-Dutch or non-German backgrounds. These challenges can lead to systematic disadvantages, hinder diversity, and impact innovation, employee retention, and strategic development.	-	■	
<i>Health and safety own operations</i>			
TenneT has a potential negative impact on health and safety within its own operations. As a TSO the core activities of TenneT requires employees to carry out work that contain safety risks and psychological risks such as working at height with high-voltage assets and with heavy lifting equipment and materials, onshore and offshore, which results in actual incidents and injuries (safety risks) and psychosocial work pressure that lead to burn-outs and a decrease in job satisfaction (psychological risks).	-	▲ ■	
TenneT has a financial risk in relation to health and safety of own employees. Safety incidents and major occupational accidents (e.g. fire, explosion, helicopter crash, vessel collision, structural failure or release of toxic substances) resulting in: health impact for employees or contractors resulting in e.g. long-term absence up to multiple fatalities, project interruptions and delays in delivery, operational interruptions and structural damage to assets, environmental damage, reputational damage, legal actions, fines and compensation payments.	-	▲ ■	
<i>Talent attraction</i>			
TenneT has a financial risk in relation to secure employment of own employees. TenneT faces ongoing difficulties to hire required resources for operations and projects due to very tight labour market conditions combined with internal turnover of staff and contractor personnel. An already predicted need for additional staff due to the split of TenneT's Dutch and German operations would have a further aggravating effect on the overall situation and potentially lead to: not achieving net growth ambitions, unhealthy growth of the organisation, vacant positions and increasing workload for remaining employees especially in certain processes, delays in projects or processes, compliance issues and lack of competencies.	-	■	

Sustainability matter	Category	Value Chain	Time-horizon
<b>Social</b>			
<b>Workers in the value chain</b>			
<i>Human rights in the value chain</i>			
TenneT has a potential negative impact on the issue of human rights violations in the value chain, these include our salient human rights for workers in the value chain: forced labour, adequate wages, working hours, collective bargaining, health and safety and rights to adequate housing and other human rights like secure employment, social dialogue, freedom of association, collective bargaining and gender equality and land-grabbing of local communities.	-	■	
<b>Affected communities</b>			
<i>Land-related impacts on local communities</i>			
TenneT has a potential negative land-related impacts on local communities. The construction of transmission lines and substations in residential areas may lead to changes in land-use patterns resulting in fragmentation, property conflicts, displacement and declining land values.	-	■	
<b>Consumers and end-users</b>			
<i>Affordability</i>			
TenneT has a negative impact on the affordability of electricity through its activities. To deliver on the energy transition, a significant investment program is being implemented through grid infrastructure enhancements. These investments directly affect electricity bills of end-users by increasing transmission tariffs.	-	▼ ■	
<b>Entity specific</b>			
<i>Security</i>			
TenneT faces growing cybersecurity and physical security risks due to digitalisation and decentralisation of power systems. Increased use of digital technologies, IT/OT integration, and widespread connectivity via public networks create more entry points for cyber threats. At the same time, physical infrastructure like substations and control centres becomes more vulnerable to sabotage or intrusion, making protection of both digital and physical assets essential for grid resilience.	-	■	
<i>Security of supply</i>			
TenneT has an actual positive impact on the supply to the consumers, as TenneT makes a significant contribution to ensuring the availability of the necessary infrastructure and basic services.	+	▼	
<i>Grid congestion</i>			
TenneT has an actual negative impact on delivering the energy transition due to grid congestion. Limited network capacity and delayed grid expansion hinder timely customer connections, affecting access to the grid, slowing renewable energy integration.	-	▼	



Sustainability matter	Category	Value Chain	Time-horizon
<b>Governance</b>			
<b>Business conduct</b>			
<i>Corruption and bribery</i>			
TenneT has a financial risk in relation to corruption and bribery. Unintentional or deliberate failure to act in accordance with (industry) laws and regulations or internal policies could lead to antitrust or bribery cases resulting in legal and financial penalties, operational disruptions as well as reputational damage.	—	▼	





# Environmental

Climate change	136
Biodiversity and ecosystems	149
Resource use and circular economy	152
EU Taxonomy	158

Delivering the energy transition places us at the centre of one of the most critical environmental challenges: climate change. By enabling the integration of renewable energy sources, we make a significant positive contribution by reducing emissions across society. At the same time, our own activities generate greenhouse gases, which we must actively manage and reduce. Climate change also introduces risks to our business, such as extreme weather events that can damage infrastructure and evolving regulations that demand continuous adaptation. These factors shape how we plan, operate, and invest in our grid to ensure resilience and reliability.

Beyond climate, our environmental footprint extends to biodiversity and resource use. Construction activities on land and on the seabed can disrupt ecosystems, while overhead power lines pose a risk of bird collisions, particularly in areas with frequent migrations. Both require careful mitigation measures. The transition to a sustainable energy system also depends on materials that are increasingly scarce, creating risks related to availability and price volatility. These challenges highlight the importance of circularity and responsible sourcing in our operations.

Managing these impacts, risks and opportunities is essential to ensure our contribution to the energy transition remains sustainable and aligned with societal expectations.



# Climate change

## Strategy

TenneT has a clear positive impact on climate change mitigation by delivering the energy transition, which is directly related to our core tasks and strategic ambitions. By connecting renewable energy sources to the grid and transmitting green electricity to households and businesses, we enable the transition to a climate-neutral economy. This downstream contribution helps reduce GHG emissions and accelerates the decarbonisation of the energy system. At the same time, investing in the development of new infrastructure and reinforcing existing assets, provides us an opportunity to grow our revenue streams.

We face physical climate risks that challenge the resilience of our infrastructure. Extreme weather events — such as heavy rainfall, wildfires, flooding, and prolonged high temperatures — can damage assets and disrupt operations. Droughts may also affect inland water transport, delaying or increasing the cost of raw material deliveries. These risks underscore the importance of adhering to our boundary conditions, particularly those related to safety, reliability, and financial health, as we plan and operate our grid under increasingly volatile climate conditions.

While TenneT plays a vital role in enabling climate change mitigation through the development and operation of its transmission infrastructure, connecting renewable sources to the grid, we are also mindful of the GHG emissions generated by our own activities. These emissions — across scope 1, 2, and 3 — represent a negative impact that must be carefully managed. As we accelerate grid development and optimise its use in collaboration with our partners, we remain committed to our strategic boundary conditions. This means ensuring that our efforts to build and utilise the grid do not compromise our sustainability standards. Reducing GHG emissions and improving energy efficiency across our operations and supply chain are therefore essential to maintaining the integrity of our climate-neutral ambitions.

Finally, TenneT is exposed to transition risks related to evolving climate policies and regulations. Changes in F-gas legislation, the Carbon Border Adjustment Mechanism (CBAM), and shifts in political support for renewable energy systems may affect both our operations and our upstream value chain. These risks are managed within the sustainability framework of our sustainability boundary condition, ensuring that our strategic decisions remain compliant, resilient, and aligned with long-term sustainability goals.

Together, these IROs shape and reinforce our strategic direction, highlighting the urgency and importance of our role in delivering a climate-neutral energy system for the future. We believe our strategy and business model is resilient and has the capacity to address these climate-related impacts, risks and opportunities.

## Climate resilience analysis

### Physical risks

TenneT has made initial progress in conducting a climate risk and vulnerability assessment for its material assets; however, a full risk assessment capturing hazard, exposure, vulnerability and overall risk across all material assets in the Netherlands and Germany has not yet been completed. For all material climate hazards, an initial qualitative assessment has been conducted to determine relevance. Where hazards are deemed material, they are integrated into the design and planning of new assets. These assets are developed in accordance with European design standards, which inherently account for climate-related risks over their expected lifetimes.

For selected hazards identified as significant, TenneT has developed internal dashboards such as a climate hazard dashboard and flood risk dashboard that model potential climate impacts at existing asset locations in Germany. Material hazards have been included in the dashboards, including changes in temperature, relative heat, precipitation and flooding.

These dashboards incorporate multiple climate scenarios (SSP1-2.6, SSP2-4.5, SSP5-8.5) and time horizons up to 2100, including the entire lifetime of our assets. The dashboards use scenarios from CMIP6 and EURO-CORDEX, which are internationally recognised, scientifically accepted climate modelling frameworks. While currently focused on hazard modelling, further development is underway to include vulnerability assessments and risk scoring.

Some hazards, such as wind-related hazards, present scientific limitations. For example, extreme wind events like downbursts pose significant risks to overhead lines, but current climate models lack sufficient granularity to assess future changes in frequency and intensity.

In the Netherlands, TenneT uses national KNMI scenarios and the Pan-European Climate Database with a SSP2-4.5 climate scenario for targeted, ad hoc analyses of flooding and heat stress, including wildfire risks. These scenarios are not yet structurally integrated in risk management assessments.

In Germany, asset-specific climate risk assessments have been initiated for substations and overhead lines. These assessments combine sensitivity and adaptive capacity ratings, both rated on a 5-point scale, to produce risk scores under different climate scenarios (SSP2-4.5, and SSP5-8.5). This work has already informed adaptation measures, such as revised siting policies, flood defences, and monitoring equipment installations.

While the current focus is on TenneT's own assets, dependencies on third-party infrastructure are addressed through broader energy system planning and security-of-supply assessments. However, risks to supporting infrastructure and critical suppliers are not yet systematically assessed.



TenneT continues to advance its climate resilience capabilities, with further integration of vulnerability and financial risk assessments planned for future development. We have included a list of relevant physical climate risks in the [Risk Management](#) chapter.

### Transition risks

In the last quarter of 2025, TenneT conducted a comprehensive transition risk resilience analysis.

The analysis began with a structured screening process using TenneT's existing risk categorisation. This screening was carried out through expert judgement from employees across a short, medium and long term time horizon to capture how risks may evolve as the energy system transforms. The analysis focused on six key categories of transition risk.

- Policy and legal: Potential impacts of evolving European and national regulations on grid asset design requirements and contractual arrangements.
- Technology: Sensitivity of grid assets and investment activities to higher upfront capital requirements, accelerated asset replacement cycles and technology maturity risks.
- Grid operations: Exposure to more volatile and less predictable power flows, increased redispatch needs and temporary reliance on conventional generation.
- Reputation and community trust: Sensitivity of large-scale grid expansion and reinforcement projects to concerns about affordability, land use and impacts on local communities.
- Supply chain management: Availability and supply concentration risks for critical raw materials, including those influenced by geopolitical or climate-related developments.
- Grid capacity: Congestion risks and temporary bottlenecks affecting connection demand and overall network performance.

The assessment examined potential risks under two contrasting pathways: a Net-Zero 2050 scenario aligned with a 1.5°C trajectory, and a current policies scenario reflecting a continuation of existing trends. To deepen the assessment, we applied scenario analysis that combined insights from leading European energy-system studies

—including ENTSO-E's 2024 TYNDP, the IEA World Energy Outlook 2025, Germany's Netzentwicklungsplan Strom 2037/2045, and the Dutch Integrale Infrastructuurvisie 2030–2050—with internal expertise. This approach enabled us to test how different policy, technology and system-development trajectories could influence the likelihood and materiality of transition risks across our own operations and our upstream and downstream value chains.

As part of the assessment, we also identified assets and business activities that may require significant effort to align with a climate-neutral economy. These include assets involving SF<sub>6</sub>-based technologies and high-GWP refrigerants, as well as business activities related to grid expansion and system operation, where the scale and pace of change will be particularly demanding.

The results of our transition risks analysis are included in the [Risk Management](#) chapter. The transition risk analysis was conducted following the completion of our DMA and therefore did not serve as an input for determining financial materiality. The outcomes of the analysis did not lead to the identification of additional material transition risks that were not yet identified. The most material transition-related risks stemming from the analysis align with our existing material IROs, specifically grid congestion, delivering the energy transition, resource inflow, security of supply, and laws and regulations related to climate-change mitigation.

### How we manage this material topic

#### Policies

#### Delivering the energy transition

Our policies to deliver the energy transition are focussed on our own operations and centred around the realisation of the [Target Grid](#) vision, which outlines the pathway to a climate-neutral energy system by 2045.

To realise the Target Grid vision and support the transition to a climate-neutral energy system, our approach begins with identifying future grid development needs. This is done in close collaboration with regulators and stakeholders through national planning instruments:

- The [Network Development Plan \(NEP\)](#) in Germany;
- The [Investment Plans \(IPs\)](#) in the Netherlands for the onshore and offshore grid.

These documents outline the infrastructure required to integrate increasing volumes of renewable electricity and ensure the grid is future-proof. The investment plans are primarily based upon scenarios on the development of electricity generation on the supply side and on commitments from government and customers on the demand side. They reflect societal needs for grid capacity. In Germany, the NEP projects are legally mandated under the Bundesbedarfsplangesetz.

Based on the strategic direction provided by the NEP and IPs, we develop two key internal planning instruments.

- Strategic Asset Management Plan (SAMP): The SAMP translates the long-term grid development needs into strategic priorities across the Netherlands, Germany, and Offshore. It ensures a balanced approach between grid expansion and maintenance, guiding resource allocation and risk management.
- Asset Investment Plans (AIP): The AIPs operationalise the SAMP by detailing which projects will be undertaken and when, optimising the investment portfolio for maximum value. Separate AIPs are developed for the Netherlands and Germany to reflect national priorities.

Once approved by the Asset Committee, the AIPs are handed over to the execution teams, comprising Asset Management, Large Projects, and Grid Field Operations. These teams translate the plans into detailed project schedules and oversee delivery.

Execution governance is defined in our Corporate Investment Manual, which ensures alignment between strategic design decisions made by the Future Design Committee and their implementation in the field.

This structured planning and execution framework ensures that all activities contribute effectively to the delivery of the energy transition. These plans include current and future [CapEx](#) investments, project locations, and expected completion dates.



### Climate transition plan

The previous section outlines how TenneT aims to deliver the energy transition by expanding the grid and utilising it better to realise our [Target Grid](#) vision. Though facilitating the energy transition is our primary task as a transmission system operator, this work comes with an adverse impact on the climate through the facilitation of building and maintaining the infrastructure required for the transition. The [Climate Transition Plan](#) addresses these adverse impacts, covering our operations in the Netherlands and Germany (scope 1 and 2 GHG emissions), as well as our upstream and downstream value chains (scope 3 GHG emissions). This includes, for example, the Decarbonising the supply chain programme which focuses on renewable energy use and energy efficiency in the upstream value chain. The Climate Transition Plan was approved by the Executive Board and Supervisory Board in 2024. TenneT Germany is currently planning in parallel an aligned but stand-alone Climate Transition Plan to be released in the 2026 fiscal year.

Our Climate Transition Plan outlines climate change mitigation targets approved by the Science Based Targets initiative (SBTi) and the decarbonisation levers across all three scopes of GHG emissions. It includes measures to improve energy efficiency in our natural gas and electricity consumption. We conducted a qualitative assessment of potential locked-in emissions from existing assets and planned investments, concluding that the majority are attributable to scope 2 emissions from grid losses associated with infrastructure expansion and maintenance. These emissions depend on our ability to procure renewable electricity; however, they do not jeopardise the achievement of our SBTi targets.

To realise a climate-neutral transmission system, substantial capital investments are essential. These investments are strategically directed toward decarbonising both the broader energy system and TenneT's own transmission infrastructure. Key initiatives include the deployment of SF<sub>6</sub>-free technologies, the adoption of low-GWP refrigerants, and the integration of renewable energy sources across our facilities.

The main elements of TenneT's Climate Transition Plan are embedded in our financial planning to ensure both climate ambition and financial sustainability. For example, we apply a monetary threshold for procuring market-based instruments to green our grid losses, safeguarding our financial health.

[Capital expenditures \(CapEx\)](#), such as investments in SF<sub>6</sub>-free technologies, are incorporated into project planning when market-ready alternatives are available. [Operational expenditures \(OpEx\)](#), including fleet electrification and energy efficiency improvements in substations and offices, are planned annually within defined OpEx thresholds to maintain cost-effectiveness and affordability for society.

The activities covered in our climate transition plan are covered by activity 4.9 'Transmission and distribution of electricity' (NACE code D35.12) within the Climate Change Mitigation section of the EU Taxonomy regulation and are aligned with the technical screening criteria. We refer to the paragraph on [EU Taxonomy](#) for further details.

### Other policies

While our Climate Transition Plan addresses the majority of our IROs related to climate change, we do not have formal policies in place that address the transition risks related to climate-related laws and regulations and climate change adaptation, as these sustainability matters IROs have become material just recently.

### Transitions risk

The transition risk related to climate-related laws and regulations is managed by our Strategy & Partnerships and Public Affairs units. These teams actively monitor developments in climate legislation to ensure timely and effective responses.

While the specifics of climate laws may vary, they consistently focus on climate change mitigation. A relevant example is the [EU F-gas Regulation](#), which mandates the phase-out of SF<sub>6</sub> gas used for insulation

in substations. This regulatory development is directly addressed in our Climate Transition Plan, which outlines how we manage such material transition risks as part of our broader decarbonisation strategy.

### Climate change adaptation

TenneT has initiated the identification of climate-related risks, as outlined in the Climate Resilience Analysis section. While formal policy is still under development, these risks are already considered during the planning and design phases of new assets. All assets are constructed in line with EN Eurocode design criteria or national equivalent and comply with national spatial planning legislation. These criteria ensure safety and reliability and incorporate climate-related risks that could affect assets throughout their expected lifetime. In 2026, TenneT will start the 'Weatherproofing programme' with the main goal to take weather and climate into account structurally and organisation-wide in the design, risk-management, and maintenance of our grid.

### EU Emissions Trading System

The EU Emissions Trading System (ETS) Directive is not applicable to TenneT as [TSO](#), as we are not the operator of installations in scope of the regulation.

### Actions

The table on the next page outlines our key actions addressing climate-related IROs, including those linked to our decarbonisation levers. Actions under these levers represent the most significant contributors to reducing [GHG](#) emissions, but does not include every action we take. Further actions to reduce our scope 1, 2 and 3 GHG emissions are included in the chapter [Transition to a brighter energy future](#).



Climate change



Key action	Scope	(Expected) outcome	Related to policy objective	Time horizon
<b>Delivering the energy transition</b>				
Build the grid faster	▲ ■	Refer to the section 'How we managed this topic in 2025' within the chapter <a href="#">Building the electricity grid of tomorrow</a> for a description of the outcome of this action in 2025.	Target Grid for 2045	
Utilise the grid better	▲ ■	Refer to the section 'How we managed this topic in 2025' within the chapter <a href="#">Utilise the grid to empower society</a> for a description of the outcome of this action in 2025.	Target Grid for 2045	
Deliver together for our customers	▲ ■	Refer to the section 'How we managed this topic in 2025' within the chapter <a href="#">Deliver more grid capacity together for our customers and to serve society</a> for a description of the outcome of this action in 2025.	Target Grid for 2045	
<b>Climate change mitigation</b>				
<b>Scope 1 decarbonisation levers</b>				
<i>Sulphur hexafluoride (SF<sub>6</sub>)</i>				
Use of alternative insulation gases	■	By introducing alternative gases in our instrument transformers, circuit breakers, and gas-insulated switchgear (GIS), we aim to reduce the volume of banked SF <sub>6</sub> , addressing long-term leakage risks associated with ageing infrastructure.	Reduction of GHG emissions	
Innovative partnerships with suppliers	▲	Develop alternatives for asset categories where viable technologies are not yet available. These efforts are supported through our innovation portfolio.	Reduction of GHG emissions	
Preventive maintenance of ageing assets	■	Preventive maintenance and advanced leakage detection allow early detection of leakages and limit GHG emissions from existing SF <sub>6</sub> assets.	Reduction of GHG emissions	
<i>Reserve capacity power plants</i>				
Address grid congestion	■	Addressing grid congestion reduces reliance on reserve power plants capacity and minimises their use.	Reduction of GHG emissions	
Accelerate the energy transition	▲ ■ ▼	Expanding and strengthening our electricity infrastructure and increasing the connection of renewable electricity sources to the grid will reduce the reliance on fossil-powered electricity generation	Reduction of GHG emissions	

Key action	Scope	(Expected) outcome	Related to policy objective	Time horizon
<b>Scope 2 decarbonisation levers</b>				
<i>Grid losses</i>				
Use of market-based instruments for renewable energy	■	Reduction of the GHG emissions of grid losses	Reduction of GHG emissions	
Infrastructure modernisation	▲	Replacing existing infrastructure, in particular transformers, with modern technology.	Reduction of GHG emissions	
Incentivising suppliers to reduce grid losses through design	▲	Integrating asset use phase in the sustainability criteria of tenders, which leads to design-optimisation and a potential reduction of grid losses.	Reduction of GHG emissions	
<b>Scope 3 decarbonisation levers</b>				
<i>Category 1 - purchased goods and services, category 2 - capital goods and category 4 - upstream transportation and distribution</i>				
Decarbonising the supply chain	▲	Refer to the section 'How we managed this topic in 2025' within the chapter <a href="#">Transition to a brighter energy future within social and planetary boundaries</a> for a description of the outcome of the Decarbonising the supply chain programme in 2025.	Reduction of GHG emissions	
Incentivise suppliers in tenders to reduce their GHG emissions through our environmental cost indicator (ECI) tool	▲	Suppliers to implement measures that reduce the lifecycle emissions of the assets, goods and services we procure.	Reduction of GHG emissions	
Supplier engagement to increase share of low carbon material	▲	Increase the use of low-emission materials. In 2025, we have agreed with Siemens Energy to use 100% recycled low carbon copper in all onshore power transformer and shunt reactor units. The first five transformers have been ordered by TenneT Netherlands and are expected to be delivered in 2026. The first shunt reactors have been received by TenneT Germany in 2025.	Reduction of GHG emissions	



Climate change

Key action	Scope	(Expected) outcome	Related to policy objective	Time horizon
<i>Category 8 - upstream leased assets</i>				
Reduce reliance on upstream leased assets	■	Addressing grid congestion reduces reliance on leased reserve capacity of power plants and minimises their use.	Reduction of GHG emissions	
	▲ ■ ▼	Expanding and strengthening our electricity infrastructure and increasing the connection of renewable electricity sources to the grid, will reduce the reliance on leased fossil-powered electricity generation.	Reduction of GHG emissions	

Key action	Scope	(Expected) outcome	Related to policy objective	Time horizon
<b>Climate change adaptation</b>				
Mitigating actions against physical climate-related risks	■	Refer to the section 'Physical risks' within the chapter <a href="#">Key risks and opportunities</a> for a description of mitigating actions and their outcomes.	—	

Implementation of actions related to our decarbonisation levers is influenced by factors such as financial capital, market developments and technological feasibility. Many of the climate mitigation initiatives identified by TenneT require substantial capital investments, often amounting to several millions of euros per project. These investments must be carefully balanced against the principle of societal affordability, ensuring that the financial burden of the energy transition remains manageable for end-users and stakeholders. This financial reality, combined with evolving market conditions and the pace of technological development, necessitates a phased and prioritised implementation of decarbonisation actions rather than large-scale deployment all at once.

We have reserved financial resources for climate change mitigation related actions for the two most significant sources of GHG emissions. The financial resources allocated to reduce our scope 2 emissions by procuring [guarantees of origin](#) is set as a monetary limit for our German operations at EUR 2 million. For our Dutch operations no limit is predefined and costs are part of [OpEx](#). The monetary limit on the German part was imposed to ensure a balance between our financial health, our climate goals and affordability to society. In Germany, it remains unclear whether guarantees of origin can be allocated to grid losses, as transmission system operators are not regarded as electricity suppliers under electricity information disclosure rules. Hence, we are continuously reviewing their potential application. To address our reduction of scope 3 GHG emissions in our upstream value chain through purchased goods, we have allocated 0.2% of the contracted value in our offshore 2GW Program projects for sustainability measures (which also include

climate mitigation, among others). Other than the above two instances, comprehensive [CapEx](#) and [OpEx](#) planning for environmental actions is not yet in place as of 31 December 2025.

The [CapEx](#) and [OpEx](#) required to implement the actions for delivering the energy transition necessary to realise the [Target Grid](#) vision are included in our [NEP](#) and [IPs](#).

Targets and metrics

Delivering the energy transition

Progress is monitored using three key metrics: total build output, customer connections realised, and capital expenditure ([CapEx](#)). Targets for each metric are derived from the investment plans on country level, which outlines the infrastructure required to support a decarbonised energy system. The investment plans are primarily based scenarios on the development of electricity generation on the supply side and on commitments from government and customers on the demand side. They reflect societal needs for grid capacity.

Build output is tracked in newly installed kilometres of lines and cables, newly installed gigawatts (GW) of offshore wind energy capacity and stations built. These figures directly reflect progress against the [Network Development Plan \(NEP\)](#) and the [Investment Plans \(IPs\)](#). The 'Newly installed circuit length' metric represents the kilometres of new lines and cables installed across all large projects within the year. We increased the length of our grid and installed a total of 508 additional

kilometres in 2025, less than our target of 548 kilometres. Offshore wind capacity installed in 2025 was 2.5 GW, marking the realisation of [BorWin5](#) and [DoWin5](#), both 900 MW, and [Hollandse Kust \(west Beta\)](#) the last of seven 700 MW offshore wind platforms, completing the programme. The total offshore capacity to date stands at 14.7 GW of which 4.9 GW relates to TenneT Netherlands and 9.8 GW to TenneT Germany. Our onshore operation achieved an additional 5 stations built during the course of 2025.

Customer connections realised are measured by the number of bays or equivalent functionalities commissioned in our onshore grid. This metric indicates TenneT's ability to meet connection demand. In 2025, the target for newly realised customer connections was successfully met with 53 new connections realised.

[CapEx](#) investment is tracked in euros spent across all projects during the year. In 2025, TenneT invested EUR 14.8 billion, less than the targeted EUR 18.0 billion. More information on our investments can be found in the section [Safeguard sustainable financial performance](#). A breakdown of the [CapEx](#) investments is disclosed in [note 3](#) Segment information of the consolidated financial statements.

The progress reflected in each metric contributes to the expansion and utilisation of the electricity grid, as detailed in the Grid Map in the section [Building the electricity grid of tomorrow](#), and further referenced in the section [Utilise the grid to empower society](#).



Metric	2025 actuals			2024 actuals			Target 2025		
	NL	DE	Total	NL	DE	Total	NL	DE	Total
Newly installed circuit length (in km)	28	480	508	59	186	245	22	526	548
Newly installed GW offshore	0.7	1.8	2.5	-	-	-	0.7	1.8	2.5
Connections realised in # bays	52	1	53	40	-	40	33	1	34
Connections requested	713	391	1,104	624	104	728	N/A	N/A	N/A
Stations built	-	5	5	-	-	-	-	2	2
CapEx investment spend in EUR million	4,869	9,948	14,819 <sup>1</sup>	3,783	6,852	10,637 <sup>1</sup>	6,057	11,978	18,035

<sup>1</sup> Including EUR 2 million non-regulated

### Climate change mitigation

TenneT has adopted a near-term Science Based Targets initiative (SBTi) target. We aim to reduce absolute scope 1 and 2 GHG emissions by 95% and scope 3 category 1 and 2 GHG emissions by 30% by 2030, using 2019 as the baseline year. We selected 2019 as a representative year, as 2020 GHG emissions were impacted by the pandemic and did not reflect typical operational conditions. Furthermore, no significant decarbonisation actions were undertaken prior to 2019 that would demonstrate progress toward the 2030 targets. All activities related to electricity transmission have been included in the scope. External factors such as temperature anomalies were excluded.

The target for scope 1 and 2 GHG emissions was set using gross market-based scope 2 GHG emissions. The scope 3 target covers 76.7% of total baseline scope 3 GHG emissions, ensuring material categories are addressed. These targets were validated by SBTi in 2021, confirming compatibility with the 1.5°C scenario for scope 1 and 2, and well below 2.0°C for scope 3. We consider our scope 3 target ambitious, because our project portfolio and the required investments in the coming decade are growing, which will require procuring more of our purchased goods and services, leading to an exponential increase in emissions in the short-term.

Our GHG emission reduction targets are absolute emission reduction targets and we do not include GHG removals, carbon credits or

avoided emissions as a means of achieving the GHG emission reduction targets. We did not consult external stakeholders in setting our target, but deem SBTi validation of our GHG emission target to cover our stakeholders interests.

Our scope 1 and 2 GHG emission target is supported by a commitment to have at least two-thirds of the newly installed assets to be SF<sub>6</sub> free by 2030. The banked SF<sub>6</sub> in our assets increased to 525,042 kg in 2025 from 504,175 kg in 2024.

In accordance with our policy to reassess SBTi targets every five years, we are currently revisiting our targets and plan to publish revised ambitions in 2026. Refer to the table below for the complete overview of scope 1, scope 2 and scope 3 GHG emissions for TenneT (consolidated, and separate for the Netherlands, Germany and non-regulated entities).

#### Explanatory note on reduction performance

We manage the reduction of our carbon footprint based on Scope 1 and Scope 2 market-based emissions. Our primary decarbonisation lever is the procurement of renewable electricity for grid losses through guarantees of origin. In the Netherlands, it is our policy to procure renewable electricity for 100% of our grid losses and other Scope 2 categories. In Germany, however, the volume we procure is limited by a budget of EUR 2 million. Compared with our baseline year, the price of guarantees of origin has fallen significantly, enabling us to increase

renewable electricity procurement. Prices decreased further in 2025 compared with 2024, allowing us to reduce Scope 2 emissions related to grid losses this year.

In 2025 we started a joint operation with Eneco and Stedin to keep two gas-fired combined heat and power plants near Utrecht running longer than planned. The joint operation was started as part of our efforts to address grid congestion. When TenneT makes use of the power plants for this purpose, the related emissions are accounted for in our scope 1 GHG emissions. In 2025 we only used the power plants in December, resulting in 8,653 tCO<sub>2</sub>eq emissions.

Furthermore, we observe a decrease in our SF<sub>6</sub> emissions, reflecting a reduction in the leakage rate from 0.17% in 2024 to 0.13% in 2025.

Our SBTi target for Scope 3 covers categories 1 and 2. Compared with the base year, we observe a significant increase. The increase in recent years in purchased goods and services and capital goods should be interpreted with caution, as these figures were calculated using a hybrid method, whereas both the 2019 baseline and 2030 target were derived using a spend-based approach. As our 2024 emissions have been adjusted retrospectively following methodological updates in 2025, year-on-year figures are comparable. We observe an increase in scope 3 emissions in categories 1 and 2 compared with 2024, primarily due to higher construction activity requiring additional materials and services. Note that scope 3 emissions in these categories are accounted for at the moment of installation of the asset.

Emissions from upstream leased assets from the use of leased reserve capacity of power plants decreased by 20% versus 2024, driven primarily by lower fuel consumption (particularly natural gas). However, a shift in the fuel mix towards coal and mineral oil increased the average emissions intensity, partially offsetting this decline. Although emissions in this category decreased in the current year, annual levels continue to depend on the need to use reserve capacity during periods of high demand. We expect this to remain necessary in the coming years.



Climate change

	Retrospective data												Milestones and targets		
	Base year (2019)			2025				2024				%	2030	Annual % target/ base year	
	NL	DE	Total	NL	DE	NR	Total	NL	DE	NR	Total	2025/2024			
Scope 1 GHG emissions															
Emergency power units	328	67	395	51	520	-	571	32	684	-	716	80%			
Leased and owned vehicles	2,268	75	2,343	2,606	3,889	168	6,663	2,397	3,301	157	5,855	114%			
Natural gas	240	601	841	707	1,283	-	1,990	562	1,481	-	2,043	97%			
Refrigerants	94	37	131	53	-	-	53	99	345	-	444	12%			
Reserve capacity power plants	-	-	-	8,653	-	-	8,653	-	-	-	-	0%			
Sulphur hexafluoride (SF <sub>6</sub> )	20,257	2,750	23,007	14,241	4,239	-	18,480	17,843	2,639	-	20,482	90%			
<b>Total gross scope 1 GHG emissions (tCO<sub>2</sub>eq)</b>	<b>23,187</b>	<b>3,530</b>	<b>26,717</b>	<b>26,311</b>	<b>9,931</b>	<b>168</b>	<b>36,410</b>	<b>20,933</b>	<b>8,449</b>	<b>157</b>	<b>29,539</b>	<b>123%</b>			
Scope 2 GHG emissions															
<i>Scope 2 GHG emissions - market based</i>															
District heating non-technical locations	-	-	-	-	60	-	60	-	65	-	65	93%			
Electricity use technical locations	-	129,762	129,762	-	110,996	11	111,007	-	113,500	11	113,511	98%			
Electricity use non-technical locations	-	-	-	73	3	58	134	-	-	58	58	231%			
Grid losses	-	2,759,265	2,759,265	-	94,780	-	94,780	-	187,256	-	187,256	51%			
Leased and owned vehicles	-	-	-	1,009	4,060	16	5,085	585	898	16	1,499	339%			
<b>Total gross market-based scope 2 GHG emissions (tCO<sub>2</sub>eq)</b>	<b>-</b>	<b>2,889,027</b>	<b>2,889,027</b>	<b>1,082</b>	<b>209,899</b>	<b>85</b>	<b>211,066</b>	<b>585</b>	<b>301,719</b>	<b>85</b>	<b>302,389</b>	<b>70%</b>	145,787	-95%	
<i>Scope 2 GHG emissions - location based</i>															
District heating non-technical locations	-	-	-	-	60	-	60	-	65	-	65	93%			
Electricity use technical locations	-	-	-	11,468	81,355	11	92,834	14,090	83,285	11	97,386	95%			
Electricity use non-technical locations	-	-	-	1,808	5,792	58	7,658	2,215	3,519	58	5,792	132%			
Grid losses	-	-	-	370,808	1,434,443	-	1,805,251	405,270	1,457,619	-	1,862,889	97%			
Leased and owned vehicles	-	-	-	580	2,813	16	3,409	413	659	16	1,088	313%			
<b>Total gross location-based scope 2 GHG emissions (tCO<sub>2</sub>eq)<sup>1</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>384,664</b>	<b>1,524,463</b>	<b>85</b>	<b>1,909,212</b>	<b>421,988</b>	<b>1,545,147</b>	<b>85</b>	<b>1,967,220</b>	<b>97%</b>			
Significant scope 3 GHG emissions															
C1 Purchased goods and services	136,910	197,016	333,926	451,189	647,987	-	1,099,176	388,575	475,836	-	864,411	127%	1,311,056	-30%	
C2 Capital goods	630,995	908,016	1,539,011	451,486	867,434	-	1,318,920	430,782	746,891	-	1,177,673	112%			
C3 Fuel- and energy-related emissions not included in scope 1 or scope 2	29,929	484,096	514,025	86,557	231,274	-	317,831	90,561	224,443	-	315,004	101%			
C4 Upstream transportation and distribution	-	-	3,825	26,262	32,180	-	58,442	43,151	70,403	-	113,554	51%			
C6 Business travel	1,685	1,291	2,976	6,051	6,958	9	13,009	2,493	6,958	9	9,451	138%			
C7 Employee commuting	1,685	2,967	5,841	1,438	5,841	27	7,279	1,653	5,841	21	7,494	97%			
C8 Upstream leased assets	-	-	-	69,462	361,878	-	431,340	55,392	450,484	-	505,876	85%			
<b>Total significant scope 3 GHG emissions (tCO<sub>2</sub>eq)</b>	<b>801,203</b>	<b>1,593,387</b>	<b>2,399,604</b>	<b>1,092,445</b>	<b>2,153,552</b>	<b>36</b>	<b>3,245,997</b>	<b>1,012,607</b>	<b>1,980,857</b>	<b>30</b>	<b>2,993,464</b>	<b>108%</b>			
<b>Total GHG emissions market based (tCO<sub>2</sub>eq)</b>	<b>824,390</b>	<b>4,485,944</b>	<b>5,315,348</b>	<b>1,119,838</b>	<b>2,373,382</b>	<b>289</b>	<b>3,493,473</b>	<b>1,034,125</b>	<b>2,291,025</b>	<b>272</b>	<b>3,325,392</b>	<b>105%</b>			
<b>Total GHG emissions location based (tCO<sub>2</sub>eq)<sup>1</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,503,420</b>	<b>3,687,946</b>	<b>289</b>	<b>5,191,619</b>	<b>1,455,528</b>	<b>3,534,452</b>	<b>272</b>	<b>4,990,222</b>	<b>104%</b>			

<sup>1</sup> Location-based data not available for base year

### Review of GHG emission methodology

In 2025, following a reassessment of our Science Based Targets initiative (SBTi) commitments, TenneT conducted a comprehensive review of its GHG emission reporting methodology, based on 2024 emission data. This review resulted in the implementation of a revised methodology designed to enhance both accuracy and completeness. During this process, several improvement areas regarding the 2024 figures were identified, which have been adjusted retrospectively accordingly. The adjustments lead to an overall increase of our total GHG emissions (market-based) of 1%. We refer to the section [Methodology](#) for the list of adjustments.

### GHG emission intensity

The GHG emission intensity based on net revenue is 384 tCO<sub>2</sub>eq/EUR million in 2025 (2024: 394 tCO<sub>2</sub>eq/EUR million) for location-based emissions and 570 tCO<sub>2</sub>eq/EUR million for market-based emissions (2024: 592 tCO<sub>2</sub>eq/EUR million). The net revenue used in calculating the net revenue is disclosed in [note 3](#) of the consolidated financial statements.

### Energy consumption

As outlined in the chapter [Transition to a Brighter Energy Future](#), one of the ways TenneT aims to reduce its GHG emissions is by improving energy efficiency. TenneT consumes large amounts of energy, with grid losses representing a significant share. Enhancing efficiency across both technical and non-technical locations, and reducing grid losses by mitigating grid congestion, are key measures contributing to our GHG reduction efforts. TenneT's energy consumption is included in the table below. We have updated the methodology applied to the Energy consumption and mix table and refer to the [Methodology](#) section for a detailed description of this change.

TenneT's operations fall under the following high-climate impact sectors of Annex I section C to Regulation (EC) No 1893/2006 of the European Parliament - transmission of electricity (D35.1.2).

### GHG removals and GHG mitigation projects financed through carbon credits

TenneT has an absolute GHG emission reduction target and does not have a net-zero, long-term target yet. We therefore do not currently

consider GHG removals as part of our climate mitigation strategy to reach our targets in our own operations, nor in our upstream and downstream value chain, and we are not investigating technical carbon removal solutions. Nevertheless, we do purchase a limited number of carbon credits through our natural gas supplier to offset part of the GHG emissions from the consumption of natural gas of our non-technical locations in the Netherlands, specifically related to our offices.

In 2024, we purchased a higher volume of carbon credits than in 2025. This was primarily due to the inclusion of emission reduction targets in our Revolving Credit Facility (RCF), for which we had agreed with our investors that the use of carbon credits constituted an acceptable means of achieving those targets. Following the renewal of the RCF in 2025,

this clause was removed, and we therefore no longer purchase carbon credits for this purpose, only for the compensation of the natural gas in our offices.

Our Gold Standard carbon credits are purchased through the voluntary carbon market. Certification of the credits are a minimum requirement and are subjected to availability in the voluntary carbon market. We opt for renewable energy projects in developing countries. All Gold Standard and VCS-certified activities follow a Gs4GG certification process. Activities must deliver impact on a minimum of three UN Sustainable Development Goals (SDGs) and ensure that climate initiatives also work for climate justice, by delivering benefits to SDGs such as no poverty, good health and wellbeing, gender equality, water and sanitation, affordable

Energy consumption and mix in megawatt hours (MWh)	2025				2024			
	NL	DE	NR	Total	NL	DE	NR	Total
Fuel consumption from coal and coal products	-	-	-	-	-	-	-	-
Fuel consumption from crude oil and petroleum products	9,791	19,468	-	29,259	9,431	17,457	-	26,888
Fuel consumption from natural gas	42,840	6,328	71	49,239	307,324	7,307	70	314,701
Fuel consumption from other fossil sources	-	-	-	-	-	-	-	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	837,439	1,580,076	193	2,417,708	730,195	1,589,353	193	2,319,741
<b>Total fossil energy consumption</b>	<b>890,070</b>	<b>1,605,872</b>	<b>264</b>	<b>2,496,206</b>	<b>1,046,950</b>	<b>1,614,117</b>	<b>263</b>	<b>2,661,330</b>
<b>Consumption from nuclear sources</b>	<b>51,176</b>	-	-	<b>51,176</b>	<b>43,965</b>	-	-	<b>43,965</b>
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	-	-	-	-	-	-	-	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	859,859	2,518,595	65	3,378,519	788,759	2,333,030	63	3,121,852
Total consumption of self-generated non-fuel renewable energy	375	82	-	457	181	73	-	254
<b>Total renewable energy consumption</b>	<b>860,234</b>	<b>2,518,677</b>	<b>65</b>	<b>3,378,976</b>	<b>788,940</b>	<b>2,333,103</b>	<b>63</b>	<b>3,122,106</b>
<b>Total energy consumption</b>	<b>1,801,480</b>	<b>4,124,549</b>	<b>329</b>	<b>5,926,358</b>	<b>1,879,855</b>	<b>3,947,220</b>	<b>326</b>	<b>5,827,400</b>
Net revenue in EUR million (note 3)				9,101				8,430
Operational energy efficiency in MWh/EUR million revenue				651				691
Share of fossil sources in total energy consumption	49%	39%	80%	42%	56%	41%	81%	46%
Share of renewable sources in total energy consumption	48%	61%	20%	57%	42%	59%	19%	54%
Share of nuclear sources in total energy consumption	3%	0%	0%	1%	2%	0%	0%	1%



clean energy, ecosystem and biodiversity conservation, and of course climate action. In line with the gender-sensitive design principles, all Gold Standard and VCS-certified activities must take into account the overall societal context from a gender perspective and comply with gender equality and women’s empowerment requirements. Given the developments within the voluntary carbon markets, we choose our credits carefully but are limited to the market options available. We also consider our societal role and keep affordability as a key element when purchasing credits.

Refer to the table hereafter for detailed information. The share of carbon credits that qualifies as a corresponding adjustment under Article 6 of the Paris Agreement is not relevant for TenneT, since we do not participate in voluntary carbon market projects as a collaborative partnership for national goals. TenneT does not purchase carbon credits in advance to enable future cancellation.

Carbon credits cancelled in the reporting year	2025	2024
Total (tCO <sub>2</sub> eq) (location based)	251	31,122
Share from removal projects	0%	0%
Share from reduction projects	0%	0%
Gold standard and VCS certificates	100%	100%
Share from projects within the EU	0%	0%

#### Internal carbon pricing

TenneT applies an internal carbon pricing scheme in accordance with the sector agreement among the TSOs and DSOs in the Netherlands. Annually, the Net Beheer Nederland Domeinraad decides the pricing scheme, in alignment with the regulator ACM. For 2025, the current price is 150 euros/ton. Together with other Dutch grid operators, we analysed the impact of various carbon pricing use cases in 2025. The next step is to align at sector level on the recommendations and select an appropriate pricing scheme.

We use the Incentive Compensation Plan scheme to incentivise the use of SF<sub>6</sub> alternatives. We use it to calculate fictive penalties in our tender processes. The penalties are in line with public procurement regulations

and add a certain weighing factor to gases which have a greater GWP than 1. When tenders are running and offers from multiple manufacturers have been received, the ones with the lowest GWP have a better chance of winning the tender (among other criteria such as safety and quality). Through this pricing mechanism we penalise the CO<sub>2</sub>eq of the gas.

Our internal carbon pricing system is applicable for both the Netherlands and Germany. It covers the activities of procurement decisions if there are tenders involving SF<sub>6</sub> GIS, asset designs for cables where cable losses are calculated using operational costs, and in business cases for solar panels where internal carbon pricing is used to calculate the return of investment when considering installation of the solar panels within the limited scope of applicability, in accordance with the EU Unbundling Law for renewable energy deployment.

To decide the carbon price, the societal costs such a pricing instrument would bring are the main critical assumption, given that it was adopted in a sector-wide pricing agreement of national and regional grid operators. It started at a price of 50 euros per ton in 2020, in line with the then EU ETS price, to analyse the impact such a pricing instrument could have and increased slowly to the current 150 euros per ton, again to represent the EU ETS pricing schemes and the Planbureau voor de Leefomgeving (PBL) recommendations in the Netherlands. The prices may not necessarily be relevant for every application, but in TenneT's case, we did see an impact with incentivising SF<sub>6</sub> alternatives with 150 euros per ton. The calculation methodologies cannot be disclosed since these are protected through our procurement procedures and confidentiality, which govern public procurement.

TenneT uses the pricing scheme only for fictive penalties during the procurement of SF<sub>6</sub> assets. This cannot be reflected in financial statements because we do not use the internal carbon pricing scheme to identify low carbon investments. Since it only applies a penalty, the internal carbon price rather acts as an instrument to incentivise alternatives for SF<sub>6</sub>. As this scheme applies only to the SF<sub>6</sub> - related scope 1 GHG emissions, the approximate gross emissions it relates to are

less than 1%. The methodology and significant assumptions behind the metric, including limitations, is not currently documented.

#### Climate change adaptation

As we continue to advance our understanding of overall physical climate risks, dedicated metrics for monitoring these risks have not yet been established.

#### Methodology

The calculation methodology of the metrics presented in this chapter is disclosed below, this includes the methodology of individual emission sources.

#### Delivering the energy transition

##### Newly installed circuit length

This metric is calculated as the sum of kilometres of new cables and overhead lines installed and replaced cables and overhead lines. The scope is limited to large projects of our onshore operations, offshore projects are excluded.

##### Newly installed GW offshore

This metric is calculated as the total GW of offshore capacity that received a grid readiness certificate during the reporting year.

##### Connection requests

This metric is calculated as the sum of open customer requests at the last day of the reporting period. Only requests with a medium to high probability of realisation are included in this metric. The scope of this metric in the Netherlands includes requests by DSOs, while DSO requests are excluded in Germany.

##### Connections realised in # bays

This metric is calculated as the sum of new bays and updated bays, where updated bays are counted when the capacity is increased by at least 30%. A customer bay can serve multiple customer connections.



### CapEx investment spend in EUR million

This metric includes the investments during the reporting year as included in [note 3](#) of the consolidated financial statements. This includes investments in the electricity grid that have a direct contribution to delivering the energy transition, as well as investments in assets that have an indirect contribution, such as investments in intangible fixed assets.

### Stations built

This metric is calculated as the number of new and replaced substations commissioned in the reporting year.

### Climate change mitigation - general

TenneT's GHG emissions are reported in accordance with the GHG Protocol Corporate Standard along with scope definitions, boundaries and geographies in which we operate.

For TenneT, the most relevant categories of gases are CO<sub>2</sub> and SF<sub>6</sub> emissions. These are included in our carbon footprint as respective emissions under every scope. All the required emissions are accounted for, as the remainder of the gases, such as CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs and NF<sub>3</sub> are accounted for by reporting in CO<sub>2</sub> equivalents. All the required GHG emissions are accounted for. Through the combustion of fuels, TenneT emits small amounts of NO<sub>x</sub> and SO<sub>x</sub> emissions. As the emission intensity of these pollutants are close to 0 tNO<sub>x</sub>/EUR million and 0 tSO<sub>x</sub>/EUR million, these negative impacts are immaterial. TenneT does not have emissions directly from bio-based sources, although fuel we use contains relatively small portions of bio-based material and electricity consumed might be generated through biomass.

#### Scope 1

Our standard reporting structure uses the specified categories. For mobile combustion and stationary combustions, we have identified our natural gas use and lease vehicles. Fugitive emissions result from our use of refrigerants and SF<sub>6</sub>. TenneT does not have process emissions.

Due to its responsibilities as a TSO to maintain grid stability, TenneT requests power generators to increase or decrease their output. This

practice, also known as redispatch, causes additional GHG emissions when power generators would be required to increase their output. GHG emissions resulting from redispatch are not included in our GHG emissions table as TenneT does not control the related power plants, nor do any contractual arrangements require us to account for these emissions in our GHG inventory. There are two exceptions to this general principle. The first concerns the leasing of reserve capacity from power plants in order to keep them operational for a longer period. Emissions associated with this activity are reported under scope 3, category 8. The second relates to scope 1 GHG emissions from reserve power plants operated under our joint arrangement with Eneco. As we have joint control over the operation, we have contractually agreed that when TenneT makes use of the power plants, the related emissions are accounted for in our scope 1 emissions, in line with the Greenhouse Gas Protocol Corporate Standard.

#### Scope 2

TenneT reports both location and market-based GHG emissions. This also includes the purchasing of renewable energy for energy consumption through [guarantees of origin](#). Regarding the share and types of contractual instruments used for the sale and purchase of energy bundled with attributes about the energy generation or for unbundled energy attribute claims, TenneT uses unbundled instruments. The percentage of total procured electricity for which contractual instruments are used is 93.3%.

#### Scope 3

We report only on our significant scope 3 categories that either represent more than, or close to 5% of our scope 3 GHG emissions baseline (categories purchased goods and services, capital goods, fuel and energy related activities, upstream transportation and distribution and upstream leased assets) or are considered significant due to our commitments to initiatives such as 'Anders Reizen' (categories business travel and employee commuting). We have calculated our emissions from the treatment of our waste as reported in the chapter [Resource use and circular economy](#), and conclude that it does not exceed the 5% significance threshold. Our downstream

GHG emissions are not accounted for since we are not a product-based organisation and therefore do not sell (completed) products to customers. The GHG emissions of our joint ventures and associates are accounted for in category 15 investments, but do not exceed the 5% significance threshold.

#### Review of GHG emission methodology

In 2025, TenneT conducted a comprehensive review of its GHG emission reporting methodology. This review resulted in the implementation of a revised methodology designed to enhance both accuracy and completeness. During this process, several improvement areas regarding the 2024 GHG inventory were identified, which have been adjusted retrospectively.

The identified adjustments with an impact of more than 1,000 tCO<sub>2</sub>eq are related to the following areas:

- Scope 1 and scope 3.3 emissions (emergency power units in the Netherlands): adjusted due to a calculation error, overstating the emissions by 1,754 tCO<sub>2</sub>eq.
- Scope 1 and scope 3.3 emissions (natural gas in Germany): adjusted following an incorrect assumption regarding green gas consumption, as natural gas was used instead, which led to an understatement of 1,481 tCO<sub>2</sub>eq.
- Scope 2 emissions (market-based): we updated our policy in 2025 to use AIB Residual mix factors for the Netherlands and Germany, increasing the emission factor accuracy in line with the GHG Protocol Scope 2 guidance on data hierarchy. We applied the factor retrospectively to our 2024 comparative figures, leading to increase in market-based emissions of 120,940 tCO<sub>2</sub>eq.
- Scope 2 emissions (location-based) and related scope 3 category 3 emissions: we updated our policy in 2025 to use national grid mix factors, as this factor better reflects the location-based emissions. In our previous reporting periods took a conservative approach and applied the emission factor for grey electricity. In addition, we have included non-technical sites that were previously not included in our GHG emission accounting. The adjustment led to a decrease of



246,414 tCO<sub>2</sub>eq in scope 2 emissions and a decrease 41,788 tCO<sub>2</sub>eq of in scope 3 category 3 emissions.

- Scope 3 categories 1, 2 and 4: in 2025 we have further developed our insights into the upstream emissions of our procured materials and services. Next to multiple updates in our category 1 and 2 emission calculations, we have extracted the emissions related to upstream transportation and distribution and disclosed them in the respective category 4, making it a significant category. The adjustment led to a decrease in category 1 of 25,589 tCO<sub>2</sub>eq, a decrease in category 2 of 21,327 tCO<sub>2</sub>eq and an increase in category 4 of 113,554 tCO<sub>2</sub>eq.
- Scope 3 category 6: adjustments in the input data and applied emission factors resulted in an overstatement of 1,803 tCO<sub>2</sub>eq
- Scope 3 category 8: emissions from leased reserve capacity of power plants were not previously considered due to their close alignment with redispatch emissions and have been added to the portfolio in 2025. As we follow the classification of the EU ETS Directive and are not the operator, the related GHG emissions of 505,876 tCO<sub>2</sub>eq are included under Scope 3.8.

The adjustments lead for 2024 to an increase of 0.89 ktCO<sub>2</sub>eq of scope 1 emissions, increase of 122 ktCO<sub>2</sub>eq of our scope 2 (market based) emissions, decrease of 246 ktCO<sub>2</sub>eq of scope 2 (location based) emissions and an increase of 533 ktCO<sub>2</sub>eq of scope 3 emissions.

In 2025, we further revised the methodology related to the Energy consumption and mix table, where the main revision relates to the allocating of our electricity consumption to sources of generation. The IAR 2024 disclosures were based primarily on market-based assumptions, whereby the purchase of Guarantees of Origin resulted in most of our consumption being allocated to renewable sources. In 2025, we shifted to a location-based approach, using national grid-mix data as the basis for allocation. For the Netherlands, this includes nuclear energy generated by the Borssele nuclear power plant. The 2024 figures have been revised retrospectively to reflect this updated methodology. In addition, the methodological improvements applied to our GHG emissions calculation are also reflected in our energy disclosures insofar as they relate to energy consumption.

### Climate change mitigation - metrics

While the methodology of our baseline emissions has been validated by the Science Based Target initiative in 2021, the methodological updates processed since this year have not been validated. Hence, the methodology of our GHG emission and related results have not been validated by an external body other than the assurance provider.

#### Scope 1 GHG emissions from emergency power units

This category comprises the greenhouse gas emissions arising from the combustion of diesel during test runs of our emergency power units. Emissions are calculated by multiplying the litres of diesel consumed in these tests by the relevant emission factors from CO<sub>2</sub>emissiefactoren.nl and DESNZ to determine the CO<sub>2</sub>eq output. For all Dutch operations and the majority of German operations, the volume of diesel consumed has been estimated using the average run-time and fuel efficiency of the units. As a result, 18% of the reported emissions are based on estimations.

#### Scope 1 GHG emissions from leased and owned vehicles

Greenhouse gas emissions arising from the combustion of diesel and petrol in leased and owned vehicles are calculated by multiplying the volumes of fuel consumed by the respective emission factors to determine the CO<sub>2</sub>eq output. Emission factors from CO<sub>2</sub>emissiefactoren.nl are applied to vehicles used in the Netherlands, while those published by DESNZ are used for German vehicles.

As fuel consumption data for December was not yet available for our German operations at the time of drafting this report, consumption for that month has been estimated based on the average of the preceding eleven months. Consequently, 5% of the reported emissions are derived from estimations.

#### Scope 1 GHG emissions from natural gas consumption

This category includes the GHG emissions from natural gas consumed in our technical and non-technical locations. The GHG emissions are calculated by multiplying the natural gas consumption with the respective emission factor to convert to CO<sub>2</sub>eq. The emission factor of

CO<sub>2</sub>emissiefactoren.nl is used for Dutch locations, and emission factors from DESNZ are applied to German locations.

The natural consumption for technical locations in the Netherlands was estimated by multiplying the natural gas consumption of an average substation by the total number of substations. For non-technical locations in the Netherlands, consumption was estimated through our prior year consumption. We further estimated the last month of natural gas consumption of our German locations through the average consumption of the eleven previous months. Through this method, 35% of the emissions are estimated.

#### Scope 1 GHG emissions from refrigerants

Greenhouse gas emissions resulting from refrigerant leakages in our substations and offices are calculated by multiplying the quantity of refrigerant lost, expressed in kilograms, by the corresponding emission factors to convert to CO<sub>2</sub>eq. For Dutch operations, TenneT applies the IPCC AR6 emission factors, while for German operations the IPCC AR4 factors are used, in line with the requirements of DIN EN 378-1:2021-06. No estimations have been applied in compiling these figures.

#### Scope 1 GHG emissions from reserve capacity power plants

Greenhouse gas emissions associated with natural gas consumption in contracted power plants are calculated by multiplying the volume of natural gas used by the natural gas emission factor from CO<sub>2</sub>emissiefactoren.nl to determine the CO<sub>2</sub>eq output. Through a joint operation, TenneT Netherlands contracts reserve capacity from power plants to address grid congestion when required. No estimations have been applied in compiling these figures.

#### Scope 1 GHG emissions from SF<sub>6</sub>

This category includes the the GHG emissions from leakages of sulphur hexafluoride (SF<sub>6</sub>) which is used as an insulating medium in switchgear, gas-insulated lines and transformers. The GHG emissions are calculated through the SF<sub>6</sub> leakages in kilograms, multiplied by the IPCC AR6 emission factor to convert to CO<sub>2</sub>eq. No estimates have been used.



### Scope 2 GHG emissions from district heating

Greenhouse gas emissions associated with district heating in our Hannover office are calculated by multiplying the heat consumed, measured in MWh, by the emission factor provided in the corresponding certificate. The same emission factor has been applied for both market-based and location-based reporting. We estimated the last month through the average consumption of the eleven previous months. Consequently, 8% of the reported emissions are based on estimations.

### Scope 2 GHG emissions from electricity use technical locations

Greenhouse gas emissions associated with electricity use in technical locations, such as substations and offshore platforms, are calculated by multiplying the electricity consumed by the relevant emission factors to determine the CO<sub>2</sub>eq. Location-based emissions are derived using the emission factors published by CO<sub>2</sub>emissiefactoren.nl and Umweltbundesamt.

For market-based reporting, an emission factor of 0 is applied to electricity covered by renewable electricity contracts, while the AIB Residual Mix factor is used for all remaining consumption. Electricity use at technical sites without installed meters has been estimated using the consumption of a representative equivalent location. Through this approach, 52% of the reported emissions are based on estimations.

### Scope 2 GHG emissions from electricity use non-technical locations

This category includes the GHG emissions related to the electricity use in non-technical locations such as offices and warehouses. The GHG emissions are calculated by multiplying the electricity consumed in MWh with the respective emission factor to convert to CO<sub>2</sub>eq. The emission factor of CO<sub>2</sub>emissiefactoren.nl and Umweltbundesamt are used for location-based emissions.

We apply an emission factor of 0 to calculate the market-based emissions of the electricity for which we have a renewable electricity contract and the AIB Residual mix factor for the remaining electricity.

For metered locations in Germany, the December electricity consumption was not available when drafting this report. We have estimated the electricity consumption through the average consumption of the eleven previous months. Some German locations use standardized load profiles, not continuous data; 2025 daily consumption was averaged and scaled to estimate full-year usage. Through these methods, 16% of the emissions are estimated.

### Scope 2 GHG emissions from grid losses

This category includes the GHG emissions related to the electricity lost in transmission. The GHG emissions are calculated by multiplying the electricity lost in transmission in MWh with the respective emission factor to convert to CO<sub>2</sub>eq. The emission factors of CO<sub>2</sub>emissiefactoren.nl and Umweltbundesamt are used for location-based emissions. A total of 94% of electricity transmission losses are determined directly from primary data sources, principally electricity meter readings. The remaining losses are estimated using the *I<sup>2</sup>R* method, based on recorded measurements of current and the electrical resistance of overhead lines and cables.

We apply an emission factor of 0 to calculate the market-based emissions of the electricity for which guarantees of origins could be acquired and the AIB Residual mix factor for the remaining electricity.

### Scope 2 GHG emissions from leased and owned vehicles

Electricity consumption from owned and leased electric vehicles and plug-in hybrids is converted into CO<sub>2</sub>eq emissions by multiplying the electricity used by the relevant emission factors. Location-based emissions are calculated using the factors published by CO<sub>2</sub>emissiefactoren.nl and Umweltbundesamt, while market-based emissions are derived using the AIB Residual Mix factor.

For a subset of leased vehicles, electricity consumption has been determined using a spend-based approach applying an average kWh price. We further estimated the electricity use of the last month of our German vehicles through the average consumption of the eleven previous months. Through these methods, 66% of the market-based emissions are based on estimations.

### Scope 3 GHG emissions from purchased goods and services (category 1)

Upstream emissions from purchased goods and services are quantified using a hybrid approach, combining activity-based calculations (33%) with spend-based calculations (67%). Spend-based emission factors are sourced from Exiobase and reflect full cradle-to-gate emissions.

For specific materials, emissions have been determined using factors from standard LCA databases or supplier-specific data.

### Scope 3 GHG emissions from capital goods (category 2)

Emissions arising from capital goods are quantified using a hybrid calculation approach, combining activity-based data (83%) with spend-based data (17%). Spend-based emission factors are sourced from Exiobase and represent full cradle-to-gate impacts. Capital goods are included in the calculation at the moment they are installed. Materials purchased during the year that are capitalised in the financial statements, but not yet installed in the reporting period are not included.

For specific materials, emissions have been determined using factors from standard LCA databases or supplier-specific information.

### Scope 3 GHG emissions from fuel- and energy-related emissions (category 3)

This category includes the upstream GHG emissions related to purchased fuels and electricity and upstream transmission and distribution losses. The GHG emissions are calculated by multiplying the energy source with the respective upstream emission factors from CO<sub>2</sub>emissiefactoren.nl for the Netherlands and DESNZ for Germany. Energy sources include diesel, petrol, natural gas, electricity and heat.

The same estimates that are used to calculate their respective scope 1 and 2 emissions have been applied to calculate the emissions for fuel- and energy-related emissions.



**Scope 3 GHG emissions from upstream transportation and distribution (category 4)**

Upstream emissions from transportation and distribution are quantified using a hybrid calculation approach, combining activity-based data (86%) with spend-based data (14%). Spend-based emission factors are sourced from Exiobase and represent full cradle-to-gate impacts.

For specific transportation and distribution services, supplier-specific emission factors have been applied.

**Scope 3 GHG emissions from business travel (category 6)**

This category includes the GHG emissions related to business travel activities such as flights, car rentals, train and other modes of travel. It also includes the GHG emissions related to the helicopter flights to our offshore platforms. The emissions of the latter are calculated through the JET A1 fuel consumption of the helicopters multiplied by an emission factor from DESNZ.

Air travel emissions from TenneT Netherlands were directly extracted from Egencia.

The other business travel activities are calculated through a hybrid method, using activity data with distance as a proxy and spend data. Emission factors were used from CO2emissiefactoren.nl and DESNZ for activity-based emissions and EPA for spend-based emissions. Through these methods, 54% of the market-based emissions is based on primary data and 46% is estimated.

**Scope 3 GHG emissions from employee commuting (category 7)**

Emissions related to employee commuting are estimated using travel distance as a proxy, multiplied by the relevant emission factors from CO2emissiefactoren.nl for the Netherlands and DESNZ for Germany, differentiated by mode of transport.

No primary data was available for this category, and therefore 100% of the reported emissions are based on estimations.

**Scope 3 GHG emissions from upstream leased assets (category 8)**

Emissions linked to leased reserve capacity from power plants are calculated by multiplying the natural gas consumption provided by the lessor with the relevant emission factors to determine the CO<sub>2</sub>eq output. For Dutch operations, emission factors from CO2emissiefactoren.nl are applied, while DESNZ factors are used for German operations.

No estimations have been applied in compiling these figures.

**GHG emission intensity**

The GHG emission intensity metric is calculated by dividing the total GHG emissions (market-based and location-based separately) with the net revenue. The net revenue used is disclosed in [note 3](#) of the consolidated financial statements.



# Biodiversity and ecosystems

## Strategy

TenneT's strategy is designed to realise an affordable, reliable, and climate-neutral energy system. It sets out the infrastructure and strategic actions required to achieve this future system, built on four key elements: build the grid faster, utilise the grid better, delivering together for customers, and adhering to boundary conditions such as safety, sustainability, and financial health. As we accelerate the energy transition, we also recognise the environmental impacts and risks that arise from our activities — particularly those affecting biodiversity.

One of the negative impacts we face is the effect of our infrastructure on bird populations. In our own operations, birds may collide with transmission lines and towers, leading to injury or mortality. This is especially true for species that are less adept at avoiding obstacles during flight. These collisions can contribute to a decline in local bird populations. As we build the grid faster, we must remain mindful of this impact and integrate mitigation measures into our infrastructure development. This ensures that our expansion efforts do not compromise biodiversity and remain aligned with our boundary conditions for sustainability.

Another area of environmental impact arises from land and seabed use, which is directly connected to our ambition to build the grid faster. The construction of new transmission lines, cables, substations and offshore infrastructure requires land clearing, soil sealing, and seabed disturbance. These activities can alter ecosystems and reduce local wildlife populations. While such development is necessary to meet the growing demand for electricity and realise our [Target Grid](#) vision, it also brings ecological consequences that must be carefully managed.

In addition to these impacts, we face a financial risk in the Netherlands related to nitrogen emissions. In both our own operations and the broader value chain, nitrogen pollution can trigger complex permitting procedures.

Delays in obtaining permits, the need for revised nitrogen calculations, and execution plans can lead to project postponements and increased costs. This risk directly affects our ability to build the Dutch grid faster, and highlights the importance of adhering to our boundary conditions.

Together, these biodiversity-related IROs illustrate the delicate balance between accelerating the energy transition and protecting the natural environment. They underscore the importance of embedding sustainability into every aspect of our strategy, ensuring that our ambition to deliver a climate-neutral energy system is achieved responsibly and in harmony with the ecosystems we operate in.

## How we manage this material topic

### Policies

TenneT's approach to biodiversity is guided by environmental legislation in both Germany and the Netherlands. These legal frameworks, including Environmental Impact Assessments (EIAs), the EU Habitats Directive and Birds Directive are integral to the permitting processes in both countries and therefore to managing biodiversity impacts. However, while compliance with these regulations is essential, residual effects — such as bird collisions with high-voltage lines — may persist.

### Policies addressing our negative impacts

Our Nature Ambition 2030 is aligned with the goals of the UN Kunming-Montreal Global Biodiversity Framework (2022). Furthermore, the ambition is supported by the biodiversity mitigation hierarchy, which prioritises the following steps:

1. Avoid harm to biodiversity wherever possible;
2. Minimise unavoidable impacts;
3. Restore affected ecosystems;
4. Offset any remaining losses.

TenneT aims to contribute to a nature-positive society by committing to no net loss of biodiversity in 2030 compared to a 2025 baseline, while actively pursuing opportunities for net gain. Although these opportunities for net gain are not considered material for this report, they complement our Nature Ambition 2030.

No net loss in 2030 means that in 2030 the biodiversity around our assets has at least the same value as it has now, in 2025.

During the development of our Nature Ambition 2030 policy, we engaged Stichting de Noordzee, an independent foundation with recognised expertise in North Sea marine ecosystems, to review and reflect on our proposed direction. Their insights supported us in assessing the ecological implications of our ambitions and strengthened our ability to prioritize actions that contribute meaningfully to marine biodiversity. This collaborative review process underscores our commitment to responsible decision-making and to incorporating stakeholder expertise in shaping policies that align with long-term environmental stewardship.

To put this ambition into action, TenneT is developing implementation plans that provide clear guidance on how to apply the biodiversity mitigation hierarchy in specific contexts. These plans outline the measures required to avoid, minimise, restore, offset, and contribute to biodiversity, with most measures being mandatory and embedded in our compliance obligations. The implementation plans for offshore activities and onshore substations in the Netherlands were finalised in 2025 and are expected to be finalised for TenneT Germany in 2026.

### Nitrogen

Although TenneT has not yet formalised a specific policy on nitrogen-related risks, several instruments are in place to guide our actions. We adhere to the Voluntary Agreement on Clean and Zero-Emission Construction (hereafter: Voluntary Agreement), which includes measures

to avoid and reduce nitrogen emissions during construction, maintenance, and demolition. These requirements are embedded in our standard operating procedures.

In addition to the Voluntary Agreement, we take further measures to support timely permitting, while recognizing that the outcome ultimately remains with the authorities. To address this, TenneT performs nitrogen risk analysis on project and on portfolio level. At least 59 identified high risk projects will be executed with enhanced emission reduction measures.

In December 2025 the European Commission has published the European Grids Package, a legislative proposal aimed at accelerating the energy transition and alleviating grid congestion. The package seeks to streamline permitting procedures and introduces a proposed exemption for electricity infrastructure from nitrogen emission assessments under EU nature protection rules. This exemption is particularly significant for TenneT, as projects face potential delays due to stringent nitrogen regulations, especially near biodiversity-sensitive areas.

While the package sets an important framework for accelerating grid expansion, it still requires approval by the European Parliament and the Council and subsequent translation into national legislation. In the interim, TenneT continues to pursue project-specific solutions, including clean and zero-emission construction methods.

### Actions

The actions that TenneT can execute to mitigate biodiversity impacts are structured according to the biodiversity mitigation hierarchy.

### Land-use and sea-use change

Avoidance of impacts related to land and seabed use, is primarily addressed during the grid planning phase. We strive to avoid locating infrastructure in or near biodiversity-sensitive areas. Where avoidance is not feasible, we aim to minimise impacts as much as possible through careful design and planning.

Residual impacts are addressed through restoration measures, such as the implementation of nature-inclusive designs. Examples include the Simonshaven 380 kV substation and innovative initiatives like our pilot project on oyster reef restoration, as detailed in the chapter [Transition to a brighter energy future within social and planetary boundaries](#). These measures are integrated into the Environmental Impact Assessments (EIAs) conducted for each new project. While qualitative results of our actions are available on a case-by-case basis, TenneT does not have consolidated insights yet on the effectiveness of actions taken.

In addition to on-site mitigation and compensation, TenneT Germany takes initiative to make nature compensation more efficient and effective. This includes our Large Biotopes Project, where we aim to plan and manage compensation areas holistically across multiple projects, from land acquisition to long-term maintenance.

### Species population size

Collision risks are considered early in the planning phase, where grid routing and the design of pylons and overhead lines are optimised to avoid high-risk areas. Where avoidance is not feasible, we implement measures to minimise impacts—most notably through the installation of wire markers.

The placement of wire markers is our primary mitigation measure to reduce bird collisions. There are different wire marker designs available in the market and the effectiveness of a wire marker may vary depending on the marker design, location, and bird species. We have selected wire markers that have proved effective in international studies. Since 2021, all constructed overhead lines in the Netherlands are by default equipped with wire markers. In Germany wire markers are installed when the results of environmental impact assessments would indicate installation of wire markers would be required. While wire markers are considered to be an effective measure to reduce the amount of casualties, it does not fully prevent bird collisions against overhead lines

Sites within biodiversity sensitive areas						
Type of asset	Length/area			Number		
	NL	DE	Total	NL	DE	Total
High-voltage power lines	160 km	391 km	551 km	73	136	209
Cables	41 km	169 km	210 km	15	13	28
Submarine cables	139 km	870 km	1,009 km	8	18	26
Substations	10 ha	204 ha	214 ha	4	18	22
HVDC converter stations	0 ha	0 ha	0 ha	0	0	0

Sites within buffer zones of biodiversity sensitive areas						
Type of asset	Length/area			Number		
	NL	DE	Total	NL	DE	Total
High-voltage power lines	3.651 km	5.287 km	8.938 km	207	229	436
Cables	128 km	202 km	330 km	60	13	73
Submarine cables	5 km	32 km	37 km	8	18	26
Substations	150 ha	791 ha	941 ha	61	80	141
HVDC converter stations	0 ha	0,5 ha	0,5 ha	0	1	1



## Nitrogen

To address nitrogen-related risks associated with our construction and operational activities, TenneT applies a range of mitigation measures. These actions are designed to reduce nitrogen emissions and support compliance with environmental regulations, particularly in areas near biodiversity-sensitive zones. Key measures include:

- Emission-netting agreements: TenneT enters into agreements with other nitrogen-emitting parties in the vicinity of project sites. These agreements allow for a temporary increase in nitrogen emissions during construction activities, balanced by reductions from other sources, ensuring that overall nitrogen levels remain within acceptable limits.
- Use of emission-free materials and equipment: Wherever feasible, TenneT employs construction methods and materials that are emission-free, contributing to a cleaner and more sustainable construction process.
- Minimisation of material transport: By limiting the movement of materials to and from construction sites, we reduce the number of transport-related emissions, which are a significant source of nitrogen output.
- Prefabrication and modular construction: Assets are increasingly being prefabricated or constructed in modular form at off-site locations. This approach significantly reduces the duration and intensity of on-site construction activities, thereby lowering nitrogen emissions at sensitive locations.

These measures are part of TenneT's broader strategy to proactively manage environmental risks and ensure the timely delivery of projects within the constraints of nitrogen emission regulations.

## Targets and metrics

Biodiversity cannot be captured in one single indicator and there are multiple causes of biodiversity loss. We have not yet developed a central indicator that measures our progress of mitigating our impact on land and sea-bed use change. We are currently developing a set of indicators that, in the short term, primarily reflect the efforts undertaken to realise our nature ambition. In the longer term, these will be supplemented with indicators that capture the state of biodiversity.

In the planning process of our new assets, the impact assessment on biodiversity sensitive areas, e.g. Natura 2000, plays an important role. Activities in and around these areas are very restricted; new developments are only allowed when it can be substantiated that impacts are not significantly negative for nature. As a result of this strict nature legislation, the number of new assets in the proximity of protected areas is minimised. However, because our transmission system needs to cover the whole of Germany and the Netherlands, we can not completely prevent them to be placed there. The following table shows our insights into the geographical distribution of our assets and their proximity to biodiversity-sensitive areas in Germany and the Netherlands.

To assess our performance on mitigating the number of bird collisions with our overhead lines and pylons, we measure the number of wire markers installed. Following research conducted by SOVON, which identified several overhead line connections in the Netherlands with an elevated risk of bird collisions, TenneT selected ten of these connections for prioritisation based on insights from our in-house ecologist. We plan to install wire markers on all ten selected overhead lines, although no predefined target-year was set. While the SOVON research has not been published in scientific journals, it is publicly available on the [SOVON website](#). In 2025 we have installed wire markers on one existing overhead line which took place in December 2025 on the overhead lines between Oterleek and Westwoud. The first wire marker project was finalised in 2024 on overhead lines between Dodewaard and Ede.

A dedicated metric for tracking progress in mitigating nitrogen-related risks has not yet been established.

The wire marker target is mainly developed with internal stakeholders from different units, although the target was based on research by external stakeholder SOVON. The target is voluntary, as we are not subject to specific mandatory targets by laws or regulations.

## Methodology

The calculation methodology of the metrics presented in this chapter is disclosed below. The methodology of the metrics and related result are not validated by an external body other than the assurance provider.

### Sites within biodiversity sensitive areas

The metric covers our own operations and is calculated by counting the platforms, substations, overhead lines and pylons that are positioned inside a biodiversity sensitive area. In the Netherlands, these include Natura 2000 areas. In Germany, these include Natura 2000 areas, bird sanctuaries, Ramsar sites, Biosphere reserves and Nature reserves. The kilometres of lines and cables are calculated per connection and not per individual line within a connection. In the Netherlands, we have used estimates to convert kilometres of individual lines and cables to kilometres of connections.

### Sites within buffer zones of biodiversity sensitive areas

The metric covers our own operations and is calculated by counting the platforms, substations, overhead lines and pylons that are within the buffer zone of a biodiversity sensitive area. In the Netherlands, these include Natura 2000 areas. In Germany, these include Natura 2000 areas, bird sanctuaries, Ramsar sites, Biosphere reserves and Nature reserves. The buffer zones are defined as 6 km for overhead lines, 1 km for substations, onshore cables and HVDC stations and 250 m for offshore cables. The kilometres of lines and cables are calculated per connection and not per individual line within a connection. In the Netherlands, we have used estimates to convert kilometres of individual lines and cables to kilometres of connections.

### Wire markers

The metric covers our own operations and is calculated by counting the number of overhead lines on which wire markers are installed, limited to ten high-risk overhead lines selected by TenneT based on research by [SOVON](#). No estimates have been used.

# Resource use and circular economy

## Strategy

TenneT's strategy is focused on realising an affordable, reliable, and climate-neutral energy system. It outlines the infrastructure and strategic actions needed to achieve this future system. As we accelerate the energy transition, we do so through four strategic elements: build the grid faster, utilise the grid better, delivering together for customers, and adhering to boundary conditions such as safety, sustainability, and financial health. Within this framework, circularity plays a critical role in how we manage our resource use and environmental footprint.

In our own operations, we recognise a negative impact related to the inflow of resources. Building and maintaining the electricity grid requires large volumes of materials many of which are sourced from virgin materials. This contributes to resource depletion and undermines resource efficiency. As we pursue our ambition to build the grid faster, this impact becomes more pronounced, making it essential to embed circularity principles into our procurement and design processes. At the same time, our boundary conditions compel us to ensure that the pace of development does not come at the expense of long-term sustainability.

In addition to this impact, we face significant risks related to resource availability and market dynamics. The strong sellers' market for key materials affects both price stability and access to the resources we need to build our assets. In some cases, we may be forced to procure materials at prices far above initial projections, despite having raised circularity requirements in our tenders. Moreover, the scarcity of materials poses a risk to our ability to deliver the energy transition on time. These risks directly challenge our ability to build the grid faster, and highlight the importance of maintaining flexibility and resilience within our supply chain while staying within the limits set by our boundary conditions.

Another area of negative impact is related to waste generation, which arises from the construction and maintenance of our grid infrastructure.

These activities produce substantial volumes of waste, including materials such as ferrous and non-ferrous metals, plastics, concrete, and soil, many of which have a significant environmental footprint and are increasingly scarce. As we expand our grid to meet future energy demands, we must ensure that this growth does not compromise our commitment to sustainability. Managing waste responsibly is therefore not only a matter of operational efficiency but a reflection of our adherence to the boundary conditions that guide our strategy. These conditions require us to minimise environmental harm by improving material efficiency, promoting reuse, and reducing waste throughout the asset lifecycle. In doing so, we ensure that our infrastructure development remains aligned with our long-term environmental and strategic goals.

Together, these circularity-related impacts and risks underscore the need to integrate resource efficiency and waste reduction into every aspect of our strategy. They reinforce the importance of balancing speed and scale with environmental responsibility, ensuring that our contribution to the energy transition is both effective and sustainable.

## How we manage this material topic

### Policies

TenneT's commitment to sustainable resource management is anchored in its Circular Economy Strategy, adopted in 2023. This strategy outlines a unified approach to resource use and circularity across our operations in both the Netherlands and Germany, onshore and offshore. The strategy is structured around three core principles, inspired by the Circular Transition Indicator (CTI) framework:

1. Circular design – designing assets with circularity in mind.
2. Circular inflow – ensuring that the materials entering our value chain are increasingly circular.
3. Circular outflow – recovering and recycling materials during construction, maintenance, and decommissioning.

Within these core principles, we focus on key materials that are identified based on scarcity and environmental impact: steel, copper, aluminium, concrete, plastics, gravel, sand, porcelain, lead, insulating liquids, bentonite, and soil (for outflow only). These materials are essential to deliver our strategy.

### Circular design

At TenneT, circular design principles guide the development of assets with a focus on reducing the use of virgin materials, increasing the share of recycled and bio-based materials, and enabling future disassembly and material recovery during maintenance, decommissioning, and deconstruction. Achieving this ambition requires updates to our design and engineering guidelines, procedures, and practices. In parallel, actively extending the lifetime of our assets remains the most effective approach to prevent the generation of waste materials.

TenneT influences the design and durability of procured products by defining technical specifications and evaluating offers not only on cost but also on technical functionality. A key aspect of this influence is the specification of product lifetimes, which are embedded as contractual requirements in our procurement processes. Suppliers are obligated to design and manufacture products that meet these specified lifetimes, which are determined based on the technically feasible maximum, while also considering grid reliability, cost efficiency, and performance.

Throughout the lifecycle of our assets, we implement measures to ensure these lifetimes are achieved. This includes predictive maintenance enabled by our Health Index, which continuously monitors asset condition and supports timely interventions. Our maintenance frameworks prioritise repair over replacement and are executed by our Grid Field Operations (GFO) service groups in collaboration with teams of Asset Management (AMT). All assets are designed to be repairable in accordance with the specifications and within the defined lifetime.



For further details on the useful lives of key products within TenneT’s asset base, please refer to note 4 of the consolidated financial statements.

**Circular inflow**

The circular procurement pillar of our strategy aims to increase the circularity of material inflow, with a strong focus on transitioning away from virgin materials and increasing the share of secondary resources. The circular inflow principles set out in the Circular Economy Strategy are operationalised through the Sustainable Procurement Policy, adopted in 2024. The policy formalises our approach to integrating sustainability and circularity into procurement processes across our full portfolio, covering both our own operations and the upstream value chain.

The policy also includes a set of overarching actions and guidelines, a governance structure defined through a RACI table, and training for Supply Chain Management (SCM) colleagues to ensure effective implementation.

To manage risks associated with resource inflow, TenneT conducts a biannual commodity risk assessment. This assessment evaluates our key materials based on price volatility, availability, and potential supply chain disruptions. The resulting commodity risk assessment report informs strategic supply chain decisions. Mitigation measures are selected from our Supply Chain Adjustment Framework, which guides decisions to minimise future disruptions. These measures are tailored to specific cases, ensuring flexibility and resilience and include measures such as long-term contractual frameworks to ensure the long-term supply of key materials.

**Circular outflow**

The circular outflow principles of the Circular Economy Strategy are embedded in TenneT’s adoption of the Functional Directive Waste Management in 2024. This directive establishes mandatory requirements for the compliant, efficient, and environmentally responsible handling of waste generated by TenneT’s operations. It prioritises waste reduction

through preventive measures, and promotes reuse and recycling in line with our Circular Economy Strategy and broader environmental goals.

The directive applies to all TenneT activities and TenneT premises where waste is generated, covering the full lifecycle of waste, from generation to final recovery disposal. It supports our commitment to operating within planetary boundaries and is in line with our Health, Safety and Environment (HSE) Policy.

Our circularity principles are embedded in supplier contracts to ensure their active support in implementing these policies. Furthermore, we maintain regular engagement with suppliers to discuss and advance circularity practices.

**Actions**

To strengthen our commitment to circular resource management, we have taken several strategic actions in 2025:



Key action	Scope	(Expected) outcome	Related to policy objective	Time horizon
<b>Circular inflow</b>				
Enhanced data quality	▲ ■	We have improved the accuracy and granularity of data related to resource inflow. This enhancement enables more informed decision-making regarding circular material use and supports our long-term resource planning.	Not related to specific policy objective but enables better steering.	
Increased circular inflow	▲ ■	We have expanded the inflow of non-virgin materials, specifically copper and steel, by securing new supplier contracts. These efforts contribute to reducing our dependency on virgin resources and support our sustainability goals.	Transitioning away from virgin materials and increasing the share of secondary resources.	

Key action	Scope	(Expected) outcome	Related to policy objective	Time horizon
Supplier engagement to increase share of recycled material	▲ ■	Increase the use of recycled materials such as steel, copper and concrete. We have agreed with Siemens Energy to use 100% recycled low carbon copper in all onshore power transformer and shunt reactor units. The first five transformers have been ordered by TenneT Netherlands this year and are expected to be delivered in 2026 and the first shunt reactors have been received by TenneT Germany this year.	Transitioning away from virgin materials and increasing the share of secondary resources.	
Implementation of ECI in framework agreements	▲ ■	Implementing Environmental Cost Indicator (ECI) in tenders. The ECI expresses a product’s total environmental impact as a single euro value to support sustainable and comparable decision-making.	Transitioning away from virgin materials and increasing the share of secondary resources.	



Key action	Scope	(Expected) outcome	Related to policy objective	Time horizon
Risk mitigation measures	■	Addressing risks associated with resource inflow are proactively addressed through our commodity risk assessment report.	Informing strategic supply chain decisions	
<b>Circular outflow</b>				
Enhanced Data Quality	▼ ■	We have improved the accuracy and granularity of data related to waste. This enhancement enables more informed decision-making regarding supplier selection and waste handling	Not related to specific policy objective but enables better steering.	

Key action	Scope	(Expected) outcome	Related to policy objective	Time horizon
Supplier Engagement	▼ ■	We proactively engaged with our largest contractors to improve the accuracy of waste data, transitioning from estimations to actual figures. This shift allows for more informed decision-making and targeted actions in the future. During our interactions, contractors have indicated that they are actively adapting their operations to reduce waste and progress within the waste hierarchy. These developments contribute positively to TenneT's circular outflow performance.	Not related to specific policy objective but enables better steering.	

TenneT currently lacks specific insights into the effectiveness of the actions undertaken during the year, primarily due to insufficient data quality. Consequently, our initiatives include measures to enhance data quality, thereby enabling more robust insights that can serve as a foundation for future decision-making and actions. For all these actions, we were able to use the same type of financing as we do for our general procurement. These actions lead to higher CapEx compared to non-circular alternatives but are deemed appropriate for the environmental benefits they deliver. In line with our continued focus on affordability, we actively pursue opportunities to reduce these costs over time while maintaining our sustainability ambitions. Actions that address waste management did not require CapEx but rather save financial capital as the gained insights allow us to better steer on the processing of waste.

**Targets and metrics**

TenneT's overarching objectives relate to Circular Design, Circular Inflow and Circular Outflow.

**Circular design**

TenneT aims to improve the potential recovery rate of its assets by 2030, recognising circular product design as a key enabler. Enhancing the

ability to dismantle, reusability, and recyclability aligns with the principles of the waste hierarchy and supports the transition to more circular material flows.

Designing assets with circularity in mind is essential to closing and shrinking material loops at the end of their lifecycle. This approach reduces dependency on virgin materials and optimises resource use over time.

Currently, there is no defined target or baseline for potential recovery. We have increased our insights on this topic insight through case studies with aluminium, steel and copper suppliers and have investigated possible close-the-loop possibilities: feeding recovered materials into the production process of our new assets. However, in general insight into the recoverability of materials within our assets remains too limited to set actionable targets and identify effective measures. For example, a benchmark where we compare the potential recovery rate with the actual recovery rate is not available due to data constraints. A deep understanding of material recovery potential will guide future improvements and support the development of more circular design

practices. We refer to below table for the potential recovery rate of our key materials.

**Circular inflow**

TenneT's overarching objective is to make its material inflow more circular by 2030, thereby reducing reliance on primary raw materials and minimising overall material demand. A more circular inflow helps mitigate environmental and societal impacts and reduces risks related to supply chain disruptions, such as rising costs and resource scarcity.

In 2024, we measured the circularity of our inflow of key materials for the first time. The majority of our measurements were based on estimates, with the exception of copper. For copper we have developed a more mature data gathering process. We refer to below table for the weight of our key material inflows.

## Resource use and circular economy

2025	Overall total weight of products and materials (in t)				% of secondary reused or recycled components, intermediary products and materials				Weight of secondary reused or recycled components, intermediary products and materials (in t)				% Potential recovery rate
	Material	Total	NL	DE	NR	Total	NL	DE	NR	Total	NL	DE	
Copper	15,302	1,509	13,793	-	28%	40.2%	26.3%	0%	4,231	606	3,625	-	95%
Steel	134,525	33,446	101,079	-	40%	41.2%	39.0%	0%	53,211	13,790	39,421	-	95%
Aluminium	36,168	17,019	19,149	-	0%	0.0%	0.0%	0%	-	-	-	-	97%
Concrete	180,779	73,254	107,525	-	3%	2.5%	2.5%	0%	4,519	1,831	2,688	-	99%
Plastics	29,500	6,451	22,257	792	2%	0.0%	0.0%	83%	655	-	-	655	90%
Gravel	998,030	369,252	628,778	-	0%	0.0%	0.0%	0%	-	-	-	-	99%
Sand	3,763,170	2,624,233	1,138,937	-	0%	0.0%	0.0%	0%	-	-	-	-	99%
Porcelain	8	-	8	-	0%	0.0%	0.0%	0%	-	-	-	-	100%
Lead	2,469	-	2,469	-	54%	0.0%	54.0%	0%	1,333	-	1,333	-	95%
Insulating liquids	3,199	1,746	1,453	-	0%	0.0%	0.0%	0%	-	-	-	-	99%
Bentonite	54,225	-	54,225	-	0%	0.0%	0.0%	0%	-	-	-	-	100%
<b>Total</b>	<b>5,217,375</b>	<b>3,126,910</b>	<b>2,089,673</b>	<b>792</b>	<b>1.2%</b>	<b>0.5%</b>	<b>2.3%</b>	<b>82.7%</b>	<b>63,949</b>	<b>16,227</b>	<b>47,067</b>	<b>655</b>	<b>99%</b>

2024	Overall total weight of products and materials (in t)				% of secondary reused or recycled components, intermediary products and materials				Weight of secondary reused or recycled components, intermediary products and materials (in t)				% Potential recovery rate
	Material	Total	NL	DE	NR	Total	NL	DE	NR	Total	NL	DE	
Copper	8,328	491	7,837	-	35.1%	44.0%	34.5%	0%	2,921	216	2,705	-	95%
Steel	209,853	102,615	107,238	-	39%	39.0%	39.0%	0%	81,843	40,020	41,823	-	95%
Aluminium	38,055	22,011	16,044	-	0%	0.0%	0.0%	0%	-	-	-	-	97%
Concrete	220,432	77,057	143,375	-	3%	2.5%	2.5%	0%	5,510	1,926	3,584	-	99%
Plastics	41,829	15,570	25,659	600	1%	0.0%	0.0%	83%	500	-	-	500	90%
Gravel	819,841	457,215	362,626	-	0%	0.0%	0.0%	0%	-	-	-	-	99%
Sand	2,538,906	1,806,294	732,612	-	0%	0.0%	0.0%	0%	-	-	-	-	99%
Porcelain	44	1	43	-	0%	0.0%	0.0%	0%	-	-	-	-	100%
Lead	9,982	8,132	1,850	-	54%	54.0%	54.0%	0%	5,390	4,391	999	-	95%
Insulating liquids	3,496	929	2,567	-	0%	0.0%	0.0%	0%	-	-	-	-	99%
Bentonite	49,729	1	49,728	-	0%	0.0%	0.0%	0%	-	-	-	-	100%
<b>Total</b>	<b>3,940,495</b>	<b>2,490,316</b>	<b>1,449,579</b>	<b>600</b>	<b>2.4%</b>	<b>1.9%</b>	<b>3.4%</b>	<b>83.3%</b>	<b>96,164</b>	<b>46,553</b>	<b>49,111</b>	<b>500</b>	<b>99%</b>

The percentage and weight of biological material is not included in the table for 2025, as the percentage for all key materials is currently 0. Concrete, plastics and insulating liquids in TenneT assets currently also do not contain biological materials due to technical and market limitations, which we are aiming to resolve in the future.

Higher investment levels and expanded project activities are the primary drivers of the increased material inflow, reflected for example in the

greater use of sand in construction works. In contrast, inflows of several other materials – including steel, concrete and plastics – have decreased. This reduction is attributable to improved data quality rather than to lower material consumption.

During 2025, we reviewed and refined the underlying assumptions used to calculate material inflows, specifically the material weights applied per product category (with the exception of copper, for which project-specific

data is collected directly). The validation was carried out in collaboration with the responsible Asset Management Specialists in Germany, and a corresponding process is currently under way in the Netherlands.



### Circular outflow

TenneT's overarching objective for circular outflow is to increase the share of waste diverted from disposal through reuse, recycling, or other recovery options. In 2024, we measured the circularity of our outflow for all our materials for the first time, primarily based on estimates. Based on these insights, we further zoom in on key materials in 2025.

Our waste streams mainly consist of construction, maintenance and demolition waste that is generated during the execution of our projects. The materials present in these waste streams differ per activity and asset, but include our key materials: steel, copper, aluminium, concrete, plastics, gravel, sand, porcelain, lead, insulating liquids, bentonite, and soil.

As a result, we are not yet able to set specific targets to steer our operations effectively. Our current focus is on transitioning from estimated data to actual measurements, which will enable more accurate monitoring and informed decision-making.

The metrics representing TenneT's circular outflow are presented in the table on the right of this page. Total waste outflow decreased significantly in 2025 compared to 2024. This reduction is largely attributable to improvements in our waste administration, including a higher proportion of contractors providing actual waste data and a corresponding decrease in the use of estimates.

### Outlook

Improving data maturity and gaining deeper insights into our supply chains and waste processors are essential steps toward increasing the use of circular materials and minimising reliance on primary raw materials. For both material inflow and outflow, only by understanding the sourcing, composition, and recovery potential of materials can we set actionable targets, identify areas for improvement, and implement effective measures to advance circularity across our operations.

2025 In tonnes	Hazardous waste				Non-hazardous waste				Total waste
	NL	DE	NR	Total	NL	DE	NR	Total	
<i>Diverted from disposal</i>									
Preparation for reuse	-	-	-	-	16,494	-	-	16,494	16,494
Recycling	318	655	-	973	172,686	33,821	39	206,546	207,519
Other recovery operations	741	640	-	1,381	5,430	743,275	-	748,705	750,085
<b>Total diverted from disposal</b>	<b>1,059</b>	<b>1,295</b>	<b>-</b>	<b>2,354</b>	<b>194,610</b>	<b>777,095</b>	<b>39</b>	<b>971,745</b>	<b>974,099</b>
<i>Directed to disposal</i>									
Incineration	8	26	-	33	-	-	-	-	33
Landfill	19	676	-	695	-	33,103	-	33,103	33,798
Other disposal	-	-	-	-	-	-	-	-	-
<b>Total directed to disposal</b>	<b>27</b>	<b>701</b>	<b>-</b>	<b>728</b>	<b>-</b>	<b>33,103</b>	<b>-</b>	<b>33,103</b>	<b>33,831</b>
<b>Total</b>	<b>1,086</b>	<b>1,996</b>	<b>-</b>	<b>3,082</b>	<b>194,610</b>	<b>810,198</b>	<b>39</b>	<b>1,004,848</b>	<b>1,007,930</b>
Diverted from disposal	98%	65%	-	76%	100%	96%	-	97%	97%
Directed to disposal	2%	35%	-	24%	0%	4%	-	3%	3%

2024 In tonnes	Hazardous waste				Non-hazardous waste				Total waste
	NL	DE	NR	Total	NL	DE	NR	Total	
<i>Diverted from disposal</i>									
Preparation for reuse	3	-	-	3	6,595	-	26	6,621	6,624
Recycling	830	154	4	988	275,457	305,534	2,324	583,315	584,303
Other recovery operations	378	5,384	23	5,785	25,849	412,742	1,754	440,345	446,130
<b>Total diverted from disposal</b>	<b>1,211</b>	<b>5,538</b>	<b>27</b>	<b>6,776</b>	<b>307,901</b>	<b>718,276</b>	<b>4,105</b>	<b>1,030,281</b>	<b>1,037,058</b>
<i>Directed to disposal</i>									
Incineration	1	79	0	80	1,014	249	5	1,268	1,348
Landfill	0	1,761	7	1,769	50	18,474	74	18,598	20,367
Other disposal	-	-	-	-	157	-	1	158	158
<b>Total directed to disposal</b>	<b>1</b>	<b>1,840</b>	<b>7</b>	<b>1,849</b>	<b>1,221</b>	<b>18,723</b>	<b>80</b>	<b>20,024</b>	<b>21,873</b>
<b>Total</b>	<b>1,212</b>	<b>7,379</b>	<b>34</b>	<b>8,625</b>	<b>309,122</b>	<b>736,998</b>	<b>4,184</b>	<b>1,050,305</b>	<b>1,058,930</b>
Diverted from disposal	100%	75%	-	79%	100%	97%	-	98%	98%
Directed to disposal	0%	25%	-	21%	0%	3%	-	2%	2%



### Methodology

The calculation methodology of the metrics presented in this chapter is disclosed below. The methodology of the metrics and related result are not validated by an external body other than the assurance provider.

#### Circular inflow

The metric is calculated by the ratio of the weight of non-virgin material (secondary reused or recycled) and the total weight of each key material in line with ESRS E5-4. The scope of the metric are the key materials of procured from our upstream value chain and include steel, copper, aluminium, concrete, plastics, gravel, sand, porcelain, lead, insulating liquids and bentonite. Materials purchased during the year that are capitalised in the financial statements, but for which the associated asset has not been installed within the reporting period, are excluded. According to estimates of resource inflows for 2025, the quantities of non-key materials corresponds to less than 1%. For copper, data on weight and percentage of non-virgin material is obtained through raw material passports and LCA reports from suppliers on product level (e.g. per type of power transformer). For the weight and percentage of non-virgin material of other key materials we use qualified estimates of internal asset specialists, based on raw material passports and LCA reports from suppliers, sectoral average values (e.g. from databases such as Ecoinvent or the Nationale Milieudatabase), and internal and external expert judgement. We have estimated the weight of key materials other than copper through TenneT's demand planning. Percentage of non-virgin material is estimated through sector average values or internal/external judgement. The estimation uncertainty related to this metric is high.

#### Potential recovery rate

The metric is calculated by the ratio of the weight of key materials that theoretically can be recovered after decommissioning and the total weight of each key material. The scope of the metric are the key materials of procured from our upstream value chain and include steel, copper, aluminium, concrete, plastics, gravel, sand, porcelain, lead, insulating liquids and bentonite. The potential recovery rate is based on raw material passports, LCA reports and sector averages. No estimates have been used.

### Waste

The metric is calculated by calculating the share of key material that is processed in each of the diverted from disposal and directed to disposal categories in line with ESRS E5-5. The scope of the metric are the key materials of transferred to waste processors in our downstream value chain and include steel, copper, aluminium, concrete, plastics, gravel, sand, porcelain, lead, insulating liquids, bentonite and soil that are generated on TenneT's premises. Excluded are the non-key materials which with an approximate weight of 1% of total waste. The waste definitions applied are in line with the Waste Framework Directive 2008/98/EC. Data on weight and waste treatment is gathered directly from suppliers. A share of 33% of the total weight of our waste is estimated through best estimates. The percentages diverted from and directed to disposal of these waste streams are estimated by applying the legal minimum.



# EU Taxonomy

## Introduction

The EU Taxonomy is one of the key pillars of both the European Green Deal and the EU Action Plan on Sustainable Finance, designed to direct capital flows towards more sustainable investments by providing a clear and consistent definition of what constitutes an 'environmentally sustainable' activity. Its overarching purpose is to ensure transparency and comparability by outlining when an economic activity can be considered sustainable. Following the Omnibus discussions, the framework has been further refined through Commission Delegated Regulation (EU) 2026/73, published in the Official Journal on 8 January 2026. This update introduces targeted simplifications aimed at reducing administrative burden and enhancing usability. These include the introduction of a materiality threshold, allowing undertakings to omit assessing taxonomy-eligibility for non-material economic activities, as well as simplified reporting tables with significantly fewer data points for both non-financial and financial undertakings. These refinements have been incorporated into our EU Taxonomy disclosures for the 2025 reporting year.

## Reporting requirements

TenneT is required to apply the EU Taxonomy Regulation 2020/852 in its corporate reporting as of reporting year 2021. As of 2022, and in accordance with these requirements, TenneT reported on its eligible contribution to the European Union's environmental objectives of climate change mitigation (CCM) according to the guidelines laid down in the EU Taxonomy. We reported the share of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) that we have deemed 'Taxonomy-eligible' – irrespective of whether these activities met any or all the technical screening criteria stated in the Taxonomy. As of 2022, and in accordance with these requirements, TenneT reported on its eligible contribution to the European Union's environmental objectives of climate change mitigation (CCM) according to the guidelines laid down in the EU Taxonomy.

## Basis for preparation

All of TenneT's regulated activities are Taxonomy-eligible under activity 4.9 'Transmission and distribution of electricity', as set out in Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, Annex I. This classification reflects that our core regulated tasks consist of providing electricity transmission services, delivering system services and facilitating the functioning of the energy market. These economic activities correspond to NACE code D35.12.

TenneT also undertakes non-regulated activities. As these activities represent less than 10% of TenneT's total turnover, CapEx and OpEx, we have not assessed the eligibility of these non-regulated activities under Commission Delegated Regulation (EU) 2026/73 of 4 July 2025.

Almost all of our regulated activities are concluded to substantially contribute to climate change mitigation, since TenneT is transmitting and distributing renewable energy in an interconnected European system, in line with Directive (EU) 2018/2001, including necessary reinforcement or extension of the grid in line with technical screening criterion 4.9 'Transmission and distribution of electricity' on climate mitigation. Regulated activities that do not substantially contribute to the objective of climate change mitigation relate to the direct connections between our substations or grid and the network and a power production plant that is more greenhouse gas intensive than 100 gCO<sub>2</sub>e/kWh measured on a life cycle basis.

We assessed the do not significant harm (DNSH) criteria for climate adaptation, circular economy, pollution prevention and biodiversity and concluded that our activities meet the do no significant harm criteria for the other environmental objectives. The environmental objective of 'water and marine resources' is deemed inapplicable according to the criteria provided in criterion 4.9. In terms of *climate adaptation*, for instance a screening of which physical climate risks may potentially affect

the economic activity ('transmission and distribution of electricity') was performed. Ensuring that the electricity grid can perform under a variety of different circumstances is a standard procedure when designing- and building our grid. Information on *circular economy* can be found in the chapter [Transition to a brighter energy future within social and planetary boundaries](#) and the [Resource use and circular economy](#) section of our sustainability statements. TenneT not only transmits electricity, but also is responsible for building and maintaining the high voltage electricity grid in the Netherlands and Germany. The legislation referred to in the *pollution prevention* DNSH is international legislation, which is the basis for national legislation. When TenneT builds or maintains our grid and we need to do construction work, we must comply with the national, regional and local rules and regulations at all times. TenneT respects the norms and regulations to limit the impact of electromagnetic radiation on human health in the Netherlands and Germany. Regarding polychlorinated biphenyls (PCBs), we have internal policies to address this, such as performing tests related to relevant parts of our assets. Furthermore, it is a standard procedure for large projects in the Netherlands and Germany, that an environmental impact assessment (EIA) is conducted, referring to DNSH on *biodiversity*. The first step is to identify the impacts of alternative routes through a so-called 'assessment framework'. Secondly, it is a mandatory part of the EIA to determine whether any negative impacts could be mitigated or prevented by acting appropriately. More information on biodiversity can be found in the chapter [Transition to a brighter energy future within social and planetary boundaries](#).

In the absence of further guidance from the European Commission, the TenneT's minimum safeguards assessment was based on the 'Final Report on Minimum Safeguards' published by the Platform on Sustainable Finance (PSF). TenneT meets the minimum safeguards criteria through its existing internal processes and guidelines, referring to human rights, corruption, taxation and fair competition. For more information please refer to the chapter [Transition to a brighter energy future within social](#)

and planetary boundaries or the [Workers in the value chain](#) and [Business conduct](#) chapters of the sustainability statements.

Both turnover and operational expenditures are based on underlying financial information as disclosed in note 3 ‘[Segment information](#)’ of the consolidated financial statements. Capital expenditures are based on IFRS financial information as they do not differ with underlying financial information.

We consider Annex 1, articles 1.2.2.1c, 1.2.2.2 and 1.2.2.3 to be not applicable to our situation. We deem the risk of double counting not applicable as TenneT’s operations relate to only one economic activity (the aforementioned NACE code D35.12), which is not related to production facilities. More information on our investments, can be found in the chapter [Building the electricity grid of tomorrow](#). These investments contribute to a future green energy system, related to the EU’s environmental goal of climate change mitigation. Significant research and development and innovation activities are mentioned in the [Utilise the grid to empower society](#) section of this report.

### Accounting policy

#### Scope of sustainability reporting

For sustainability reporting purposes, TenneT consolidates data in line with the scope of our report as set out in [About this report](#). The EU Taxonomy includes reporting of entities that are consolidated in the Group’s consolidated financial statements, in line with the requirements of IFRS 10 ‘Consolidated financial statements’. As such the EU Taxonomy reporting scope is limited to our subsidiaries. Joint ventures and associates are not included for EU Taxonomy purposes as no turnover, OpEx and CapEx are recognised in the consolidated financial statements under the equity method for these types of investments.

#### EU Taxonomy Turnover

##### Turnover for taxonomy-eligible activities

All regulated revenues are eligible to the EU Taxonomy turnover.

##### Determination of numerator for taxonomy – aligned turnover

All regulated revenues are aligned to EU Taxonomy, except the other revenues stream and the total share of the direct connections between our substation or grid and the network and a power production plant that is more greenhouse gas intensive than 100 gCO<sub>2</sub>e/kWh measured on a life cycle basis. This turnover is excluded from the final calculation to determine the reporting metrics related to this regulation.

##### Determination of denominator for taxonomy-aligned turnover

Total turnover as included in [note 3 ‘Segment information’](#).

### EU Taxonomy CapEx

#### CapEx for taxonomy-eligible activities

All regulated investments are eligible to the EU Taxonomy CapEx.

##### Determination of numerator for taxonomy - aligned activities

All of TenneT’s CapEx is aligned by meeting the criteria of Annex 1, article 1.2.2.1a. Although TenneT publishes extensive CapEx plans in the form of the IPs and NEP, they have not been assessed against EU Taxonomy criteria as the criteria of 1.2.2.1a have already been met. The investment amount disclosed in [note 3 Segment information](#) consist of our regulated activities and is therefore directly associated with Taxonomy-aligned economic activities. Furthermore, the additions to the right of use assets as disclosed in [note 5 Right of use assets and lease liabilities](#) are considered to be associated with Taxonomy-aligned economic activities as well, with the exception of power plants. Additions to right of use related to power plants, which are powered by fossil fuels, are not included in the aligned activities.

##### Determination of denominator for taxonomy - aligned activities

Total of the investments and the right of use assets additions, reference is made to [note 3 Segment information](#) and [note 5 Right of use assets and lease liabilities](#).

KPI	Total EUR	Environmental objective of Taxonomy aligned activities														Proportion of Taxonomy aligned activities in previous financial year (2024) %
		Proportion of Taxonomy eligible activities %	Taxonomy aligned activities EUR	Proportion of Taxonomy aligned activities %	Climate change mitigation %	Climate change adaptation %	Water %	Circular economy %	Pollution %	Bio-diversity %	Enabling activity %	Transitional activity %	Not assessed activities considered non-material %	Taxonomy aligned activities in previous financial year EUR		
Turnover	9,101	99.7%	8,809	96.8%	96.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100%	0%	0.3%	8,207	97.4%
CapEx	14,987	100.0%	14,855	99.1%	99.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100%	0%	0.0%	10,917	100.0%
OpEx	4,023	100.0%	4,002	99.5%	99.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100%	0%	0.0%	4,431	99.9%



## EU Taxonomy OpEx

### *OpEx for taxonomy-eligible activities*

Based on the frequently asked questions from October 2022 (Commission Notice on the interpretation of the Disclosures Delegated Act from October 2022) and December 2022 (Second Draft Commission Notice on interpretation and implementation EU Taxonomy Climate Delegated Act from December 2022), the OpEx category is closely related to maintenance and repair and can include the following costs for: maintenance material, cost of employee repairing a machine, cost of employee cleaning a factory, IT dedicated to maintenance. In view of the above, TenneT has included grid related expenses in calculating the OpEx. This methodology has not been changed compared to since our first EU Taxonomy publication in the Integrated Annual Report 2022.

All regulated grid expenses are eligible to the EU Taxonomy OpEx.

### *Determination of numerator for taxonomy - aligned activities OpEx*

All regulated grid expenses are aligned to EU Taxonomy, except the total share of the direct connections between our substation or grid and the network and a power production plant that is more greenhouse gas intensive than 100 gCO<sub>2</sub>e/ kWh measured on a life cycle basis. These OpEx are excluded from the final calculation to determine the reporting metrics related to this regulation.

### *Determination of denominator for taxonomy - aligned activities OpEx*

All grid expenses as included in note 3 'Segment information'.

# Social

Own workforce	162
Workers in the value chain	169
Affected communities	171
Consumers and end-users	172
Security of supply	174

Our impacts, risks and opportunities in the social domain stretch beyond TenneT's borders. Alongside the impacts we have on our own workforce when it comes to being an employer of choice, we also have impacts upstream in our value chain in ensuring we facilitate a sustainable working environment. Our contractors and their subcontractors are important partners to ensure we are able to deliver the assets that support the energy transition.

That's especially true for our activities in building and maintaining the grid to support the energy transition. As a company deeply rooted in and impacted by society, we also have impacts on, and are impacted by society, i.e. local communities and end-users of our services. These are all important stakeholders to TenneT and managing these impacts are key areas of focus for us.



# Own workforce

The impact our own (future) workforce has on TenneT is a material impact for us to deliver the energy transition. We need to ensure that we are able to attract and retain the right and sufficient amount of talent with the right skills and competencies to deliver the energy transition. To be able to achieve this, we aim to be an employer of choice that has a strong company culture of which inclusion, diversity and equity is an important part.

TenneT's own workforce consists of 10,836 people (of which 4,823 are in to the Netherlands and 6,013 in Germany). These are employees and non-employees. The latter refer to labour force, which TenneT externally contracts, such as independent contractors or those hired through employment agencies.

## Strategy

The (systemic) impact of and on our own workforce is included in our corporate strategy as part of the 'Deliver together for customers' focus area. Here, items are included to ensure we work together for end-to-end output, such as boosting knowledge and skills and implementing our strategic workforce planning. These are important elements. Nevertheless not all impacts, risks and opportunities (IROs) identified are included in the current strategic focus areas, as these have a broader aim to be an employer of choice to ensure we attract and retain sufficient and suitable staff. The views of our employees are obtained by performing employee (pulse) surveys every quarter. This helps to understand to what extent elements such as employee motivation, information and enablement are being achieved. Next to this, every quarter a delegate from our executive board meets with our workers council to discuss key impacts on our employees, which is also an opportunity for our employees and their representatives to engage with and provide feedback to our leadership regarding their views. Furthermore, our Executive Board members plan coffee breaks every month, where a different board member meets up with a group of employees to discuss their views.

The social elements that affect TenneT and its total workforce and how certain sustainability matters impact us are related to the availability of sufficient talent. Predominantly to technical talent in the energy sector, to deliver the energy transition and also our ability to attract and retain them, including by ensuring we are a company that fosters talent development opportunities, diversity, inclusion and equity. In addition, this also means creating a safe working environment to ensure that our valued colleagues and contractor workers at our locations are able to return safely after a day's work, of which especially our workforce and contractors working on project sites and locations are most at risk given the nature of their work. As there is a scarcity of (technical) talent in our home markets, we have actively worked on attracting professionals from a wide range of nationalities. Attracting talent is only part of the challenge; retaining them requires offering clear perspectives and opportunities for growth. To retain this diverse talent, it is essential to foster an inclusive company culture where everyone feels valued and supported. A diverse workforce not only strengthens the quality of our decisions and solutions, but also enhances our ability to attract new talent.

## How we manage this material topic

### Policies

#### S1 Own workforce - Employer of choice and Inclusion, Diversity and Equity

Our people policies are set on country level and are anchored in our annual plan, which outlines our strategic goals, objectives, and key deliverables for managing our internal workforce. In addition, we have developed complementary policy documents, such as the Inclusion, Diversity & Equity Policy and the Strategic Workforce Plan (SWP) 2025–2030, which set out our focus areas for the years ahead. A key policy direction is our long-term view on planning and attracting the required workforce. We aim not only to meet our net growth targets, but also to continuously recruit beyond these targets to account for natural

outflow, internal mobility, and part-time work. This approach ensures that we maintain sufficient and properly skilled capacity to deliver on our strategic ambitions.

The SWP is built on a thorough understanding of the future development of internal and external labour market conditions. It guides our long-term workforce planning in alignment with our project portfolio and the ambitions of [Target Grid 2045](#), contributing to the delivery of a climate-neutral electricity grid in support of the European Green Deal. Also in Germany we have specific people policies that apply across the organisation and are reviewed regularly to reflect new legal requirements and operational developments.

Since 2023 TenneT has an Inclusion, Diversity & Equity ('ID&E') policy which has been approved by the Executive Board and Supervisory Board. This policy aims to outline what ID&E responsibility means for TenneT and what commitments it will make across different ID&E areas. As part of this policy, we have set several mid- and long-term targets to ensure inclusion, diversity, and equity within TenneT. For example, we aim to achieve 40% female representation for all senior leader positions (Senior Leader Team) by 2025. For the Supervisory Board we have set an equal balance target by 2030 and in the case of gender imbalance, TenneT continuously strives to maintain the desired gender balance in future appointments. In the meantime the company is mindful of including other forms of diversity. Furthermore, TenneT has set a target of 12% non-Dutch/non-German inflow of new hires by 2026 with an interim target of 11% by 2025. The target for female inflow of new hires is set at 35% by 2026 with an interim target of 34% by 2025. The target for female inflow of new hires is, compared to the ID&E policy, adjusted to 33% for 2025. In addition, TenneT has set a target of 26% of female representation across all leader positions.



The overarching aim of these policies is to position TenneT as an employer of choice. This means attracting the right talent in sufficient numbers to meet our growth ambitions and ensuring that critical skills and knowledge capacity are safeguarded in time. To achieve this, we maintain a balanced approach to the use of non-employees, engaging them where necessary to bridge temporary gaps and transfer expertise to internal colleagues. We take a competency-based approach to recruitment, focusing on individual talents, interests, and skills rather than on experience. This enables us to engage with diverse target groups proactively, often before vacancies arise, and to build long-term relationships through talent pools and partnerships with academic institutions.

We recognise that technical talent is hard to come by. That is why we focus on proactive planning and talent management within a diverse, inclusive and safe culture. We aim to foster a workplace where everyone feels valued, and ensure fair, unbiased decisions in recruitment, promotion and development. Strengthening our employer brand is another key policy direction. Through targeted campaigns, we position working at TenneT as a unique development opportunity with social relevance. This not only helps attract future colleagues like technicians and engineers, but also fosters pride and engagement among our existing workforce.

To support talent retention, we make use of structured growth paths, succession planning, and data-driven tools, with the ambition to further integrate them into our ways of working. Recognising generational differences, we aim to address this by tailoring onboarding, mentorship and development efforts to better meet the expectations of younger employees and foster long-term engagement. In parallel, we aim to achieve operational excellence in the delivery of HR services to our colleagues. This includes increasing our attention on data and technology to work smarter, not harder. We pursue innovation in HR processes through the strategic use of data and emerging technologies.

And finally, our Human Rights Policy is also an important policy that applies to our own workforce and workers in the value chain. For more information, please refer to section S2: Workers in the Value Chain. Our Code of Conduct also plays a vital role in setting expectations for behaviour in daily work, including principles of inclusion, diversity, and non-discrimination. Key policies – such as the Code of Conduct and those developed by our People department – are made available to all colleagues via our intranet.

### S1 Own workforce - Health and Safety

Regarding our safe working environment, workplace safety is an important element for TenneT. Our corporate Health, Safety and Environment (HSE) policy is established, implemented and aims to provide safe and healthy working conditions; to prevent work-related injuries and illnesses; to minimise the environmental impact of operational activities; to comply with applicable legal and other HSE-related requirements; to eliminate hazards and reduce HSE risks; and to continuously improve the corporate HSE management system and HSE performance. In addition, the HSE policy provides a framework for defining our company's HSE objectives, directives, and processes. This mitigates the negative impact of our activities should we fail to create a safe working environment. The scope of this policy applies to the entire TenneT organisation, across all business segments and business units. Our Executive Board is accountable for this topic and on a daily basis this is shared with our HSE unit. To ensure we are able to create this safe working environment, all employees and units are expected to take responsibility for the day-to-day application of the policies set out by our HSE unit, especially considering the aforementioned increased risk related to the working environment, with the operating units related to our large projects and grid field operations.



**Actions**

**S1 Own workforce - Employer of choice and Inclusion, Diversity and Equity**



Key action	Scope	Expected outcome	Related to policy objective	Time horizon
Partnering with academic institutions to attract students and graduates	▲	Engage with prospect during their studies to identify possible future recruits, build talent pools and recruitment efforts with students and graduates	Workforce planning	Short-term, Medium-term, Long-term
Launching employer branding campaigns, such as 'Nederland AAN'	▲	Increasing the influx of technicians, engineers, grid experts, and other scarce profiles, while also boosting pride in our existing workforce	Workforce planning	Short-term, Medium-term, Long-term
Recruiting internationally to bring in non-Dutch and non-German talent	▲	To expand the recruitment pool and bring more diversity to our workforce	Workforce planning and ID&E	Short-term, Medium-term, Long-term
Piloting AI in recruitment processes to improve efficiency	■	Seeking ways to innovate and work more efficiently. As a result HR teams can devote more time to people-development activities	Employer of choice	Short-term, Medium-term, Long-term
Implementing a job grid and job architecture for transparency in career paths	■	A structured job framework that specifies the skills and competencies required for each position	Talent Development	Short-term, Medium-term, Long-term
Rolling out a talent development and succession planning framework across all TenneT units	■	To identify talents and build career paths, tailor future talent development programmes and strengthen development and engagement efforts	Talent Development	Short-term, Medium-term, Long-term
Employing dedicated ID&E officers in both the Netherlands and Germany	■	More focus on enhancing and embedding ID&E to further build a diverse workplace	ID&E	Short-term, Medium-term, Long-term
Establishing and supporting employee-driven affinity groups	▼	Initiatives and networks that bring people together to create safe spaces for sharing and dialogue, strengthening our corporate culture in the process	ID&E	Short-term, Medium-term, Long-term
Investing in mentoring programmes, such as the female mentoring initiative	▼	To foster mutual learning between people of different ages, genders and positions	ID&E	Short-term, Medium-term, Long-term

Key action	Scope	Expected outcome	Related to policy objective	Time horizon
Promoting visible diversity across all organisational levels, including senior leadership	▼	More focus on enhancing and embedding Inclusion, Diversity and Equity (ID&E) to further build a diverse workplace	ID&E	Short-term, Medium-term, Long-term
Quarterly pulse surveys	■	To better understand how we are performing in terms of energising, engaging and informing our people	Employer of choice / well-being and development	Short-term, Medium-term, Long-term

For more details on these actions, please refer to the chapter [Create a safe and inspiring workplace](#). All of these actions are focused on our own employees and non-employees as part of our workforce in the geographical areas described above. Actions taken with respect to our own workforce are part of our annual business plan and do not require significant additional CapEx or OpEx.

**S1 Own workforce - Health and Safety**

Key action	Scope	Expected outcome	Related to policy objective	Time horizon
Improving safety leadership by ensuring all leaders are trained on Safety Needs our Energy, on 'life saving rules'	■	Further strengthening our safety culture	Create a safe working environment	Short-term, Medium-term, Long-term
Safety Tops engagement at executive management level with our contractors	▲	Further strengthening the safety culture and performance on projects with contractors	Create a safe working environment	Short-term, Medium-term, Long-term
Safety weeks, Safety Project Start-ups and various other activities performed in our daily operations to ensure a safer work environment	■	Further strengthening our safety culture	Create a safe working environment	Short-term, Medium-term, Long-term

For more details on these actions, please refer to the chapter [Create a safe and inspiring workplace](#). All of these actions are focused on our own employees and non-employees as part of our workforce in the geographical areas described above. Actions taken with respect to our own workforce are part of our annual business plan and do not require significant CapEx or OpEx.

### Targets and metrics

#### S1 Own workforce - Employer of choice and Inclusion, Diversity and Equity

To measure the effectiveness of our actions and policies and to track the progress by which we are successful in being an employer of choice for our (future) workforce, we have several metrics in place:

##### Attraction

To measure whether we are on par regarding our own workforce, we have targets on the number of FTE we aim to have in our workforce. For the Netherlands, this is 4,454 FTE and in Germany the target is 5,606 FTE.

##### Retention

We currently do not have a retention target to measure to what extent we are able to retain talented colleagues. In 2025, 522 employees left TenneT and 547 employees in total including the non-regulated entities, with turnover rate of 6.4% for TenneT Holding B.V.

##### Inclusion, Diversity & Equity

We currently focus on non-Dutch and non-German talent that join TenneT and the percentage of female new hires. The target for 2025 is 11% non-Dutch in the Netherlands and 11% non-German in Germany. From a group perspective there is the same target for non-Dutch/non-German. For female hires the target is 33%. We measure the percentage on non-Dutch/non-German hires and the percentage of female hires on a quarterly basis.

In the following tables the metrics related to S1.6, S1.7 and S1.9 are disclosed. The diversity metrics related to S1.9 gender distribution at

Number of employees in headcount	2025				2024			
	NL	DE	NR	Total	NL	DE	NR	Total
<i>Permanent</i>								
Female	998	1,414	19	2,431	837	1,207	34	2,078
Male	2,791	3,584	47	6,422	2,442	3,211	88	5,741
Other	-	1	-	1	-	-	-	-
<b>Total</b>	<b>3,789</b>	<b>4,999</b>	<b>66</b>	<b>8,854</b>	<b>3,279</b>	<b>4,418</b>	<b>122</b>	<b>7,819</b>
<i>Temporary</i>								
Female	48	241	12	301	26	238	5	269
Male	96	389	16	501	78	309	7	394
Other	-	-	-	-	-	1	-	1
<b>Total</b>	<b>144</b>	<b>630</b>	<b>28</b>	<b>802</b>	<b>104</b>	<b>548</b>	<b>12</b>	<b>664</b>
<i>Non-guaranteed employees</i>								
Female	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Total</i>								
Female	1,046	1,655	31	2,732	863	1,445	39	2,347
Male	2,887	3,973	63	6,923	2,520	3,520	95	6,135
Other	-	1	-	1	-	1	-	1
<b>Total</b>	<b>3,933</b>	<b>5,629</b>	<b>94</b>	<b>9,656</b>	<b>3,383</b>	<b>4,966</b>	<b>134</b>	<b>8,483</b>

top level consist of the Executive Board, the Supervisory Board and the Senior Leadership Team of TenneT. The Executive Board of TenneT Holding consists, as of 31 December 2025, of three members, one male (33%) and two female (67%). The Supervisory Board consists, as of 31 December 2025, of six members, four male (67%) and two female (33%). The Senior Leadership Team consists as of 31 December 2025 of 31 directors, 21 male (68%) and 10 female (32%). In addition, TenneT disclosed the female representation across all leader positions. With 26% of female colleagues in all leader positions, the target of 26% has been met.

## Own workforce

Number of employees in headcount	2025				2024			
	NL	DE	NR	Total	NL	DE	NR	Total
<i>Full-time</i>								
Female	515	1,167	10	1,692	415	988	23	1,426
Male	2,521	3,653	36	6,210	2,217	3,268	26	5,511
Other	-	1	-	1	-	1	-	1
<b>Total</b>	<b>3,036</b>	<b>4,821</b>	<b>46</b>	<b>7,903</b>	<b>2,632</b>	<b>4,257</b>	<b>49</b>	<b>6,938</b>
<i>Part-time</i>								
Female	531	488	23	1,042	448	457	73	978
Male	366	320	25	711	303	252	12	567
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>897</b>	<b>808</b>	<b>48</b>	<b>1,753</b>	<b>751</b>	<b>709</b>	<b>85</b>	<b>1,545</b>
<i>Total</i>								
Female	1,046	1,655	33	2,734	863	1,445	96	2,404
Male	2,887	3,973	61	6,921	2,520	3,520	38	6,078
Other	-	1	-	1	-	1	-	1
<b>Total</b>	<b>3,933</b>	<b>5,629</b>	<b>94</b>	<b>9,656</b>	<b>3,383</b>	<b>4,966</b>	<b>134</b>	<b>8,483</b>

Number of employees	2025				2024			
	NL	DE	NR	Total	NL	DE	NR	Total
<i>Headcount</i>								
Employees under 30 years old	402	1,203	23	1,628	340	1,082	16	1,438
Employees between 30 and 50 years old	2,168	3,545	45	5,758	1,861	3,069	79	5,009
Employees over 50 years old	1,363	881	26	2,270	1,182	815	39	2,036
<b>Total</b>	<b>3,933</b>	<b>5,629</b>	<b>94</b>	<b>9,656</b>	<b>3,383</b>	<b>4,966</b>	<b>134</b>	<b>8,483</b>
<i>%</i>								
Employees under 30 years old	10%	21%	24%	17%	10%	22%	12%	17%
Employees between 30 and 50 years old	55%	63%	48%	60%	55%	62%	59%	59%
Employees over 50 years old	35%	16%	28%	24%	35%	16%	29%	24%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

NR = non-regulated

Average FTEs	2025	2024
The Netherlands	3,606	2,978
Germany	5,090	4,306
NR	84	210
<b>Total<sup>1</sup></b>	<b>8,780</b>	<b>7,494</b>

1 Reference is made to note 25 for reconciliation with the consolidated financial statements.

## S1 Own workforce - Health and Safety

We track the effectiveness of our actions regarding safety via the outcome of our total recordable incident rate (TRIR) metric. It relates to the policy objective of providing safe and healthy working conditions for the prevention of work-related injuries and illnesses. A lower TRIR reflects a safer environment. The target is determined by the HSE unit and validated by our Executive Board. The corporate target for 2025 is 3.1, which is the rate of TRI per 1 million hours worked. To assess the current TRIR performance and establish a TRIR target, the HSE unit collects and analyses data from the previous 12 months. Based on the data analysis, the HSE unit formulates a recommendation for a new TRIR target. This target reflects the desired level of safety performance for the upcoming period. The proposed TRIR target is then presented to the Executive Board for review and approval. This step ensures that the target aligns with the organisation's safety and business objectives. This target is used to track TenneT's safety performance on a monthly basis. It is discussed at unit level and within management unit performance dialogues with EB members to identify any lessons or improvement based on the performance. Targets have been defined with a time horizon longer than one year, however progress is mainly managed in relation to the annual target on a corporate level. We have not set a baseline year, against which we can track our progress over time. No stakeholders have been involved in setting the target. The status and trend analysis of TenneT's HSE KPI performance is documented in monthly HSE reports. This is reviewed by the management teams in the respective units every month and quarter. The HSE management team and the Executive Board and Supervisory Board conducted their review on a quarterly basis. HSE KPIs are also part of the quarterly Unit Performance Dialogue reports and dialogues of every unit. HSE KPIs are also reported (and discussed) in the quarterly Integrated Performance Report.



Own workforce

The metrics reported to measure the progress related to these targets are:

	Unit	2025			2024		
		NL	DE	Total	NL	DE	Total
<b>Recordable incidents (TRIs)</b>							
Own workforce - Employees	Number	3	17	20	6	24	30
Own workforce - Non-employees	Number	1	-	1			
Other workers on TenneT sites	Number	38	132	170	24	93	117
<b>Total recordable incidents (TRIs)</b>	<b>Number</b>	<b>42</b>	<b>149</b>	<b>191</b>	<b>30</b>	<b>117</b>	<b>147</b>
<b>Number of days lost to injuries</b>							
Own workforce - Employees	Number	21	176	197			
Own workforce - Non-employees	Number	-	-	-	-	53	53
<b>Total lost-time injuries (LTIs)</b>	<b>Number</b>	<b>21</b>	<b>176</b>	<b>197</b>	<b>0</b>	<b>53</b>	<b>53</b>
<b>Hours worked</b>							
Own workforce - Employees	Million hours worked	5.8	7.9	13.7	6.4	7.2	13.6
Own workforce - Non-employees	Million hours worked	1.4	0.5	1.9			
Other workers on TenneT sites	Million hours worked	11.9	19.2	31.1	9.8	13.3	23.1
<b>Total hours worked</b>	<b>Million hours worked</b>	<b>19.1</b>	<b>27.6</b>	<b>46.7</b>	<b>16.2</b>	<b>20.5</b>	<b>36.7</b>
<b>TRIR</b>							
Own workforce - Employees	Incidents per million hours worked	0.5	2.2	1.5	0.9	3.3	2.2
Own workforce - Non-employees	Incidents per million hours worked	0.7	-	0.5			
Other workers on TenneT sites	Incidents per million hours worked	3.2	6.9	5.5	2.5	7.0	5.1
<b>Total recordable incident rate (TRIR)</b>	<b>Incidents per million hours worked</b>	<b>2.2</b>	<b>5.4</b>	<b>4.1</b>	<b>1.9</b>	<b>5.7</b>	<b>4.0</b>
	<b>Target</b>	<b>1.7</b>	<b>4.2</b>	<b>3.1</b>	<b>3.7</b>	<b>3.7</b>	<b>3.7</b>
<b>Fatalities</b>							
		0	0	0	0	0	0
<b>Healthy workforce</b>							
	<b>Actual absentee rate</b>	4.1	3.0		3.6	3.3	
	<b>Maximum strived value for absentee rate</b>	3.0	3.0	3.0	3.0	3.0	3.0

Details relating to S1.14 for non-regulated companies are disclosed hereafter:

Own workforce - Employees	Unit	Non-Regulated
Recordable incidents (TRIs)	Number	0
Lost-time injuries (LTIs)	Number	0
Hours worked	Million hours worked	0.4
TRIR	Incidents per million hours worked	0
Fatalities	Number	0

**Methodology**

**S1 Own workforce - Employer of choice and Inclusion, Diversity & Equity**

The data reported in light of the aforementioned tables relates to actual data based on our employee records accounted for in our local HR systems as reported by our local People department. Our employee data is treated with care, and in line with national and European data privacy information, is used appropriately. Data collected in our HR systems is reported on a quarterly basis for the respective metrics. For our metrics to determine whether we meet our inflow and the ID&E targets, we make use of data obtained upon hiring our staff. This relates to all staff who we have an employment relationship with, in line with the definition as provided by the ESRS standards. For our non-regulated activities, we have included the total amount of employees of these respective companies and extrapolated certain data points. These entities together constitute less than 1% of our total workforce.

The employee turnover rate is calculated by dividing the employees that have left the company during 2025 by the total number of employees at the beginning of the reporting year.



### S1 Own Workforce - Health and Safety

The TRIR is calculated by taking the number of  $((TRI \times 1\,000\,000) / (\text{total worked hours}))$ . The total number of recordable incidents (TRI), in this context, represents the combined count of FAT (Fatalities), LWC (Lost Work Cases), RWC (Restricted Work Cases), and MTC (Medical Treatment Cases) that occurred over the defined period. Regarding the worked hours that include hours of TenneT staff, as well as contractor staff we apply the following methodology. Worked hours of TenneT employees are determined monthly by the human resource department (PPL) and reported to the Health, Safety and Environment department. Contractor employee hours are either estimated or based on actuals depending on the project. Contractor employee hours are determined quarterly by the contracting department and reported to the HSE department.

The process consists of:

1. determining the number of hours worked;
2. determining the number of HSE events; and
3. consolidating data and calculating TRIR/LTIF.

The methodology is aligned with industry best practices. The rate (and target) measures the number of incidents where our HSE management system applies, or where contractors execute work under instruction and supervision based on our HSE management system – so-called Mode 1 and 2 contractors. This aligns with our sector standards.

# Workers in the value chain

To realise a brighter energy future for everyone, we work across our operating areas and with partners worldwide to deliver our Target Grid vision. Much of the essential work to manufacture and install our assets is carried out not by TenneT employees, but by contractors and subcontractors. We are committed to ensuring that everyone working with us to drive the energy transition has a safe and fair working environment that meets our standards. We have identified the most salient human rights risks in the locations where they operate and are committed to improving these areas where needed.

## Strategy

We aim to ensure that everyone who works for and with us, especially those involved in ensuring our assets are properly designed, built, maintained and operated, can execute their work in a way that meets our standards and those of international conventions, such as the International Labour Organisation and the UN Guiding Principles on Business and Human Rights. With respect to workers in the value chain, this relates to our contractors, but also their subcontractors that work at one of our project locations, such as yards where our offshore grid connection systems are built.

Next to this, in fulfilling our core tasks and securing supply of electricity to power and empower society, together with all our value chain partners, we create societal impact for (large) industries and end-users in the areas we serve. Our offshore construction activities take place in several regions, for instance in South- and East-Asia (Singapore), where there is a significant risk of forced labour for value chain workers. This risk is widespread in these geographies and not related to individual incidents. As a result, material impacts for our value chain workers are particularly at risk in these geographies.

The sustainability matter of Workers in the value chain is directly linked to our corporate strategy, as it relates to the Sustainability boundary condition. Here, Human Rights is one of the four focus areas of the Sustainability Framework. We have assessed our operations and value chain and have a prioritised list of rights of value chain workers that make up our 'salient rights'. We have identified these based on possible material impacts and we have defined our human rights strategy and roadmap based on our learnings from these salient rights and value chain engagement on these rights. The material (or salient) matters in the social domain are related to the safety of our people and those that help us build the electricity grid of the future. For the latter, topics like forced labour, decent wages, freedom of association and collective bargaining, adequate working hours and the right to adequate housing are also salient rights.

## How we manage this material topic

### Policies

With respect to the impact on the workers in the value chain, our human rights policy applies to all our operations which includes our own activities and our upstream activities (products being constructed by our business relationships). It also applies to our suppliers and contractors, in addition to our own employees, wherever they are. Our policy is focused on ensuring we obtain proper insights into the circumstances and practices in our value chain via screening by means of audits/site visits. We aim to obtain insights into our risks at deeper supply chain levels, better process alignment with due diligence and monitoring continuous improvements. In addition, we ensure that sustainability (including human rights) criteria are embedded in our tenders and encourage them. Furthermore, working together with others in partnerships or coalitions are also ways to build leverage to help improve the working conditions of workers in the value chain. We aim to find opportunities each year to engage with value chain workers or representatives to update our views on this sustainability matter and sharpen our policies and actions.

Our salient rights such as forced labour and social rights are addressed in our policy. This is also part of our Supplier Code of Conduct, which is publicly available on our corporate website. As we develop our human rights policies further and pursue the right course of action, we recognise that we are on a long-term pathway, so we have focused our attention on the salient rights of workers in the value chain. Our human rights policy is publicly available on our corporate website, either in English or German. We also embed this policy in our Supplier Code of Conduct and our sustainability documentation.

Furthermore, we have processes in place to provide for or co-operate in the remediation of negative impacts for those working at our locations, enabling them to raise concerns and to address them if applicable. Through these channels they are able to voice them. An example of this is our Speak Up portal, which is available in several languages. These channels are communicated to workers and we encourage them, via periodic campaigns and upon onboarding, to use them if something occurs. We also provide for remedy when a matter is flagged. For instance when an unsafe working environment matter is flagged, this issue is addressed by the respective unit and investigated. Where measures are taken, this is communicated to those involved.

For more details on the actions on the next page, please refer to the chapter [Transition to a brighter energy future within social and planetary boundaries](#). All of these actions are focused on workers in our upstream value chain, specifically those working on the sites where our assets are built in the geographical areas described above.

Actions taken with respect to the workers in the value chain are part of our annual business plan and do not require significant additional CapEx or OpEx.



Actions



Key action	Scope	Expected outcome	Related to policy objective	Time horizon
<b>Establish a robust due diligence process including:</b>				
Piloting within the 2GW Singapore consortium	▲	New partnerships to help improve working conditions of workers in the value chain.	Working together with others in partnerships or coalitions to build leverage	
Implementing process roadmaps within relevant (incl. supporting) units	■	Embedding due diligence in our core processes such as procurement and large projects offshore Creating accountability within our supply chain	Insights into our risks at deeper supply chain levels, better process alignment with due diligence and monitoring continuous improvements.	
Design of social impact assessment, including worker engagement as a part of our baseline assessments	▲	Independent baseline assessments done for our high risk yards	Obtain insights into circumstances and practices in our value chain	
Working together with other German energy companies, joining German Sector dialogue	▲	Collectively drive change and gain leverage	Working together with others in partnerships or coalitions to build leverage	
Remediation supplier TBEA	▲	Termination of supplier relation	Obtain insights into circumstances and practices in our value chain	

Targets and metrics

In 2025, TenneT has been working on developing a more meaningful KPI and target to improve the previous # of supplier visits metric. This has resulted in the *Share of significant suppliers with an Ecovadis scorecard* metric. Currently, no target has been determined yet. We aim to set a target after we have obtained data to set a meaningful target. Please note that we are also developing two additional KPIs, being the *percentage of non-European platform yards with an on-site, independent human rights assessment* and the *severe human rights issues and incidents in the upstream and downstream value chain*. Given the phases where these KPIs are linked to and of the activities related to workers in the value

chain given for instance the offshore project portfolio and local context such as the LkSG, TenneT Germany is currently focussing on the *severe human rights issues and incidents in the upstream and downstream value chain* and TenneT Netherlands on the *percentage of non-European platform yards with an on-site, independent human rights assessment*. Based on the first steps in collecting this data, TenneT Netherlands recorded 0% on this respective metric and TenneT Germany recorded 0 severe incidents. With respect to the *Share of significant suppliers with an Ecovadis scorecard* metric, we recorded a percentage of 4.2% on Group level, being respectively 3.6% in the Netherlands and 4.5% in Germany.

Methodology

Calculation

The metric is determined by using the following formula:

$$\text{Suppliers with a valid Ecovadis scorecard} / \text{number of significant suppliers} = \text{share of significant suppliers with valid scorecard.}$$

A supplier is defined as an entity upstream from the organisation (i.e., in the organisation's supply chain), which provides a product or service that is used in the development of the organisation's own products or services. A supplier can have a direct business relationship with the organisation (often referred to as a first-tier supplier) or an indirect business relationship.

Significant suppliers are defined at TenneT as top and focus suppliers. These suppliers are active in several material groups, have an important strategic value for TenneT and reserve a certain part of their capacity for us. They are directly assigned to a lead, head or director as a single point of contact (SPOC).

We continue to further develop this metric, as approximately 40% of our suppliers are not yet covered by Ecovadis. This limits the numerator of the metric, making it challenging to achieve a higher percentage.



# Consumers and end-users

## Strategy

Delivering the energy transition requires substantial investments, investments that ultimately translate into societal costs. Our investment portfolio is increasing significantly, driven by factors such as political ambitions, which include increasing offshore wind targets, geopolitical tensions, inflation, and resource scarcity. Via our grid tariffs, this investment portfolio impacts costs for society, mainly consisting of costs of capital, depreciation and operational costs (including the costs of ancillary services, driven by planned outages and congestion). The rise of our investment portfolio leads to more costs for society (grid tariffs have shown a strong increase over previous years, especially since 2023) and drives societal and political dialogue on the affordability of our grid today and in the future.

Investing in our grid is of significant value for society and the energy transition. An external study by Ecorys demonstrates the societal benefits of investing in the electricity grid, amounting, on average, to tens of billion of euros per year. Nevertheless, we feel a big responsibility to make sure that we invest and spend effectively and efficiently.

From a strategic perspective, steering on costs for society relates mainly to our strategic focus areas. This includes *Build the grid faster*, by building at acceptable cost. To build smarter and faster leads to lower costs via cost-conscious design of solutions and execution of our project portfolio. In addition, it also has a connection to *Utilise the grid better* as smarter grid utilisation reduces the need for new investments, thereby lowering future costs.

## How we manage this material topic

### Policies

Our strategy is translated into action through yearly medium-term plans (covering three years) and bi-yearly Investment Plans (IPs) and Network Development Plans (NEP). These plans define our priorities, goals, and targets, ensuring alignment with our long-term ambitions. Within these plans, specific priorities contribute to achieving 'building at acceptable cost' and 'utilising the grid better.' These include:

- System design
- CapEx design, optimisation, monitoring & savings measures
- Digitalisation
- Dynamic line and asset rating
- Demand flexibility

These priorities are further detailed into key actions, as outlined in the table below. Internal policies on investments, asset management, and maintenance provide guidance and boundary conditions for setting goals and executing our strategy. An extensive governance structure ensures that investment decisions consider affordability, supply security, and sustainability in a balanced, transparent, and consistent way.

Decisions follow a gated approval process, moving from initial study budgets to explore alternatives, through detailed design and risk analysis, to full CapEx commitment. Depending on the stage, different approval levels, up to shareholder approval, are required to safeguard governance and accountability. This process also includes clear guidelines for controlling budgets, risks, quality, and timelines, as well as monitoring and reporting progress. Operational steering groups are mandated to manage the project portfolio within these frameworks.

Our asset management policies integrate affordability through the following principles:

- Total Expenditure (TotEx) and Total Cost of Ownership (TCO) principles: Decisions consider full lifecycle cost and efficiency.
- Risk-based prioritisation: Investments ranked by asset risk mitigation versus societal cost-benefit.
- Integrated planning: Combining maintenance and expansion to reduce outage costs and resource bottlenecks.
- Portfolio steering: Using a value-based model to balance risk, cost, and feasibility across a 15-year horizon.

In essence, our investment portfolio is driven by the scope (what we build) and the costs incurred with these projects. With respect to steering on the scope of our investment portfolio, a close cooperation with public authorities, as decision-maker, is essential, where TenneT acts as a trusted advisor. Regarding prices, technical choices, standardisation and market prices have an important impact. We steer on the first two, while strictly monitoring and keeping a close eye on market developments.



**Actions**



Key action	Scope	Expected outcome	Related to policy objective	Time horizon
Implementing and executing a CapEx Action plan with concrete CapEx savings measures	▼ ■	Reduced grid investments mainly via less future offshore connections in Germany, more cost-effective overhead lines instead of underground cabling in Germany, prioritised and staggered project portfolio, a broadened vendor base and a modern market design	Build at acceptable cost	Short-term, Medium-term, Long-term
Redesign and implementation of the TenneT organisation and processes	■	Increased operational excellence and improved efficiency	Build at acceptable cost	Short-term, Medium-term, Long-term
Accelerate the implementation of dynamic line & asset rating and flexible customer contracts	▼ ■	Better utilisation of transport capacity via increased peak capacity and better use of flexibility in the grid	Utilise the grid better	Short-term, Medium-term, Long-term
Increase insights in grid utilisation and the cost effectiveness of ancillary services	▼ ■	More cost effective costs of ancillary services	Utilise the grid better	Short-term, Medium-term, Long-term
Invest in digital tooling	▼ ■	Streamlined processes and improved efficiency	Build at acceptable cost /	Short-term, Medium-term, Long-term
			Utilise the grid better	Short-term, Medium-term, Long-term
Focus on CapEx optimisation in design & procurement and focus on project cost control	▲ ■ ▼	Reduced grid investments	Build at acceptable cost	Short-term, Medium-term, Long-term
Strong focus in Germany on delivering, but not exceeding an anticipated total CapEx volume of EUR 65 bio until 2030	▼ ■	Grid investments that are well controlled and in line with expectations	Build at acceptable cost	Short-term, Medium-term, Long-term

**Targets and metrics**

A CapEx action plan has been developed for Germany, where we have set CapEx savings targets for the next five years and the next 10 years. In the Netherlands, such a CapEx action plan is under construction and is prepared taking the considerations of the Interdepartmental Review ('IBO') on affordability of the energy transition into account, which is planned for Q1 2026.



# Security of supply

## Strategy

### Security of supply

We aim to transmit electricity to power our customers and, through distribution system operators (DSOs), to other end-users. A reliable supply of electricity empowers them to create value. This is part of the boundary condition to be able to ensure reliability of the electricity grid of the connected customers. For the topic of security of supply, ensuring that society is able to have a stable and secure supply of electricity at any point in time is of vital essence for the people living in the areas we serve and the respective economies to flourish. This is not just the task of a transmission system operator (TSO) in the Netherlands or Germany, but the common task of all TSOs in Europe.

### Congestion

Securing supply of electricity for our customers, such as large industries and DSOs, and also end-users via these DSOs, is our core task. At the same time, we also aim to ensure that customers are able to be connected, which is an important element of ensuring that we are able to deliver the energy transition. In recent years, the waiting time for customers to be connected has increased, as the demand for grid capacity is growing. This leads to 'congestion': a situation where the electricity grid lacks sufficient capacity to accommodate new connections or additional demand, resulting in delays or restrictions for customers. When we are unable to provide this grid capacity, it can result in a negative societal impact, which has our strategic focus and attention.

This entity-specific sustainability matter is directly linked to our corporate strategy, as it is related to our boundary condition *Security of supply*. For Congestion, this is also directly related to the strategic focus areas Build the grid faster and Utilise the grid better.

## Security

The geopolitical developments in 2025 have highlighted the importance of societal resilience and security and the key role of the electricity grid as the backbone of our society. As one of the Transmission System Operators within the integrated European electricity system, we see the impact of Russian aggression on the power grid in Ukraine every day. It reminds us that the high level of security of supply we have been able to deliver cannot be taken for granted.

Safeguarding the security of electricity supply is a core task for TenneT. It is deeply rooted in our company DNA and embedded in our company strategy as an essential boundary condition for how we design, build, maintain and operate the electricity grid. Essentially for everything we do. That is also why our (physical, cyber and personnel) security and crisis management strategy is an integral part in achieving our targets for security of supply. With our Integrated Security Management System (ISMS) we continuously identify and manage all (physical, cyber and personnel) security risks that could have an impact on security of supply in an integral way.

In addition we also fully support the governmental strategy to increase societal resilience by participating in many public-private collaborations and dialogues on the resilience of the European power grid. This ranges from dialogues with multiple municipalities and safety regions, to national projects with different ministries and active collaboration with many private organisations in both the vital infrastructure and beyond. We also play an active role in advocating for European public-private collaboration in energy security and resilience. This is particularly relevant for the maritime security of our offshore power grid and the public-private collaboration needed for increased situational awareness and effective incident response.

## How we manage this material topic

### Policies

#### Security of supply

How we manage this societal impact, to provide a secure supply of electricity, is embedded in policies set on multiple levels. It starts with European legislation, such as the System Operation Guideline (SOGL), or European energy law, which has to be transferred to national legislations, like the energy laws. Besides that, European TSOs have to fulfil European contracts such as the Synchronous Area Framework Agreement (SAFA). These policies set out the way we need to fulfil our core tasks in co-operation with the other European TSOs. Those legislations and contracts define the key objectives and processes of our daily work. At TenneT, we translate European laws and regulations into several internal policies such as business directives, corporate policies and work instructions to ensure that we are compliant. In both Germany and the Netherlands we have a framework of policies that guide us in ensuring our societal task. The scope of these policies relate to TenneT's TSO entities, as this impact is driven by these parts of the company and describes how our operators have to run our internal systems/tools and processes to make our contribution to the European energy system and security of supply.

In setting or implementing these policies, we are committed to the standards set by third parties, such as our regulators and technical institutions, including VDE (indicating the relationship and procedures between TSO and DSO), BDEW with MaBiS regulation, which indicates the standards and procedures with respect to data exchange, and accounting between Balance Responsible Parties (BRPs) and TSOs. Our external stakeholders are deeply involved, via consultations and workshops, in the development of European and national legislations, methodologies and processes, which results in the relevant policies.

### Congestion

How we aim to accelerate connecting our customers to the electricity grid and grant them the requested transport capacities is driven by a dedicated unit focused on customer connections and capacity matters. Here, the following directions to accelerate connections have been defined. The focus is to strengthen and expand the existing grid, maximise the utilisation of the existing capacity (by means of flexibility) and to increase 'self-reliance'.

### Security

Because we operate vital infrastructure, we are subject to multiple laws and regulations with respect to security. This will also increase in the coming years with the implementation of the Network and Information Security directive (NIS2), the Critical Entities Resilience directive (CER) and the Network Code on Cyber Security (NCCS). Within the ISMS these European laws and regulations are translated into several internal policies such as corporate policies, functional and business directives, and handbooks to ensure that we are compliant. Through our integrated approach the scope of these policies extends to physical security, cyber security, personnel security, Business Continuity Management (BCM) and crisis management. Furthermore, we design these policies in accordance with international ISO standards and best practices. Finally, we closely collaborate and align these policies with key stakeholders such as DSOs, competent authorities and regulators.

### Actions

#### Security of supply

The table on the right of this page lists the key actions we take to secure a reliable supply of electricity. Remedial actions are taken to prevent power outages when outages occur. Our colleagues in the control centres and in the field monitor how the system is operating and in case of any interruptions, they respond quickly to resolve the matter as soon as possible.

For more details on these actions, please refer to the chapter [Utilise the grid to empower society](#). All of these actions are focused on ensuring

Key action	Scope	Expected outcome	Related to policy objective	Time horizon
<b>N-1 secure operation</b>				
- Coordinated outage planning	■	Secure supply of electricity	Boundary condition: security of supply	
- Coordinated congestions forecast				
- D-1 alignment on remedial actions				
- Implementation of thresholds for real-time operation				
- Implementation of procedures/processes to handle congestions				
- N-1 calculations intraday				
- Realtime observation				
- Activation of remedial actions in case of n-1 violations				
<b>Energy trading – for renewables, grid losses and countertrade</b>				
- Focus on renewables	■	Secure supply of electricity	Boundary condition: security of supply	
- LFC-area forecast of renewables in day-ahead and intraday timeframe				
- Energy trading based on day ahead forecast				
- Adjustment of trades according to intraday forecast				
<b>Maintaining voltage levels on all connections</b>				
- Dimensioning of FRR	■	Secure supply of electricity	Boundary condition: security of supply	
- Tendering of FRR				
- Decentralised activation of FCR according to frequency deviation				
- Automatic activation of aFRR in realtime according to calculated control error				
- Manual activation of mFRR in case of insufficient aFRRFlexibility solutions				
<b>Voltage control and facilitating the electricity market</b>				
- Implementation of thresholds for real-time operation	■	Secure supply of electricity	Boundary condition: security of supply	
- Realtime observation				
- Activation of remedial actions				

security of supply to our customers and for end-users downstream in our value chain and for our customers upstream, that generate electricity. The costs incurred with these actions are related to our grid expenses, such as our redispatch costs. More information is disclosed on this in [note 25](#) 'Operating expenses', where we provide more detailed information on our grid expenses.





Security of supply

**Congestion**

For more details on these actions, please refer to the chapter [Utilise the grid to empower society](#). All of these actions are focused on ensuring security of supply to our customers and for end-users downstream in our value chain and for our customers upstream, that generate electricity.

**Security**

Based on our policies, key actions are organised according to the core processes within our ISMS.

*Threat intelligence (strategic/tactical/operational)*

Continuous collection, analysis and dissemination of threat intelligence information in order to proactively identify security risks before they manifest.

*Security risk assessments and security by design*

Systematic identification and assessment of security risks from a physical, cyber and personnel security perspective in order to take effective risk mitigation measures and evaluate their performance.

*Security compliance management*

Active monitoring and involvement in the development of new security legislation and its implementation into our processes and assets in order to ensure compliance.

*Vulnerability management*

Proactive identification and resolution of vulnerabilities in order to prevent their exploitation.

*Security awareness campaigns*

Structural security awareness campaigns for employees and leaders on different security risks and how to mitigate them.

*Incident and crisis management*

24/7 robust incident and crisis management processes with well-trained professionals that are able to effectively respond in order to mitigate the impact of incidents as much as possible.



Key action	Scope	Expected outcome	Related to policy objective	Time horizon
Shortening the contract process	■	Earlier financial commitment by clients should reveal all 'ghost' applications, duly clean the waiting list, and lead to only spending resources on realistic connection & transport requests. This results in an effective workload and more adequate estimations of future grid and system requirements		
Setting up de-central coordination teams	■	Local focus will lead to optimisation of possibilities by bringing all local aspects, stakes and local combinations to the table, leading to max utilisation of available capacity		
Flexibility solutions	■	Overview of flexibility requirements and enablers, making use of residual capacity at off-peak hours possible	Utilise the grid better	
TSO-DSO coordination	▼ ■	Increase operational alignment between TSO-DSOs to serve mutual clients best	Utilise the grid better	
International Regional security coordination	▲ ■ ▼	Large scale offshore wind and also solar (surplus) infeed to be able to be exported into the European grid (and not increasing local congestions)	Utilise the grid better	

*Internal security auditing*

Systematic internal security auditing to ensure the performance of security controls is in accordance with their intended objectives.

**Targets and Metrics**

**Security of supply**

*Targets*

With respect to security of supply, we have set targets on an annual basis for the amount of interruption time we deem to be acceptable. To us, every minute security of supply is interrupted is a minute we want to prevent. However we are aware that unfortunately circumstances can occur where this does happen. For both the SAIDI (System Average Interruption Duration Index) and the ASIDI (Average System Interruption Duration Index), the target is zero minutes for our onshore operations, with the exception of two minutes for the Dutch 110/150 kV grid. For our offshore operations, we have a different target as we understand that the grid is secured differently (not N-1 redundancy secured), which has

an impact on the extent to which we are able to secure supply. The target for 2025 regarding our offshore grid availability is 432 hours against which we assess our performance. We translate the maximum time we strive to have unavailability for onshore and offshore to a percentage we strive to be available: 99.99962% for onshore and 95.07% offshore on a group level.

*Metrics*

The metrics that enable us to monitor whether our policies and actions are effective with regards to securing supply of electricity are related to the SAIDI and the ASIDI. Both indicators provide the value of the extent that we were unable to supply electricity to our customers and therefore our efforts and actions did not have the intended result.



## Congestion

### Targets

To track our progress in connecting our customers to the grid on time, we have set targets related to the number of customer connections realised. The current target is to connect 34 customer bays in 2025. A target for the number of customer requests does not make sense as we do not aim to have a certain amount of requests.

### Metrics

To assess the effectiveness of our approach to accelerating customer connections to the electricity grid, we monitor two key performance indicators. These KPIs have been incorporated into our corporate Integrated Performance Report for quarterly monitoring by the relevant units, the Executive Board and the Supervisory Board as of Q1 2025. The KPIs reflect the number of customer connection requests and the number of customer connections realised, with the 2025 results amounting to 53 customer connections realised and 1,104 customer connection requests.

## Security

The key outcome targets and metric are defined for security of supply (see the Security of supply theme page on page 45). In addition, the performance of the main security and crisis management processes is monitored within our ISMS through quarterly state of security reports and discussed within multiple security governance meeting with responsible managers and the Executive Board. In addition to the performance of our continuous security processes, we also monitor projects where we aim to improve security performance and/or collaborations.

Key examples in 2025 are:

- Intensive public-private collaboration and security measures to ensure an uninterrupted NATO summit in The Hague;
- Active contribution in the 'Programma Bescherming Noordzee Infrastructuur' (PBNI) from the Ministry of I&W to improve maritime security of vital offshore infrastructure;

- Participation in multiple governmental public-private-military crisis exercises both onshore and offshore to improve our collective incident response capabilities; and
- Partnering in the public-private multi-year offshore cyber security research program Field Lab Energy Cyber Security (FLECS) to improve security innovation and education.

The geopolitical landscape is likely to remain highly dynamic for the coming years and it has shown that energy security is a matter of national security. At TenneT we are committed to driving the energy transition and adapting to these changes through a focus on security innovation and active public-private and civil-military collaboration, on land and at sea, both national and international.

## Methodology

### Security of supply

The grid availability definition includes both planned and unplanned outages, with the exception of our German onshore operations. The nature of our onshore and offshore grids differ, as our onshore grids are n-1 secured. This is why almost no planned outages are occurring on onshore grids. The SAIDI is calculated as an outcome of the number of interrupted customers/end-users (including GEN, DSO and HVC) multiplied against the duration of the interruption in minutes. That outcome is divided by the number of all connected customers/end-users. This calculation is in accordance with the 'handleiding Nestor elektriciteit' from Netbeheer Nederland, the association of system operators in the Netherlands.

The ASIDI is calculated by taking the measured power in MW just before the interruption, multiplied against the duration of the interruption in minutes. The outcome is divided by the installed apparent power in MVA of the DSO transformers plus the installed capacity of the high-voltage costumers and generators connected to TenneT's 220/380 kV grid, which is measured as of the 1st of January of each year.

## Congestion

The number of customer connections realised is based on project (milestone) data, where planning reports and progress reported is the basis. The customer connections are expressed in so-called 'bays', which contain both new customer bays as well as capacity created by upgrading existing bays. For the number of customer requests, this is recorded by our Customer and Markets (CMN/CMG) unit, where each request is recorded in our internal CRM systems. These requests are made via our external website and can relate to a capacity request which requires either one or multiple fields. The data regarding the number of kilometres of new lines and cables is based on the milestone planning of individual projects, which is reported based on the progress of construction.

These metrics are used for internal reporting purposes and not validated by an external body other than the assurance provider.



# Governance

Business conduct

179

Creating value starts with sustaining trust. At TenneT, the way we interact with each other and collaborate with stakeholders is essential to doing business responsibly. As a company deeply embedded in society, we strive to create value every day, while ensuring we uphold the standards we set for ourselves and those defined by laws and regulations. These standards provide guidance in challenging situations: when facing new circumstances, working under pressure, or balancing conflicting interests.

Business conduct is therefore a material topic for us. Without respecting these boundaries, we risk undermining the very societal interests we aim to serve.





# Business conduct

## Strategy

Our business conduct is a fundamental principle in executing our strategy. Delivering grid capacity and creating a brighter energy future for society requires more than technical excellence — it depends on how we act. By adhering to our Code of Conduct and complying with laws and regulations, we build trust and stability, enabling long-term value creation. We aren't able to do that without respecting our colleagues, other stakeholders and laws and regulations. This can be seen as the boundary conditions we have set in our corporate strategy, which are of utmost importance to meet in order for us to meet our strategic goals in the short, medium and long term.

## How we manage this topic

### Policies

To meet our foundational requirements, TenneT has embedded key policies in its business directives. Our Code of Conduct and Supplier Code of Conduct set clear expectations for ethical behaviour, both internally and across our value chain. In addition, we maintain specific directives on topics such as gifts and hospitality. We are currently consolidating these into one overarching Anti-Corruption and Bribery Directive, already implemented in Germany and soon finalised in the Netherlands. Our policy objectives are:

- Translating laws, regulations, and best practices into clear TenneT policies.
- Creating awareness and training to understand and apply these policies.
- Supporting colleagues in addressing and remedying findings.

These objectives help us in creating and sustaining the corporate culture we want to uphold in connecting everyone with a brighter energy future. Together with our Executive Board and Supervisory Board, we periodically evaluate to which extent our compliance program and company culture meet our demands. In the Corporate Governance section, we state

how we manage concerns regarding (potentially) unlawful behaviour or behaviour contradicting our Code of Conduct.

While our policies apply to all our colleagues, our Supplier Code of Conduct applies specifically to our contractors. This Code on compliance and ethical behaviour contains a variety of sustainability topics, such as human rights. Other policies that affect our contractors relate to payments. For certain units, conducting business responsibly is more challenging than for others. Especially areas related to our project portfolio are more exposed to certain risks than others in our organisation. ARC-COI advises all colleagues on any situation and various channels exist through which (potential) Code of Conduct violations can be reported. Moreover, a speak up portal allows for (anonymous) reporting.

To prevent incidents, including in the area of corruption and bribery, we provide trainings on various topics and at various moments of an employee's tenure at our company. We work together with other units, such as HR and the finance organisation to detect and manage incidents. We widely promote our various speak up channels, including our Speak-up portal. Details regarding the speak up possibilities are addressed in our Corporate Governance section.

## Actions

We have taken several actions in 2025 to address the risk we face in relation to corruption and bribery that have been disclosed in the table at the bottom of this page.

## Targets and metrics

For compliance and integrity we have several targets and metrics helping us to monitor the progress in achieving our goals. In training sessions, we aim to achieve a 100% score for all colleagues to be trained during on-boarding and for each quarterly e-learning on compliance and integrity. Corruption and bribery is not covered every quarter, but it is included frequently at least once every (two) years. In addition we also monitor incidents reported, in line with ESRS G1-4.

We had no convictions and therefore no fines for violation of anti-corruption and anti-bribery laws. Therefore, no corrective actions were necessary to address breaches in procedures and standards of anti-corruption and anti-bribery.



Key action	Scope	Expected outcome	Related to policy objective	Time horizon
Providing training sessions on Code of Conduct topics	▲ ■	Increased awareness and knowledge on Code of Conduct topics	Training colleagues to understand and apply these policies	
Finalising overarching policy on Anti-corruption and bribery, starting with Germany	▲ ■	Realised consolidated Business Directive in this area	Translating laws, regulations, and best practices into clear TenneT policies	
Performing risk assessments	■	Key risks areas identified to further strengthen the organisation on corruption and bribery	All	

# Appendices

## Appendix 1 - ESRS Reference table

General		Section
<b>Disclosure requirement</b>		
<a href="#">ESRS 2 · General disclosures</a>		
BP-1	General basis for preparation of the sustainability statements	<a href="#">General information - Basis for preparation</a>
BP-2	Disclosures in relation to specific circumstances	<a href="#">General information - Basis for preparation</a>
GOV-1	The role of the administrative, management and supervisory bodies	<a href="#">Corporate governance structure</a>
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	<a href="#">Corporate governance structure</a>
		<a href="#">Remuneration report</a>
GOV-3	Integration of sustainability-related performance in incentive schemes	
		<a href="#">General information - Governance</a>
GOV-4	Statement on due diligence	<a href="#">General information - Basis for preparation</a>
GOV-5	Risk management and internal controls over sustainability reporting	<a href="#">Corporate risk management and internal control</a>
SBM-1	Strategy, business model and value chain (value-creation process)	<a href="#">General information - Strategy</a>
SBM-2	Interests and views of stakeholders	<a href="#">General information - Strategy</a>
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	<a href="#">General information - Double materiality assessment</a>
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	<a href="#">General information - Double materiality assessment</a>
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	<a href="#">General information - Double materiality assessment</a>
MDR-P	Policies adopted to manage material sustainability matters	
MDR-A	Actions and resources in relation to material sustainability matters	
MDR-M	Metrics in relation to material sustainability matters	<a href="#">Environmental, Social and Governance</a>
MDR-T	Tracking effectiveness of policies and actions through targets	
<b>Environmental standards</b>		
<b>Disclosure requirement</b>		
<a href="#">ESRS E1 · Climate change</a>		
ESRS 2, GOV-3	Integration of sustainability-related performance in incentive schemes	<a href="#">Remuneration report</a>
E1-1	Transition plan for climate change mitigation	<a href="#">Climate change - How we manage this material topic</a>
ESRS 2, SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	<a href="#">Climate change - Strategy</a>
ESRS 2, IRO-1	Description of the processes to identify and assess material climate related impacts, risks and opportunities	<a href="#">General information - Double materiality assessment</a>
E1-2	Policies related to climate change mitigation and adaptation	<a href="#">Climate change - How we manage this material topic</a>
E1-3	Actions and resources in relation to climate change policies	<a href="#">Climate change - How we manage this material topic</a>
E1-4	Targets related to climate change mitigation and adaptation	<a href="#">Climate change - How we manage this material topic</a>
E1-5	Energy consumption and mix	<a href="#">Climate change - How we manage this material topic</a>
E1-6	Gross Scopes 1, 2, 3 and total GHG emissions	<a href="#">Climate change - How we manage this material topic</a>
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	<a href="#">Climate change - How we manage this material topic</a>
E1-8	Internal carbon pricing	<a href="#">Climate change - How we manage this material topic</a>
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	TenneT makes use of the phase-in option, not disclosed in 2025



Environmental standards		Section
<b>ESRS E4 · Biodiversity and ecosystems</b>		
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	TenneT makes use of the phase-in option, not disclosed in 2025
ESRS 2, SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	<a href="#">Biodiversity and ecosystems - Strategy</a>
ESRS 2, IRO-1	Description of the processes to identify and assess material climate related impacts, risks and opportunities	<a href="#">General information - Double materiality assessment</a>
E4-2	Policies related to biodiversity and ecosystems	TenneT makes use of the phase-in option, partly disclosed in 2025
E4-3	Actions and resources related to biodiversity and ecosystems	TenneT makes use of the phase-in option, partly disclosed in 2025
E4-4	Targets related to biodiversity and ecosystems	TenneT makes use of the phase-in option, partly disclosed in 2025
E4-5	Impact metrics related to biodiversity and ecosystems change	TenneT makes use of the phase-in option, partly disclosed in 2025
E4-6	Anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities	TenneT makes use of the phase-in option, not disclosed in 2025
<b>ESRS E5 · Resource use and circular economy</b>		
ESRS 2, SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	<a href="#">Resource use and circular economy - Strategy</a>
ESRS 2, IRO-1	Description of the processes to identify and assess material climate related impacts, risks and opportunities	<a href="#">General information - Double materiality assessment</a>
E5-1	Policies related to resource use and circular economy	<a href="#">Resource use and circular economy - How we manage this material topic</a>
E5-2	Actions and resources in relation to resource use and circular economy	<a href="#">Resource use and circular economy - How we manage this material topic</a>
E5-3	Targets related to resource use and circular economy	<a href="#">Resource use and circular economy - How we manage this material topic</a>
E5-4	Resource inflows	<a href="#">Resource use and circular economy - How we manage this material topic</a>
E5-5	Resource outflows	<a href="#">Resource use and circular economy - How we manage this material topic</a>
E5-6	Anticipated financial effects from resource use and circular economy-related risks and opportunities	TenneT makes use of the phase-in option, not disclosed in 2025
Social standards		Section
<b>Disclosure requirement</b>		
<b>ESRS S1 · Own workforce</b>		
ESRS 2, SBM-2	Interests and views of stakeholders	<a href="#">Own workforce - Strategy</a>
ESRS 2, SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	<a href="#">Own workforce - Strategy</a>
S1-1	Policies related to own workforce	<a href="#">Own workforce - How we manage this material topic</a>
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	<a href="#">Own workforce - How we manage this material topic</a>
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	<a href="#">Own workforce - How we manage this material topic</a>
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	<a href="#">Own workforce - How we manage this material topic</a>
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	<a href="#">Own workforce - How we manage this material topic</a>
S1-6	Characteristics of the undertaking's employees	<a href="#">Own workforce - How we manage this material topic</a>
S1-7	Characteristics of non-employees in the undertaking's own workforce	<a href="#">Own workforce - How we manage this material topic</a>
S1-8	Collective bargaining coverage and social dialogue	N/A
S1-9	Diversity metrics	<a href="#">Own workforce - How we manage this material topic</a>
S1-10	Adequate wages	N/A
S1-11	Social protection	N/A
S1-12	Persons with disabilities	N/A
S1-13	Training and skills development metrics	N/A
S1-14	Health and safety metrics	<a href="#">Own workforce - How we manage this material topic</a>



Social standards		Section
S1-15	Work-life balance metrics	N/A
S1-16	Remuneration metrics (pay gap and total remuneration)	N/A
S1-17	Incidents, complaints and severe human rights impacts	N/A
<a href="#">ESRS S2 · Workers in the value chain</a>		
ESRS 2, SBM-2	Interests and views of stakeholders	<a href="#">Workers in the value chain - Strategy</a>
ESRS 2, SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	<a href="#">Workers in the value chain - Strategy</a>
S2-1	Policies related to value chain workers	<a href="#">Workers in the value chain - How we manage this material topic</a>
S2-2	Processes for engaging with value chain workers about impacts	<a href="#">Workers in the value chain - How we manage this material topic</a>
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	<a href="#">Workers in the value chain - How we manage this material topic</a>
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	<a href="#">Workers in the value chain - How we manage this material topic</a>
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	<a href="#">Workers in the value chain - How we manage this material topic</a>
<a href="#">ESRS S3 · Affected communities</a>		
ESRS 2, SBM-2	Interests and views of stakeholders	<a href="#">Affected communities - Strategy</a>
ESRS 2, SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	<a href="#">Affected communities - Strategy</a>
S3-1	Policies related to affected communities	TenneT makes use of the phase-in option, partly disclosed in 2025
S3-2	Processes for engaging with affected communities about impacts	TenneT makes use of the phase-in option, partly disclosed in 2025
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	TenneT makes use of the phase-in option, partly disclosed in 2025
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	TenneT makes use of the phase-in option, partly disclosed in 2025
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	TenneT makes use of the phase-in option, partly disclosed in 2025
<a href="#">ESRS S4 · Consumers and end-users</a>		
ESRS 2, SBM-2	Interests and views of stakeholders	<a href="#">Consumers and end-users - Strategy</a>
ESRS 2, SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	<a href="#">Consumers and end-users - Strategy</a>
S4-1	Policies related to consumers and end-users	TenneT makes use of the phase-in option, partly disclosed in 2025
S4-2	Processes for engaging with consumers and end-users about impacts	TenneT makes use of the phase-in option, partly disclosed in 2025
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	TenneT makes use of the phase-in option, partly disclosed in 2025
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	TenneT makes use of the phase-in option, partly disclosed in 2025
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	TenneT makes use of the phase-in option, partly disclosed in 2025
<a href="#">Entity specific topic: Security of supply</a>		
ESRS 2, SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	<a href="#">Security of supply - Strategy</a>
MDR-P	Policies adopted to manage material sustainability matters	<a href="#">Security of supply - How we manage this material topic</a>
MDR-A	Actions and resources in relation to material sustainability matters	<a href="#">Security of supply - How we manage this material topic</a>
MDR-M	Metrics in relation to material sustainability matters	<a href="#">Security of supply - How we manage this material topic</a>
MDR-T	Tracking effectiveness of policies and actions through targets	<a href="#">Security of supply - How we manage this material topic</a>
<a href="#">Entity specific topic: Security</a>		
ESRS 2, SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	<a href="#">Security of supply - Strategy</a>
MDR-P	Policies adopted to manage material sustainability matters	<a href="#">Security of supply - How we manage this material topic</a>
MDR-A	Actions and resources in relation to material sustainability matters	<a href="#">Security of supply - How we manage this material topic</a>
MDR-M	Metrics in relation to material sustainability matters	<a href="#">Security of supply - How we manage this material topic</a>



Social standards		Section
MDR-T	Tracking effectiveness of policies and actions through targets	<a href="#">Security of supply - How we manage this material topic</a>
Governance standards		Section
<b>Disclosure requirement</b>		
<a href="#">ESRS G1 - Corruption and bribery</a>		
ESRS 2, GOV-1	The role of the administrative, supervisory and management bodies	<a href="#">Corporate governance structure</a>
ESRS 2, IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	<a href="#">General information - Double materiality assessment</a>
G1-1	Business conduct policies and corporate culture	<a href="#">Business conduct - How we manage this material topic</a>
G1-2	Management of relationships with suppliers	<a href="#">Business conduct - How we manage this material topic</a>
G1-3	Prevention and detection of corruption and bribery	<a href="#">Business conduct - How we manage this material topic</a>
G1-4	Incidents of corruption or bribery	<a href="#">Business conduct - How we manage this material topic</a>

**Appendix 2 - Incorporation by reference**

Disclosure requirement	Datapoint	Section/report
ESRS 1, 8.2	113	<a href="#">Financial statements - Note 3 Segment information</a>
ESRS 2, GOV-1	21(a)	<a href="#">Corporate governance structure - Committees and business units, Corporate governance structure - Works councils, Executive Board, Executive Board biographies, Supervisory Board biographies, Supervisory Board Report - Capability matrix</a>
	21(b)	
	21(d)	
	21(e)	
	22(d)	
	23(a)	
ESRS 2, GOV-2	26(a)	<a href="#">Corporate governance structure - Committees and business units, Executive Board - Reflection of Executive Board on impacts, risks and opportunities, Supervisory Board Report - Material impacts, risks and opportunities</a>
	26(b)	
	26(c)	
ESRS 2, SBM-1	40(a)	<a href="#">Our profile</a>
	40(b)	<a href="#">Financial statements - Note 24 Revenue</a>
	42(a)	<a href="#">How we create value</a>
	42(b)	<a href="#">How we create value</a>
	42(c)	<a href="#">Value chain and impacts</a>
ESRS 2, SBM-2	45	<a href="#">Our stakeholders</a>
ESRS 2, SBM-3	48(f)	<a href="#">Our purpose and strategy</a>
ESRS 2, MDR-P	63, 64, 65	<a href="#">Building the electricity grid of tomorrow, Utilise the grid to empower society, Deliver more grid capacity together for our customers and to serve society, Create a safe and inspiring workspace, Transition to a brighter energy future within social and planetary boundaries and Safeguard sustainable financial performance</a>
ESRS 2, MDR-A	66, 67, 68, 69	
ESRS 2, MDR-M	73, 74, 75, 76, 77	
ESRS 2, MDR-T	78, 79, 80, 81	
ESRS E1, SBM-3	18	<a href="#">Key risks and opportunities - Climate-related risks and opportunities</a>
ESRS E1, E1-3	29(c)	<a href="#">Financial statements - Note 3 Segment information</a>
	27(a)	<a href="#">Our stakeholders</a>
ESRS S1, S1-2	27(b)	<a href="#">Our stakeholders</a>
	27(c)	<a href="#">Our stakeholders</a>
ESRS S1, S1-6	50(c)	<a href="#">Create a safe and inspiring workspace</a>

### Appendix 3 - Data points that are derived from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference
ESRS 2 GOV-1 21(d)	Not material		Not material
ESRS 2 GOV-1 21(e)			Not material
ESRS 2 GOV-4 30	Not material		
ESRS 2 SBM-1 40(d)i	Not material	Not material	Not material
ESRS 2 SBM-1 40(d)iii	Not material		Not material
ESRS 2 SBM-1 40(d)iii	Not material		Not material
ESRS 2 SBM-1 40(d)iv			Not material
ESRS E1-1 14			
ESRS E1-1 16(g)		Not material	Not material
ESRS E1-4 34	Not material	Not material	Not material
ESRS E1-5 37	Not material		
ESRS E1-5 38	Not material		
ESRS E1-5 40 to 43	Not material		
ESRS E1-6 44	Not material	Not material	Not material
ESRS E1-6 53 to 55	Not material	Not material	Not material
ESRS E1-7 56			
ESRS E1-9 66			Not material
ESRS E1-9 66(a)		Not material	
ESRS E1-9 66(c)		Not material	
ESRS E1-9 67(c)		Not material	
ESRS E1-9 69			Not material
ESRS E2-4 28	Not material		
ESRS E3-1 9	Not material		
ESRS E3-1 13	Not material		
ESRS E3-1 14	Not material		
ESRS E3-4 28(c)	Not material		
ESRS E3-4 29	Not material		
ESRS 2- SBM-3 - E4 16(a)i	Not material		
ESRS 2- SBM-3 - E4 16(b)	Not material		
ESRS 2- SBM-3 - E4 16(c)	Not material		
ESRS E4-2 24(b)	Not material		
ESRS E4-2 24(c)	Not material		
ESRS E4-2 24(d)	Not material		
ESRS E5-5 37(d)	Not material		
ESRS E5-5 39	Not material		
ESRS 2- SBM3 - S1 14(f)	Not material		
ESRS 2- SBM3 - S1 14(g)	Not material		
ESRS S1-1 20	Not material		
ESRS S1-1 21			Not material

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference
ESRS S1-1 22	Not material		
ESRS S1-1 23	Not material		
ESRS S1-3 32(c)	Not material		
ESRS S1-14 88(b) and (c)	Not material		Not material
ESRS S1-14 88(e)	Not material		
ESRS S1-16 97(a)	Not material		Not material
ESRS S1-16 97(b)	Not material		
ESRS S1-17 103(a)	Not material		
ESRS S1-17 104(a)	Not material		Not material
ESRS 2- SBM3 - S2 11(b)	Not material		
ESRS S2-1 17	Not material		
ESRS S2-1 18	Not material		
ESRS S2-1 19	Not material		Not material
ESRS S2-4 36	Not material		
ESRS S3-1 16	Not material		
ESRS S3-1 17	Not material		Not material
ESRS S3-4 36	Not material		
ESRS S4-1 16	Not material		
ESRS S4-1 17	Not material		Not material
ESRS S4-4 35	Not material		
ESRS G1-1 10(b)	Not material		
ESRS G1-1 10(d)	Not material		
ESRS G1-4 24(a)	Not material		Not material
ESRS G1-4 24(d)	Not material		

**Appendix 4 - Additional EU Taxonomy disclosures***EU Taxonomy aligned turnover*

2025	Turnover			Environmental objective of Taxonomy aligned activities								Proportion of Taxonomy aligned in Taxonomy eligible %		
	Economic activity	Code	Taxonomy eligible Turnover %	Taxonomy aligned Turnover EUR	Taxonomy aligned Turnover %	Climate change mitigation %	Climate change adaptation %	Water %	Circular economy %	Polution %	Bio-diversity %		Enabling activity	Transitional activity
	Transmission of electricity in the Netherlands	CCM 4.9	31.2%	2,786	30.6%	30.6%						E		98.1%
	Transmission of electricity in Germany	CCM 4.9	68.5%	6,023	66.2%	66.2%						E		96.6%
	<b>Sum of alignment per objective</b>					<b>96.8%</b>								
	<b>Total Turnover</b>		<b>99.7%</b>	<b>8,809</b>	<b>96.8%</b>	<b>96.8%</b>								<b>97.1%</b>

*EU Taxonomy aligned CapEx*

2025	CapEx			Environmental objective of Taxonomy aligned activities								Proportion of Taxonomy aligned in Taxonomy eligible %		
	Economic activity	Code	Taxonomy eligible CapEx %	Taxonomy aligned CapEx EUR	Taxonomy aligned CapEx %	Climate change mitigation %	Climate change adaptation %	Water %	Circular economy %	Polution %	Bio-diversity %		Enabling activity	Transitional activity
	Transmission of electricity in the Netherlands	CCM 4.9	32.9%	4,886	32.6%	32.6%						E		99.2%
	Transmission of electricity in Germany	CCM 4.9	67.1%	9,969	66.5%	66.5%						E		99.1%
	<b>Sum of alignment per objective</b>					<b>99.1%</b>								
	<b>Total CapEx</b>		<b>100.0%</b>	<b>14,855</b>	<b>99.1%</b>	<b>99.1%</b>								<b>99.1%</b>

*EU Taxonomy aligned OpEx*

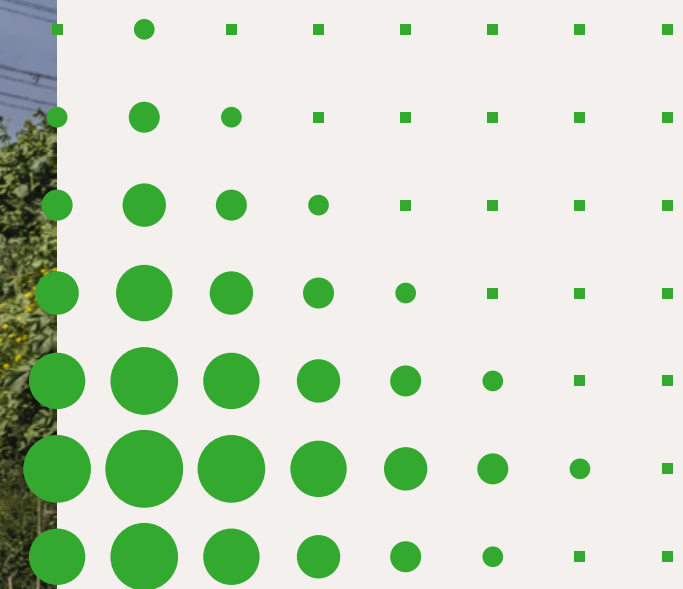
2025		OpEx			Environmental objective of Taxonomy aligned activities								Proportion of Taxonomy aligned in Taxonomy eligible
Economic activity	Code	Taxonomy eligible OpEx %	Taxonomy aligned OpEx EUR	Taxonomy aligned OpEx %	Climate change mitigation %	Climate change adaptation %	Water %	Circular economy %	Polution %	Bio-diversity %	Enabling activity	Transitional activity	%
Transmission of electricity in the Netherlands	CCM 4.9	24.3%	965	24.0%	24.0%							E	98.7%
Transmission of electricity in Germany	CCM 4.9	75.7%	3,037	75.5%	75.5%							E	99.7%
<b>Sum of alignment per objective</b>					<b>99.5%</b>								
<b>Total OpEx</b>		<b>100.0%</b>	<b>4,002</b>	<b>99.5%</b>	<b>99.5%</b>								<b>99.5%</b>



# Green Finance report



Realising the backbone of a climate-neutral energy system	189
Our performance	191
Notes to the Eligible Green Investments performance table	192
Appendices	194



# Realising the backbone of a climate-neutral energy system

## Green financing supports the expansion of electricity transmission infrastructure

The transition towards a climate-neutral European continent is continuing to take shape. A reliable, affordable and sustainable supply of electricity is a prerequisite and catalyst for economic stability, industrial competitiveness and social well-being across Europe. As electrification is steadily progressing across households, industries and key economic sectors, the electricity system must be upgraded to be future-proof. This transition is driving structurally higher demand for electricity, while renewable energy generation increasingly takes place offshore and in other (remote) locations. By enabling the large-scale integration of renewable electricity, the expansion of transmission infrastructure is a foundational enabler of Europe's transition towards a climate-neutral economy.

Expanding the role of domestically produced renewable electricity strengthens long-term energy security, improves availability and supports more predictable and resilient cost structures. By reducing dependence on imported fossil fuels and exposure to volatile global energy markets, a well-functioning electricity system plays a critical role in safeguarding affordability and security of supply, while supporting Europe's longer-term climate and energy objectives. In parallel, a robust transmission grid facilitates structural greenhouse-gas emission reductions by enabling renewable generation to displace fossil-based electricity at scale. Ensuring that growing volumes of electricity can be transported reliably and efficiently to where they are consumed is therefore essential.

To ensure TenneT is well positioned to realise this evolving energy system, the company must continue to invest at scale in the expansion and reinforcement of the electricity transmission grid. As a regulated TSO, TenneT has a public mandate to provide reliable, affordable and secure electricity transmission while enabling the large-scale integration of renewable energy. Through this mandate, TenneT plays a critical role

in delivering real-economy decarbonisation across power, industry and end-use sectors. Fulfilling this mandate requires long-term investments to accommodate growing demand, new energy flows and increasing system complexity.

Delivering these long-term investments while maintaining financial resilience and a solid credit profile makes access to external financing essential. Green financing enables TenneT to mobilise funding at scale, align capital allocation with climate change mitigation objectives and transparently directs proceeds to eligible transmission assets that support the energy transition. At the same time, TenneT's green financing provides investors with clarity on the use of proceeds and visibility on their exposure to investments with a clear contribution to meeting Europe's ambition to become the first climate-neutral continent by 2050.

Proceeds raised under TenneT's Green Financing Framework are allocated to eligible Green investments and are connected to the EU Taxonomy for Climate Change Mitigation (Activity 4.9: transmission and distribution of electricity).

## Impact of the new funding structure and debt transfer regarding TenneT Netherlands B.V.

In comparison to previous years, Green Finance reporting for TenneT has changed as a consequence of the new funding structure, which we described in more detail in the '[Organisation and funding developments](#)' section of this report. New green debt issued after December 2025 will be allocated to the scope of the new Green Financing Framework, published in December 2025.

In the new Green Financing Framework, Eligible Green Investments, are CapEx, Fixed assets (based on IFRS value) and Financial Assets (e.g. the loan from TenneT Netherlands to TenneT Germany) to (re)finance Eligible Fixed Assets and/or CapEx. Green debt issued before December 2025

has been allocated to the projects included in [Appendix 1](#) and for the Green Debt issued before December 2025, we will report based on the Green Financing Framework published in April 2025.

This Green Finance reporting covers the impact and allocation of new Green Financing Instruments issued under the new Framework as well as all existing Green Financing Instruments issued before December 2025.

## Key developments regarding the Eligible Green Investments

The Green Finance scope comprises of large-scale offshore and onshore projects that are essential to realising TenneT's Target Grid 2045 vision and to build the backbone of Europe's future-proof energy landscape. Offshore projects focus on connecting wind energy generated at sea to the onshore grid through dedicated offshore grid connection systems, enabling renewable electricity to be delivered to industrial consumers and end-users via distribution system operators. Onshore projects also enable this and furthermore include the construction and reinforcement of high-voltage transmission corridors and converter stations that increase system capacity, relieve congestion and strengthen cross-border electricity flows, thereby supporting a more integrated, efficient and decarbonised European power system. Through the continued deployment of green financing instruments, TenneT offers investors a transparent opportunity to contribute to climate change mitigation while supporting the delivery of a reliable, sustainable and affordable electricity system for Europe.

In 2025, we met noticeable milestones related to both the German projects in scope as part of the current outstanding debt (see appendix 1), as well as the Eligible Green Investments of TenneT Netherlands. Examples include the completion of the BorWin5 and DolWin5 projects in Germany and the completion of the 700 MW offshore program in the Netherlands with the delivery of the Hollandse Kust (west Beta) project. More information on the completion of these offshore grid connection



systems is included in the [‘Building the electricity grid of tomorrow’](#) section in this report. Also onshore, projects are steadily progressing. In the Netherlands, TenneT delivered two grid reinforcement projects in the province of Zeeland. In Germany, two of the most critical onshore projects in Germany, the long distance high-voltage direct current (HVDC) onshore connections SuedLink and SuedOstLink, now have all necessary licences in place and construction is underway in all sections.

Unfortunately, we also experienced delays regarding some of the projects that are part of the Eligible Green Investments, for instance in the Netherlands where we had to announce several delays. Also in Germany we experienced some delays, for instance with SuedLink, due to the multiple archaeological discoveries encountered on the project sites. More information on delays or other challenges, is disclosed in the [Our performance](#) section of this report.

In the next sections of our Green Finance reporting over the year 2025, more insights are disclosed on the environmental and social impact of the Eligible Green Investments.



# Our performance

In this section we provide performance information regarding the projects and investments that are included in our Eligible Green Investments. We have included our performance from a financial, environmental, social and operational perspective, with data regarding the Eligible Green Investments for the reporting year 2025.

Eligible Green investments performance table Eligible project category: Renewable energy	Total German projects in scope <sup>1</sup>	Total Eligible Green Investments <sup>1</sup>	Note
<b>Advancement of proceeds (in EUR bio)</b>			
Total amount spent in scope of this Green Finance Reporting	19.4	38.2	A
Green project portfolio CAPEX in 2025	0	N/A	A
Amount of Green Financing proceeds allocated	17.9	0	A
<b>Environmental impact indicators</b>			
Equivalent number of households able to switch to 100% renewable energy (in million)	6.1	9.4	B
Potential avoidance of CO <sub>2</sub> emissions per year (million tonnes)	8.0	10.0	C
Total and annual additional renewable energy capacity connected to the TenneT Netherlands grid (GW)	N/A	0.7	C
<b>Operational and social indicators</b>			
Average interruption time (in hours)	195	413	D
Number of stakeholder dialogues	> 200	N/A	D
Total Recordable Incident Rate (TRIR)	8.5	2.2	D
Percentage of suppliers committed to Supplier Code of Conduct	100%	N/A	D
<b>Planet indicators</b>			
Impact of grid losses (in tonnes CO <sub>2</sub> eq.)	290,532	370,808	E
Impact of SF <sub>6</sub> leakages (in tonnes CO <sub>2</sub> eq.)	1301	14,241	E
Impact of energy consumption (in tonnes CO <sub>2</sub> eq.)	61	N/A	E
Number of environmental incidents	83	N/A	E
Percentage of non-recyclable waste	4%	0%	E
Percentage of high risk tracks with bird markers installed	N/A	20%	E

<sup>1</sup> Metrics that are not applicable to this framework are indicated with 'N/A'

## Results related to our Eligible Green Investments

On an annual basis, we report on the performance of Eligible Green Investments, which relate to the projects included in Annex 1 for the bonds issued prior to 2025 and for the bonds issued thereafter on the performance of TenneT Netherlands fixed assets and financial assets. The results disclosed are based on selected key performance indicators as included in the respective Green Financing Frameworks. This includes information with respect to the use of proceeds, performance information regarding the supply of electricity, safety and environmental information such as impact indicators (i.e. the potential avoidance of carbon emissions). Results are included in the table above and additional disclosures have been provided in the next section '[Notes to the Eligible Green Investments performance table](#)'.

## Statement within the meaning of Section 5.2.2 (c) of the Consent Solicitation Memorandum dated 17 April 2025 by TenneT Netherlands B.V. as issuer to eligible holders of its outstanding notes described therein (the 'Consent Solicitation Memorandum')

An amount equivalent to the net proceeds of such Notes (as defined in the Consent Solicitation Memorandum) has been allocated to the financing, refinancing and/or investing in eligible green Investments meeting the criteria defined in our Green Financing Framework, as further described in this Green Financing report.

# Notes to the Eligible Green Investments performance table

## A. Advancement of proceeds and projects

As of 31 December 2025, the total amount spent amounted to EUR 30.7 billion, of which EUR 0.6 billion was financed by third parties (in the form of both debt and equity). For the Financial Assets (e.g. the loan from TenneT Netherlands to TenneT Germany), we are only looking at net funding requirement of the projects included in appendix 1 as of 31 December 2023, with a cap of EUR 19.4 billion. As a result, the net funding requirement was around EUR 19.4 billion, of which approximately EUR 17.9 billion was financed through the net proceeds from Green Financing Instruments. The allocation of net proceeds to the projects included in the Eligible Green Investments is 100%. The proceeds have been fully used for refinancing.

Eligible green investments portfolio	EUR	Allocation of green funding	EUR
Net funding requirement	19.4	Total outstanding green debt	17.9
<b>Total</b>	<b>19.4</b>	<b>Total</b>	<b>17.9</b>

Please note that TenneT Netherlands expects to allocate the large majority of new debt issues to the eligible category Fixed Assets (based on IFRS asset value) of TenneT Netherlands B.V. as Eligible Green Investment category. The total net funding requirement of these assets is EUR 18.8 billion per 31 December 2025. This is a funding requirement in addition to the funding requirement for the projects in [Appendix 1](#) and reported in the above table.

The projects and investments within the Eligible Green Investments have 100% eligibility and alignment with activity EU Taxonomy 4.9 'Transmission and distribution of electricity' (NACE code D35.12), as TenneT has assessed its EU Taxonomy eligibility and alignment also on a Corporate level. More information has been included in the [EU Taxonomy section](#) of this report.

## B. Equivalent number of households that in theory are able to switch to 100% renewable energy

By realising the investments and projects in our Eligible Green Investments, we ensure more and more renewable energy is connected to the grid by installing the cables and lines needed to transmit the produced electricity. This contributes to a greener grid mix in the Netherlands and Germany and enables more households and businesses to receive green electricity. We measure this impact by 'the equivalent number of households able to switch to 100% renewable energy' and use the amount of green electricity transmitted on our lines and cables as the basis for this KPI. In 2025, 20,504 GWh of renewable energy was transmitted from our offshore grid to our onshore grid for the German projects of our Eligible Green Investments. This is equivalent to around 6.1 million households, which is about 15% of all the households in Germany. For the Dutch part of our Eligible Green Investments, 24,047 GWh of renewable energy was transmitted from our offshore grid to our onshore grid. This is equivalent to around 9.4 million households, which is over 100% of all the households in the Netherlands. Please note that this is a theoretical amount of households that are able to receive green electricity. In 2025, there has been more green electricity transmitted directly via our grid, than the annual consumption of all actual households in our service area in the Netherlands. This is due to the fact that renewable electricity is not only consumed by households but also for instance by industrial consumers / businesses. We are currently working on updating our methodology on this and a first estimation indicates that based on this total renewable electricity transmission, this would total up to 1.9 million households and 0.5 million industrial consumers or about 23% of the current Dutch electricity consumption of industrial consumers.

## C. Avoided emissions

As aforementioned, one of our largest impacts is connecting renewable energy sources to the electricity grid thereby avoiding emissions from fossil-based energy sources. The investments and projects included in the

Eligible Green Investments help to avoid carbon emissions: the potential avoidance of CO<sub>2</sub> emissions in 2025 amounted to 8.0 million tonnes for the German projects included in the Eligible Green Investments (appendix 1) and 10.0 million tonnes for the Netherlands which will be allocated to debt that will be issued based on the new Green Financing Framework. To calculate the amount of CO<sub>2</sub> avoided by any Green Financing Instrument in 2025, reference is made to Appendix 2 which includes an explanation of the calculations.

## D. Operational and social performance information

Currently many of our projects or investments included in the scope of the Green Financing Reporting 2025 are not operational yet. Therefore some of the performance information included in this section only relates to a part of our projects or investments in scope, e.g. only the offshore projects included in Appendix 1 for the bonds issued before 2025. For more information on the scope of each KPI, please refer to our Reporting Guidance Document.

### Safety

Our projects and investments are important to ensure that we are able to drive the energy transition. Ensuring the people that work for and with us to realise these assets are able to return home safely after a day's work is of the highest priority to us. Also in 2025, we have been working hard to further strengthen our safety culture, such as our safety leadership. More information on what we have done on this important topic is included in the '[Create a safe and inspiring workplace](#)' chapter. Our efforts in 2025 have resulted in a TRIR of 8.5 with respect to the German projects in scope for our Eligible Green Investments, for the scope of TenneT Netherlands, we recorded a TRIR of 2.2 in 2025.

### Societal performance information

In realising our projects, we want to act as a responsible grid operator. That is why we actively engage with our stakeholders. For instance



with local communities and governments. We also work together with our suppliers and discuss with them how TenneT's working practices and standards can be applied in delivery of our projects for instance. Engagement with our stakeholders also remained an important aspect in 2025 of how we realise our projects. More than 200 meetings with stakeholders took place last year with respect to the projects related to the current green debt issued. As we see an increased demand for electricity, realising these important projects with respect to the energy transition and maintaining solid relationships with stakeholders is more important than ever.

For the projects that are operational, we were able to transmit green electricity from renewable energy sources such as offshore and onshore wind parks to our grid. For the Eligible Green Investments (appendix 1) in scope regarding the current green debt issued, we only report the performance of the German offshore projects. For onshore projects, data availability is limited due to limitations in point-to-point metering for individual tracks related to these onshore projects. The German offshore assets transmitted a total of 20,148 GWh of electricity in 2025, with an average interruption time of 195 hours. As many of the German projects use HVDC technology, we can transport far higher volumes over longer distances and with fewer grid losses, compared to previously used cables. For the investments related to our Eligible Green Investments, we recorded an average interruption time of 413 hours offshore, and transmitted 12,197 GWh of electricity.

For the Eligible Green Investments, as they relate to the full Dutch grid, we are able to provide the grid availability information. The onshore grid availability was 99.99977% and our offshore grid availability in 2025 was 95.29%. In total 413 hours of interruption time was recorded, almost entirely related to our offshore activities.

In addition, we committed ourselves to report on the percentage of suppliers that have committed to our supplier code of conduct related to the Eligible Green Investments related to projects listed in appendix 1. The UN Global Compact guiding principles are the basis of our TenneT supplier code of conduct and are mandatory for all suppliers.

New suppliers who do not meet our standards during supplier visits, are disqualified from our tender procedures. It is also important to work together with our partners to ensure and contribute to responsible supply chain practices. We do not want any of our suppliers to be involved, directly or indirectly, in conduct that does not meet our policies and quality standards. This can relate to product specifications and sustainability-related topics, such as environmental performance or human rights. We assess audits on our suppliers. When our measures inform us about a human rights or environmental violation in our supply chain, the supplier (indirect or direct supplier) will be contacted directly to minimize or end the violation. This includes an implementation of a mitigation plan with a concrete timeline, a progress check and timely tracking. During this process, if we notice a serious violation and that the corrective actions are not conducted within the agreed timeframe, we take the necessary action, which could include the termination of the contract or ending of the business relationship. The percentage of suppliers committed to our Supplier Code of Conduct in 2025 related to our Eligible Green Investments is 100%.

### E. Environmental performance information

In the construction phase and when we operate our assets, we potentially create a negative impact on the environment. Within our previous Green Financing Framework, we included metrics related to negative impacts on climate, circularity and nature. This relates to waste (of which we currently estimate that approximately 9.4% in Germany is non-recyclable), environmental incidents (83 in 2025, of which 56 relate to oil leakages) and carbon emissions while operating our assets related from either grid losses (290,532 tonnes CO<sub>2</sub> equivalents), energy consumption (61 tonnes CO<sub>2</sub> equivalents) and SF<sub>6</sub> leakages (1,301 tonnes of CO<sub>2</sub> equivalents). For new debt that will be issued as part of the 2025 Green Finance Framework, Greenhouse Gas emissions from grid losses amount to 1,808 tonnes of CO<sub>2</sub> equivalents for the Dutch part of the Eligible Green Investment portfolio, 14,241 tonnes of CO<sub>2</sub> equivalents related to SF<sub>6</sub> leakages and 0% of our waste we estimate is non-recyclable in the Netherlands. Our policy for addressing our impact on nature around our assets revolves around the concept of 'Nature Inclusive Design' (NID). This means we incorporate ecofriendly designs and ecological measures

in our projects, such as fish enclosures at our offshore platforms and biodiversity improving vegetation at our onshore substations.

In addition, for the investments related to green debt that will be issued under the current Green Financing Framework, we report the number of wire markers we installed on existing HV lines in the Netherlands (wire markers are standard for new lines), which amounted to two wire markers as of December 2025 (in Wageningen and the province of Noord Holland). The total number of identified lines to place these wire markers is 10, which sums up to 20% of the critical lines to place these wire markers has been installed in 2025.

In the planning process of our new assets, the proximity of our assets near biodiversity sensitive areas is an important metric for our impact assessments. The impact assessment on biodiversity sensitive areas, mainly Natura 2000, plays an important role as activities in and around these areas are very restricted. For the Eligible Green Investments, this information is included in the tables below.

Sites within biodiversity sensitive areas		
Type of asset	Length/area	Number
High-voltage power lines	160 km	73
Cables	41 km	15
Submarine cables	139 km	8
Substations	10 ha	4
HVDC converter stations	0 ha	0

Sites within buffer zones of biodiversity sensitive areas		
Type of asset	Length/area	Number
High-voltage power lines	3.651 km	207
Cables	128 km	60
Submarine cables	5 km	8
Substations	150 ha	61
HVDC converter stations	0 ha	0



# Appendices

## Appendix 1 - List of projects

Project	Connection start	Connection end	Cable length total (submarine, onshore)	(Expected) construction date	(Expected) operation date
<b>Offshore</b>					
BalWin4	NOR-9-3	Unterweser	297.7 km (169.7km; 110 km)	2023	2029
BorWin1**	BorWin alpha	Diele, Germany	200 km (125 km; 75 km)	2008	2010
BorWin2	BorWin beta	Diele, Germany	200 km (125 km; 75 km)	2010	2015
BorWin3	BorWin gamma	Emden Ost, Germany	160 km (130 km; 30 km)	2015	2019
Borwin5	BorWin epsilon	Garrel-Ost, Germany	230 km (110 km; 120 km)	2022	2025
BorWin6	Plattform BorWin kappa	Büttel	234 km (188 km; 46 km)	2022	2027
Dolwin1	DolWin alpha	Dörpen West, Germany	165 km (75 km; 90 km)	2011	2015
DolWin2	DolWin beta	Dörpen West, Germany	135 km (45 km; 90 km)	2012	2016
DolWin3	DolWin gamma	Dörpen West, Germany	160 km (80 km; 80 km)	2014	2018
DolWin5	DolWin epsilon	Emden-Ost, Germany	130 km (100 km; 30 km)	2021 (Cable), 2024 (platform)	2025
DolWin6	DolWin Kappa	Emden/Ost	86 km (45 km; 41 km)	2019	2023
HelWin1	HelWin alpha	Büttel, Germany	130 km (85 km; 45 km)	2011	2015
HelWin2	HelWin beta	Büttel, Germany	130 km (85 km; 45 km)	2011	2015
LanWin1	NOR-12-1	Unterweser	296.1 km (186.1 km; 110 km)	2023	2030
LanWin2	NOR-12-2	Heide	260 km	2024	2030
SylWin1	SylWin alpha	Büttel, Germany	205 km (160 km; 45 km)	2012	2015
<b>Onshore</b>					
Conneforde - Cloppenburg - Merzen	Conneforde	Grenze Regelzone (Amprion)	97.6 km	2023	2026
Emden/Ost - Conneforde	Emden/Ost	Conneforde	63.2 km	2017	2023
Ganderkesee - St.Hülfe	Ganderkesee	Hülfe	60.8 km	2017	2023
Mittelachse	Part 1: Audorf Part 2: Audorf Part 3: Flensburg (Handewitt) (Total: From Hamburg- Nord to Kassö (Denmark))	Part 1: Hamburg Nord Part 2: Flensburg (Handewitt) Part 3: Kassö (Denmark)	Part 1: 70 km (onshore) Part 2: 70 km (onshore) Part 3: 10 km (onshore)	Part 1: 2015 Part 2: 2018 Part 3: 2019	Part 1: 2017 Part 2: 2020 Part 3: 2020
Ostbayernring	UW Redwitz	UW Schwandorf	182 km	2021	2026
Ostküstenleitung	UW Kreis Segeberg	UW Raum Göhl	112 km	2022	2028
Stade - Landesbergen	UW Stade	UW Landesbergen	178 km	2018	2026
SuedLink	Schleswig- Holstein: part 1: Brunsbüttel and part 2 Wilster	Part 1: Großgartach in Baden- Württemberg and Part 2: Bergheinfeld -West in Bayern	Part 1: 689 km / Part 2: 538 km (onshore) – TenneT asset is: Part 1: 236 km / Part 2: 231 km (both including Elbe tunnel)	2023	2028
SuedOstLink	Part 1: Wolmirstedt in Sachsen- Anhalt; Part 2 Klein Rogahn in Mecklenburg- Vorpommern	Part 1: ISAR bei Landshut in Bayern; Part 2: ISAR bei Landshut in Bayern	Part 1: 538 km / Part 2: 758 km (onshore) – TenneT asset is Part 1: 273 km & Part 2: 273 km from frontier Thüringen/ Bayern to ISAR bei Landshut	2023	Part 1: 2027 Part 2: 2030



Project	Connection start	Connection end	Cable length total (submarine, onshore)	(Expected) construction date	(Expected) operation date
Wahle - Mecklar	Wahle	Mecklar	225.2 km	2017	2024
Westküstenleitung	Brunsbüttel substation	Danish border, Germany	138 km (onshore)	2015	2023

## Appendix 2 - Potential avoided CO<sub>2</sub> emissions per bond issue

Avoided CO<sub>2</sub> emissions are key to reaching the ambitious targets of the Paris Agreement and the goals of the EU Green Deal. Transporting renewable energy from sea to land clearly contributes to achieving the Paris targets. We highlight avoided CO<sub>2</sub> emissions based on the average grid mix of the Netherlands and of Germany, linked to our investors' investment. Although our approach is a theoretical one, we hold the view this indicates the order of magnitude of our Green Project Portfolio. The calculation is performed in the following way:

- The amount of transported electricity is converted to avoided carbon emissions by the average carbon intensity of the German grid (392 g/kWh) or Dutch grid (414 g/kWh) of respectively 2023 and 2024 for each project.
- For each issue, we calculate which part of the total size of the issue belongs to which project.
- The allocation to each project is divided by the total budget for each project and that is multiplied by the avoided carbon emissions of the specific project.
- For each issue, the projects that were part of the Green Project Portfolio at that time are taken into account. Adding up the avoided carbon emissions of each project gives the total avoided CO<sub>2</sub> emissions per issue. The avoided CO<sub>2</sub> emissions per bond issue were calculated for 2025. Depending on the size of the investment, the CO<sub>2</sub> emissions per investment can be calculated by:

$$\text{Avoided CO}_2 \text{ emissions related to investment x} = \frac{\text{investment size (million)}}{\text{size issue y}}$$

Date of issue	Type of financing	Size (million EUR)	Avoided CO <sub>2</sub> emissions in tonnes CO <sub>2eq</sub>
May 2016	Green Schuldschein	53.5	43,123
May 2016	Green Schuldschein	50	40,302
May 2016	Green Schuldschein	138	111,234
May 2016	Green Schuldschein	80	64,484
June 2016	Green Bond	500	388,808
June 2016	Green Bond	500	388,808
October 2016	Green Bond	500	419,323
June 2017	Green Bond	500	432,550
June 2017	Green Bond	500	432,550
June 2018	Green Bond	750	648,824
June 2018	Green Bond	500	432,550
January 2019	Green US Private Placement	500	432,550
May 2019	Green bond	500	432,550
May 2019	Green bond	750	654,195
November 2020	Green Bond	750	590,797
November 2020	Green Bond	600	451,552
May 2021	Green Bond	650	254,855
May 2021	Green Bond	500	185,800
May 2021	Green Bond	650	236,503
November 2021	Green Bond	1,000	253,805
May 2022	Green Bond	1,250	136,734
May 2022	Green Bond	1,000	109,387
May 2022	Green Bond	750	82,041
May 2022	Green Bond	850	92,979
October 2022	Green Bond	650	53,517
October 2022	Green Bond	500	22,053
October 2022	Green Bond	1,000	46,601
October 2022	Green Bond	850	33,405
March 2024	Green Hybrid	550	15,336
March 2024	Green Hybrid	550	17,748
<b>Total</b>		<b>17,922</b>	<b>7,504,965</b>



# Financial statements

## Consolidated financial statements

Notes to the consolidated financial statements	197
1. Basis for reporting	201
2. Discontinued operations and assets classified as held for sale	204
3. Segment information	206
4. Tangible fixed assets	211
5. Right of use assets and lease liabilities	213
6. Intangible assets	216
7. Investments in joint ventures and associates	217
8. Other financial assets	219
9. Inventories	220
10. Account- and other receivables	220
11. Cash and cash equivalents	221
12. Capital management	222
13. Equity	222
14. Borrowings	224
15. Contract liabilities	225
16. Provisions	226
17. Net employee defined benefit liabilities	227
18. Other financial liabilities	230
19. Account- and other payables	230
20. Financial risk management	231
21. Fair values	234
22. ⓘ Accounting policies for financial instruments	234
23. Commitments and contingencies	235
24. Revenue	236
25. Operating expenses	237
26. Other gains and losses	239
27. Finance income and expenses	239
28. Corporate income tax	240
29. Earnings per share	242
30. Consolidated subsidiaries	242
31. Related parties	243
32. Events after the reporting period	243

## Company financial statements

Notes to the company financial statements	244
33. Company accounting policies	246
34. Investments in subsidiaries	246
35. Investments in associates	246
36. Other financial assets	246
37. Equity	247
38. Borrowings	247
39. Account- and other payables	247
40. Personnel expenses	248
41. Other operating expenses	248
42. Other gains	248
43. Finance income and expenses	248
44. Commitments and contingencies	248
45. Events after the reporting period	249

Accounting policies are indicated with ⓘ, while key assumptions and estimates are identified by using ⓘ in front of the header



# Consolidated statement of financial position

For the year ended 31 December

(EUR million)	Notes	2025	2024
<b>Assets</b>			
<b>Non-current assets</b>			
Tangible fixed assets	4	19,260	42,798
Right of use assets	5	201	1,257
Intangible assets	6	360	434
Investments in joint ventures and associates	7	224	602
Deferred tax assets	28	301	521
Other financial assets	8	60	56
<b>Total non-current assets</b>		<b>20,406</b>	<b>45,668</b>
<b>Current assets</b>			
Inventories	9	9	145
Account- and other receivables	10	557	2,630
Income tax receivable	28	-	30
Cash and cash equivalents	11	5,119	4,393
<b>Total current assets</b>		<b>5,685</b>	<b>7,198</b>
Assets of disposal group classified as held for sale	2	41,216	26
<b>Total assets</b>		<b>67,307</b>	<b>52,892</b>

(EUR million)	Notes	2025	2024
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity attributable to ordinary shares	13	11,427	8,727
Hybrid securities	13	1,135	2,140
<b>Equity attributable to owners of the Company</b>		<b>12,562</b>	<b>10,867</b>
Non-controlling interests	13	314	354
<b>Total equity</b>		<b>12,876</b>	<b>11,221</b>
<b>Non-current liabilities</b>			
Borrowings	14	41,306	31,366
Contract liabilities	15	761	759
Deferred tax liability	28	-	3
Provisions	16	363	1,726
Lease liabilities	5	123	1,029
Net employee defined benefit liabilities	17	-	240
Other financial liabilities	18	-	170
Other liabilities		9	36
<b>Total non-current liabilities</b>		<b>42,562</b>	<b>35,329</b>
<b>Current liabilities</b>			
Borrowings	14	1,972	568
Contract liabilities	15	15	14
Income tax payable	28	108	177
Provisions	16	18	564
Lease liabilities	5	22	210
Other financial liabilities	18	307	364
Account- and other payables	19	1,103	4,428
<b>Total current liabilities</b>		<b>3,545</b>	<b>6,325</b>
Liabilities of disposal group classified as held for sale	2	8,324	17
<b>Total equity and liabilities</b>		<b>67,307</b>	<b>52,892</b>

# Consolidated statement of income and other comprehensive income

For the year ended 31 December

(EUR million)	Notes	2025	2024
<b>Revenue</b>	24	<b>3,296</b>	<b>3,544</b>
Grid expenses	25	-979	-1,120
Personnel expenses	25	-282	-260
Depreciation, amortisation and impairment of assets	4, 5, 6	-459	-400
Other operating expenses	25	-251	-184
Other gains and losses	26	144	-7
<b>Total operating expenses</b>		<b>-1,827</b>	<b>-1,971</b>
Share in result of joint ventures and associates	7	55	35
<b>Operating result</b>		<b>1,524</b>	<b>1,608</b>
Finance income	27	95	62
Finance expenses	27	-492	-185
<b>Finance result</b>		<b>-397</b>	<b>-123</b>
<b>Result before income tax from continued operations</b>		<b>1,127</b>	<b>1,485</b>
Income tax expenses	28	-275	-398
<b>Result for the year from continued operations</b>		<b>852</b>	<b>1,087</b>
Result for the year from discontinued operations after tax	2	1,864	740
<b>Result for the year</b>		<b>2,716</b>	<b>1,827</b>
<b>Result attributable to:</b>			
<i>Owners of the Company</i>			
Equity holders of ordinary shares from continued operations	13	787	1,009
Equity holders of ordinary shares from discontinued operations	13	1,860	735
Hybrid securities	13	65	78
<b>Owners of the Company</b>		<b>2,712</b>	<b>1,822</b>
Non-controlling interest from discontinued operations	2, 13	4	5
<b>Result for the year</b>		<b>2,716</b>	<b>1,827</b>

(EUR million)	Notes	2025	2024
<b>Result for the year</b>		<b>2,716</b>	<b>1,827</b>
<b>Other comprehensive income</b>			
<i>Items not to be reclassified to profit or loss in subsequent years:</i>			
Remeasurement of defined benefit liabilities	13, 17	56	8
Income tax on remeasurement of defined benefit liabilities	13, 28	-16	-2
<b>Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods</b>		<b>40</b>	<b>6</b>
<b>Total comprehensive income for the year</b>		<b>2,756</b>	<b>1,833</b>
<b>Comprehensive income attributable to:</b>			
<i>Owners of the Company</i>			
Equity holders of ordinary shares from continued operations		787	1,009
Equity holders of ordinary shares from discontinued operations		1,900	741
Hybrid securities		65	78
<b>Owners of the Company</b>		<b>2,752</b>	<b>1,828</b>
Non-controlling interests from discontinued operations		4	5
<b>Total comprehensive income for the year</b>		<b>2,756</b>	<b>1,833</b>

## Earnings per share attributable to equity holders of ordinary shares

For the year ended 31 December

(EUR)	Note	2025	2024
Basic and diluted earnings per share from continuing operations	29	13,235	8,720
Basic and diluted earnings per share from discontinuing operations	29	-9,300	-3,675
<b>Total basic and diluted earnings per share</b>		<b>3,935</b>	<b>5,045</b>

# Consolidated statement of changes in equity

For the year ended 31 December

(EUR million)	Notes	Attributable to equity holders of the Company						Hybrid securities	Equity attributable to owners of the Company	Non-controlling interest	Total equity
		Paid-up and called-up capital	Share premium reserve	Retained earnings	Unappropriated result	Equity attributable to holders of ordinary shares					
<b>At 1 January 2024</b>		<b>100</b>	<b>3,020</b>	<b>1,801</b>	<b>595</b>	<b>5,516</b>	<b>2,125</b>	<b>7,641</b>	<b>400</b>	<b>8,041</b>	
Result for the year		-	-	-	1,744	1,744	78	1,822	5	1,827	
Other comprehensive income		-	-	6	-	6	-	6	-	6	
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>6</b>	<b>1,744</b>	<b>1,750</b>	<b>78</b>	<b>1,828</b>	<b>5</b>	<b>1,833</b>	
Capital contributions	<a href="#">13</a>	-	1,602	-	-	1,602	-	1,602	25	1,627	
Capital repayments	<a href="#">13</a>	-	-	-	-	-	-1,100	-1,100	-50	-1,150	
Dividends paid	<a href="#">13</a>	-	-	-	-150	-150	-	-150	-26	-176	
Issuance of hybrid securities	<a href="#">13</a>	-	-	-7	-	-7	1,100	1,093	-	1,093	
Distribution on hybrid securities	<a href="#">13</a>	-	-	-	-	-	-63	-63	-	-63	
Income tax on distribution on hybrid securities	<a href="#">13</a>	-	-	16	-	16	-	16	-	16	
Appropriation remaining prior year result		-	-	445	-445	-	-	-	-	-	
<b>At 31 December 2024</b>		<b>100</b>	<b>4,622</b>	<b>2,261</b>	<b>1,744</b>	<b>8,727</b>	<b>2,140</b>	<b>10,867</b>	<b>354</b>	<b>11,221</b>	
Result for the year		-	-	-	2,647	2,647	65	2,712	4	2,716	
Other comprehensive income		-	-	40	-	40	-	40	-	40	
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>40</b>	<b>2,647</b>	<b>2,687</b>	<b>65</b>	<b>2,752</b>	<b>4</b>	<b>2,756</b>	
Capital contributions	<a href="#">13</a>	-	-	-	-	-	-	-	2	2	
Capital repayments	<a href="#">13</a>	-	-	-	-	-	-1,018	-1,018	-26	-1,044	
Dividends paid	<a href="#">13</a>	-	-	-	-	-	-	-	-20	-20	
Distribution on hybrid securities	<a href="#">13</a>	-	-	-	-	-	-52	-52	-	-52	
Income tax on distribution on hybrid securities	<a href="#">13</a>	-	-	13	-	13	-	13	-	13	
Appropriation remaining prior year result		-	-	1,744	-1,744	-	-	-	-	-	
<b>At 31 December 2025</b>		<b>100</b>	<b>4,622</b>	<b>4,058</b>	<b>2,647</b>	<b>11,427</b>	<b>1,135</b>	<b>12,562</b>	<b>314</b>	<b>12,876</b>	

# Consolidated statement of cash flows

For the year ended 31 December

(EUR million)	Notes	2025	2024
<i>Operating activities</i>			
Operating result from continuing operations		1,524	1,608
Operating result from discontinuing operations		3,376	1,597
<b>Operating result</b>		<b>4,900</b>	<b>3,204</b>
<i>Non-cash adjustments to reconcile operating result to net cash flows:</i>			
Depreciation, amortisation and impairment of assets	2, 4, 5, 6	1,618	1,466
Result on disposal of assets		14	26
Result on disposal of subsidiary	26	-133	-
Share in result of joint ventures and associates	2, 7	-68	-49
Dividends received from joint ventures and associates	2, 7	70	39
Movements in provisions and other (financial) assets and liabilities		-241	440
<b>Total non-cash adjustments</b>		<b>1,260</b>	<b>1,922</b>
<i>Working capital adjustments excluding EEG working capital:</i>			
(Increase)/decrease in inventories	2, 9	-43	-2
(Increase)/decrease in account- and other receivables	2, 10	141	33
Increase/(decrease) in contract liabilities	2, 15	226	147
Increase/(decrease) in current other financial liabilities	2, 18	-57	-9
Increase/(decrease) in account- and other payables	2, 19	-558	222
<b>Total working capital adjustments excluding EEG working capital</b>		<b>-291</b>	<b>391</b>
Income taxes paid (net)		-395	-321
<b>Net cash flows from operating activities excluding EEG working capital</b>		<b>5,474</b>	<b>5,196</b>
<i>EEG working capital adjustments:</i>			
(Increase)/decrease in EEG receivables	2, 10	-12	1,270
Increase/(decrease) in EEG payables	2, 10	271	-1,275
<b>Total EEG working capital adjustments</b>		<b>259</b>	<b>-5</b>
<b>Net cash flows from operating activities</b>		<b>5,733</b>	<b>5,191</b>

(EUR million)	Notes	2025	2024
<i>Investing activities</i>			
Purchases of tangible and intangible fixed assets	2, 4, 6, 19	-13,359	-10,261
Proceeds from sale of tangible and intangible fixed assets		-	4
Proceeds from sale of subsidiaries	26	144	-
Interest received	27	97	53
Capital repayments from joint ventures	2, 7	34	35
<b>Net cash flows used in investing activities</b>		<b>-13,084</b>	<b>-10,169</b>
<i>Financing activities</i>			
<i>Net borrowings:</i>			
Proceeds from borrowings	14	11,900	13,350
Repayments of borrowings	14	-569	-3,941
<b>Total net borrowings</b>		<b>11,331</b>	<b>9,409</b>
<i>Other financing activities:</i>			
Payments of lease liabilities	2, 5	-296	-246
Finance expenses paid	27	-1,095	-568
Dividends paid to equity holders of ordinary shares	13	-	-150
Proceeds from issuance of hybrid securities	13	-	1,093
Repayments of hybrid securities	13	-1,018	-1,100
Distributions on hybrid securities	13	-52	-63
Repayments of other financial liabilities	2, 18	-6	-9
Dividends paid and capital repayments to non-controlling interests	2, 13	-46	-76
Proceeds from capital contributions to non-controlling interests	2, 13	2	25
<b>Total other financing activities</b>		<b>-2,511</b>	<b>-1,094</b>
<b>Net cash flows from financing activities</b>		<b>8,820</b>	<b>8,315</b>
<b>Net change in cash and cash equivalents</b>		<b>1,469</b>	<b>3,337</b>
Cash and cash equivalents at 31 December	11	5,862	4,393
Cash and cash equivalents at 1 January	11	4,393	1,056
<b>Net change in cash and cash equivalents</b>		<b>1,469</b>	<b>3,337</b>



# Notes to the consolidated financial statements

TenneT is continuously improving its financial reporting to make it more relevant and understandable to its stakeholders. These financial statements focus on the material topics for 2025. Accounting policies are indicated with ⓘ, while key assumptions and estimates are identified by ⚠ in front of the header.

## 1. Basis for reporting

The accounting policies describe TenneT's approach to recognise and measure transactions and balance sheet positions in the financial statements. Accounting policies, including new European Union endorsed accounting standards, amendments and interpretations, relating to the consolidated financial statements as a whole are described hereafter. This section also provides general guidance regarding estimates and assumptions used in the preparation of the financial statements. A more detailed description of accounting policies and material estimates related to specific reported financial statement accounts is disclosed in the notes of the concerning accounts. Only accounting policies which are deemed material are disclosed in these financial statements. TenneT considers an item material if, in TenneT's view, it is likely to have an impact on the economic decisions of primary users of these financial statements.

### General

TenneT Holding B.V. and its subsidiaries (also referred to as 'TenneT', 'the Company' or 'the Group') are a leading electricity transmission system operator ('TSO') with activities in the Netherlands and large parts of Germany. In the Netherlands, TenneT's activities are conducted by TenneT Netherlands B.V. and its subsidiaries, including TenneT TSO B.V. In Germany, TenneT's work is performed by TenneT GmbH & Co. KG and its subsidiaries.

As a TSO, the principal tasks are to (1) ensure a secure and continuous supply of electricity, (2) provide transmission services by transporting electricity along the high-voltage grid from where it is produced to where it is consumed, (3) provide system services to balance supply and demand of electricity and (4) facilitate a liquid and stable electricity market to support the large-scale energy transition to renewables.

The Dutch state owns the entire issued share capital of TenneT Holding B.V. Furthermore, TenneT Holding B.V. has issued hybrid securities which are subordinated and accounted for as equity attributable to equity holders of the Company.

The registered office of TenneT Holding B.V. is located at Utrechtseweg 310, Arnhem, the Netherlands, with its statutory seat in Arnhem and a registration with the Dutch Commercial Register under number 09083317.

These consolidated financial statements for the year ended 31 December 2025 were prepared by the Executive Board and authorised for issuance in accordance with a resolution of the Supervisory Board on 2 March 2026. The financial statements will be submitted for adoption at the General Meeting of Shareholders. These consolidated financial statements have been audited by Deloitte Accountants B.V.

### Basis for preparation

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS Accounting Standards') as adopted by the European Union and Part 9 of Book 2 of the Dutch Civil Code. The company financial statements of TenneT Holding B.V. are prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements are prepared on a going concern basis. The going concern basis presumes that the Group has adequate resources to remain in operation, and that the Executive Board intends it to do so, for at least one year from the date of the end of the reporting period.

The consolidated financial statements are prepared on a historical cost basis, unless described otherwise in the accounting policies of a specific account. All amounts are presented in euros and all values are rounded to the nearest million (EUR 000,000), except when indicated otherwise.

### Basis for consolidation

The consolidated financial statements incorporate the financial statements of TenneT Holding B.V. and its subsidiaries at 31 December 2025. A list of the legal entities included in the consolidation is disclosed in note 30. Subsidiaries are consolidated from the date of acquisition, constituting the date on which control is obtained, and continue to be consolidated until the date when such control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intercompany balances, transactions, unrealised gains and losses resulting from intercompany transactions and dividends are eliminated in full in consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If TenneT ceases to have control over a subsidiary, TenneT derecognises the subsidiary's assets (including any goodwill), liabilities and any non-controlling interest in the former subsidiary at the date control is lost. Furthermore, the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit are recognised in the statement of income. Acquisitions are accounted for using the acquisition method, where the purchase price is allocated to the identifiable assets acquired and liabilities assumed on a fair value basis and the remainder is recognised as goodwill.

### Material accounting estimates and assumptions

The preparation of financial statements requires to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities and the reported amounts of revenue and expenses during the reporting period. Such estimates are assessed continuously on the basis of previous results and experiences, trends, forecasts, consultations with experts and other methods which are deemed appropriate in each individual case. Actual results could deviate from these estimates. Accounting topics containing material estimates and assumptions are as follows:

Item	Notes	Estimates/assumptions
Tangible fixed assets	<u>4</u>	Estimate of remaining useful life, recoverable amount and identification of cash generating units for impairment testing. In these estimates as well as in the design phase of new assets, climate related risks are considered. Climate related risks are mitigated by adjusting the design or taking other specific mitigating measures.
Right of use assets and lease liabilities	<u>5</u>	Estimate of discount rate and expected extension or accelerated termination date.
Intangible assets	<u>6</u>	Estimate of remaining useful life, recoverable amount and identification of cash generating units for impairment testing.
Decommissioning provision	<u>16</u>	Estimate of decommissioning costs, decommissioning dates, discount rates and inflation rates in the period until removal.
Other provisions	<u>15</u>	Mainly estimate of amount, probability and realisation date.
Net employee defined benefit liabilities	<u>17</u>	Financial, actuarial and demographic estimates and assumptions.
Grid expenses payable	<u>19</u>	Mainly estimate of electricity volumes and prices.

A more detailed disclosure of these accounting estimates and assumptions is included in the disclosure notes as referenced before.

### Changes in accounting estimates and accounting policies

No changes in accounting estimates or accounting policies have been applied during the reporting period.

To improve the insight for TenneT's stakeholders, to improve alignment with the IFRS Accounting Standards and to better reflect the specific circumstances and conditions of the cash and cash equivalents, the Company adjusted the disclosure classification of the cash and cash equivalents from 'at free disposal' and 'not at free disposal' to 'non-restricted' and 'restricted', including the comparative figures. This change only impacts the classification of the short term deposits from 'not at free disposal' to 'non-restricted'. Please refer to note 11 for further details.

### Changes in EU-endorsed published IFRS Accounting Standards

*Material new and amended IFRS Accounting Standards adopted by the Group*

- Amendments to IAS 21: *The effect of changes in foreign exchange rates*

The issued changes to IFRS Accounting Standards do not have a material impact on the consolidated financial statements.

*IFRS Accounting Standards issued but not yet effective and adopted by the Group*

- IFRS 18: *Presentation and Disclosure in Financial Statements*
- IFRS 19: *Subsidiaries without Public Accountability: Disclosures*
- Amendments to IFRS 9 and IFRS 7: *Classification and Measurement of Financial Instruments*
- Amendments to IFRS 9 and IFRS 7: *Contracts Referencing Nature-dependent Electricity*
- Annual Improvements: *Volume 11*

TenneT has not early adopted any accounting standard, interpretation or amendment that has been issued but is not yet effective. The impact of the aforementioned IFRS Accounting Standards on the Company is currently under review. It is anticipated that any issued changes to IFRS Accounting Standards that are not yet effective and adopted by TenneT will not have a material impact on the consolidated financial statements.

### Functional currency

These consolidated financial statements are presented in euros, which is also the Company's and all subsidiaries' functional currency.



## Changes in organisational structure

### *TenneT Germany*

At 24 September 2025, TenneT reached an equity funding agreement with APG (investing on behalf of Dutch pension fund ABP), Singapore sovereign wealth fund GIC and Norges Bank Investment Management ('institutional investors') to invest equity in TenneT GmbH & Co. KG ('TenneT Germany'). The contemplated transaction include a primary equity commitment by the institutional investors of up to EUR 9.5 billion in aggregate, to be contributed partly at completion and partly in the years until 2029, for an equity stake of up to 46.0%. Upon completion, 46.0% of the voting rights in the General Meeting of TenneT Germany will be transferred to the institutional investors. The valuation of the transaction is based on the equity value per 31 December 2024.

In addition to the transaction with the institutional investors, Kreditanstalt für Wiederaufbau ('KfW'), acting on behalf of the German state, and TenneT Holding, reached an agreement on 3 February 2026. The contemplated transaction provides for the sale of a 25.1% equity stake in TenneT Germany to KfW, for an amount of approximately EUR 3.3 billion, resulting in a gain on sale within a range of EUR 1.3-1.5 billion. The proceeds received upon completion of the sale will be used to repay the shareholder loan from the Dutch state.

It has also been agreed that KfW will participate in the purchase of newly issued shares when institutional investors contribute equity, thereby ensuring that their ownership stake in TenneT Germany is not diluted. The aforementioned results in a primary equity commitment of up to EUR 2.3 billion. The transaction with KfW is under the same valuation and governance terms as those applicable to the institutional investors, although the transaction is based on the expected equity value per 30 June 2026.

TenneT Holding has an option to sell shares to the institutional investors equal to the primary equity contributions made by KfW, to bring their total exposure in euros to the same amount as if KfW would not have joined. During the funding period and within two months of each additional primary equity contribution by KfW, the institutional investors can choose to acquire additional shares in TenneT Germany from TenneT Holding, equal to the additional equity contribution of KfW. By exercising this right, institutional investors prevent dilution of their equity stakes. Furthermore, the institutional investors have also a final option to acquire shares from TenneT Holding to meet their target ownership of 46.0%. At the end of the funding period, in 2029, a reassessment will be made of the voting rights to mirror the equity stake.

Taken together, the transactions of both the institutional investors (EUR 9.5 billion) and KfW (EUR 2.3 billion) result in a total primary equity commitment of up to EUR 11.8 billion. Of this amount, EUR 4.0 billion is a committed contribution in 2026, while the remaining EUR 7.8 billion represents a potential contribution that may be drawn, through capital calls up to that amount, depending on the equity needs of TenneT Germany. TenneT, the institutional investors and KfW agreed that TenneT Germany will, with exception of the corporate income taxes to be paid by the partners, reinvest and use its distributable profits to fund its own operations, and that it shall consequently not declare or make any profit distributions to the shareholders, for the period up to and including 2029.

Completion of both transactions is subject to customary conditions including regulatory clearances and is expected to take place by the end of the first half-year of 2026.

Contemplating both transactions together, the Company is expected to lose control of TenneT Germany within one year as of 31 December 2025. As a result, TenneT Germany has been presented as held for sale in accordance with IFRS Accounting Standard *Non-current Assets Held for Sale and Discontinued Operations (IFRS 5)* in the preparation of these consolidated financial statements. For further information, please refer to note [2](#).

### *TenneT Netherlands B.V.*

TenneT Holding B.V. announced a new organisational structure by establishing two stand-alone companies, namely TenneT Netherlands and TenneT Germany, each operating and funded separately, and the Company subsequently established TenneT Netherlands B.V. on 16 April 2025. The entities TenneT TSO B.V. and NLink International B.V. have been incorporated in TenneT Netherlands B.V. as per 6 June 2025.

TenneT Holding B.V. has transferred all of its existing senior debt financing to TenneT Netherlands B.V. via a consent procedure resulting in consent fees, including transaction related expenditures, being recognised in TenneT Holding B.V. for an amount of EUR 165 million in 2025. The shareholder loan facility between the Company and the Dutch state was transferred as well, in accordance with the contractual agreement. It should be noted that the outstanding subordinated hybrid securities remain at TenneT Holding whereas the subordinated hybrid securities issued in July 2020 were redeemed, refer to note [13](#) for more information.

Furthermore, TenneT Netherlands B.V. has received an irrevocable and unconditional institutional guarantee from the Dutch state. With the state guarantee in place, the credit risk of eligible senior debt instruments of TenneT Netherlands B.V. aligns with that of the Dutch state. However, the financing expenses remain to be based on the previous credit rating of A-/A3 as the decrease of the interest expenses on new debt, as a result of a stronger credit rating, will be paid as a guarantee premium to the Dutch state.

### Nadine II B.V.

Following the Dutch Independent Grid Management Act ('Wet onafhankelijk netbeheer'), into effect on 1 January 2008, the responsibility for the Dutch 110 kV and 150 kV high-voltage grid has been transferred from the distribution system operators to TenneT TSO B.V. The ownership of the 150 kV high-voltage grid in the Randmeren region remained at Alliander N.V. because of a transitional provision relating to cross-border lease ('CBL') constructions. TenneT however managed the grid on behalf of Alliander N.V. via a sub-management agreement.

By operation of law, TenneT became the grid operator following the termination of the CBL at 2 January 2025. Subsequently, TenneT TSO B.V. acquired 100% of the shares of Nadine II B.V. ('Nadine II') in exchange for a consideration of EUR 139 million. The aforementioned constitutes an asset deal based on IFRS Accounting Standards.

### NOVEC B.V.

WL Winet B.V., Omroepmasten B.V. and the activities of NOVEC B.V., a 100% subsidiary of TenneT Holding B.V., were presented as assets held for sale at 31 December 2024. NOVEC B.V. transferred its participation in WL Winet B.V. to Koninklijke BAM Groep B.V. at 8 January 2025. In addition, the Company sold Omroepmasten B.V. and the activities of NOVEC B.V. regarding its operation of the antenna towers, part of the Group's segment of non-regulated activities, to Althio B.V. at 13 February 2025. Althio B.V. is a joint venture of Koninklijke KPN N.V. and Stichting Pensioenfonds ABP. Subsequently, NOVEC B.V. has been renamed to CEVON B.V. Please refer to note 26 for further information about the gain on sale.

## 2. Discontinued operations and assets classified as held for sale

All assets and liabilities classified as held for sale mainly relate to TenneT GmbH & Co. KG and its subsidiaries (together 'TenneT Germany'). For further information on the classification of these assets and liabilities as held for sale, reference is made to note 1. As a consequence of this classification, the operations of TenneT Germany are presented as discontinued operations in the consolidated statement of income.

From a business perspective, however, these operations continue and remain an integral part of the Group. Accordingly, internal management reporting continues to include the German operations. The segment information presented therefore also includes the underlying German operations.

Corporate income tax expenses and corporate income tax receivables of TransTenneT B.V. are also classified as held for sale as its corporate income tax expenses relate to the German activities.

### Assets and liabilities

The major classes of assets and liabilities of TenneT Germany classified as held for sale at 31 December 2025 are as follows:

(EUR million)	Notes	31 December 2025
<b>Assets</b>		
Tangible fixed assets	4	36,726
Right of use assets	5	959
Intangible assets	6	184
Investments in joint ventures and associates	7	343
Deferred tax assets	28	72
Other financial assets	8	80
Inventories	9	179
Account- and other receivables	10	1,930
Cash and cash equivalents	10	743
<b>Assets held for sale</b>		<b>41,216</b>
<b>Liabilities</b>		
Contract liabilities	15	141
Deferred tax liabilities	28	280
Provisions (including net employee defined benefit obligation)	16, 17	2,073
Lease liabilities	5	977
Other liabilities		43
Other financial liabilities	18	176
Income tax payable	28	273
Account- and other payables	19	4,361
<b>Liabilities held for sale</b>		<b>8,324</b>
<b>Net assets directly associated with disposal group</b>		<b>32,892</b>

TenneT Netherlands B.V. has issued EUR 25.9 billion of unsecured long-term loans to TenneT Germany which are eliminated in the Group's consolidated financial statements and as such not included in the liabilities held for sale. The agreed interest rate for the intercompany loans is TenneT's cost of fund rate +0.125 bps. For information about the net employee defined benefit obligation reference is made to note 17.

### Statement of income

The statement of income of TenneT Germany, classified as discontinued operations, for the years 2025 and 2024 is as follows:

(EUR million)	2025	2024
<b>Revenue</b>	<b>8,106</b>	<b>6,455</b>
Grid expenses	-3,201	-3,444
Personnel expenses	-195	-139
Depreciation, amortisation and impairment of assets	-1,159	-1,066
Other operating expenses	-187	-219
Other gains and losses	-1	-5
<b>Total operating expenses</b>	<b>-4,743</b>	<b>-4,873</b>
Share in result of joint ventures and associates	13	14
<b>Operating result</b>	<b>3,376</b>	<b>1,596</b>
Finance income and expenses	-751	-553
<b>Result for income tax from discontinued operations</b>	<b>2,625</b>	<b>1,043</b>
Income tax expenses	-761	-303
<b>Result for the year from discontinued operations</b>	<b>1,864</b>	<b>740</b>
<b>Result attributable to:</b>		
Equity holders of ordinary shares	1,860	735
Non-controlling interests	4	5
<b>Result for the year from discontinued operations</b>	<b>1,864</b>	<b>740</b>

Revenue from connection and transmission services is regulated by the BNetzA in Germany and mainly relates to transmission of electricity volumes through the high-voltage grid and to connection services provided to DSOs and industrial customers, i.e. resolution of transmission restrictions, congestion management and reactive power management. The revenue increased because of higher reimbursement of expected costs for ancillary services, combined with a higher regulatory asset base following growing investments, resulting in higher revenue. In addition, the comparative figures contain a one-off as the grid related accruals were reassessed in 2024, resulting in a change of estimate for an amount of EUR 426 million, causing a decreased revenue in 2024.

The higher revenue, combined with stable ancillary services expenses, resulted in an increase in operating profit. This was partly offset by higher depreciation and amortisation of (in)tangible fixed assets, reflecting the growth of TenneT's asset base.

### Statement of cash flows

The statement of cash flows of TenneT Germany, classified as discontinued operations, for the years 2025 and 2024 is as follows:

(EUR million)	2025	2024
Net cash flows from operating activities	4,355	3,390
Net cash flows from investing activities	-8,733	-6,720
Net cash flows from financing activities	4,626	3,442
<b>Net change in cash and cash equivalents</b>	<b>248</b>	<b>112</b>

### Commitments and contingencies

The discontinued operations of TenneT Germany include commitments and contingencies which are disclosed in the table hereafter. The increase of the off-balance sheet rights is mainly coming from bank guarantees agreed upon in purchase agreements with contractors. The off-balance sheet commitments increased mainly because of capital commitments entered into with regard to the purchase of tangible fixed as a result of the ongoing investments in the 2GW Program.

(EUR million)	2025				2024			
	0-1 year	1-5 years	> 5 years	Total	0-1 year	1-5 years	> 5 years	Total
<b>Off-balance sheet rights</b>								
Bank guarantees received	786	1,041	816	2,643	448	1,190	731	2,369
Comfort letters received	416	1,665	1,845	3,926	409	1,343	1,451	3,203
<b>Total</b>	<b>1,202</b>	<b>2,706</b>	<b>2,661</b>	<b>6,569</b>	<b>857</b>	<b>2,533</b>	<b>2,182</b>	<b>5,572</b>
<b>Off-balance sheet commitments</b>								
Capital commitments	5,879	14,429	10,722	31,030	5,877	10,479	11,867	28,223
Grid-related commitments	381	82	-	463	384	80	-	464
Comfort letters issued	-	178	599	777	-	178	612	790
<b>Total</b>	<b>6,260</b>	<b>14,689</b>	<b>11,321</b>	<b>32,270</b>	<b>6,261</b>	<b>10,737</b>	<b>12,479</b>	<b>29,477</b>

### 3. Segment information

This section discloses the financial performance for the year in accordance with the way in which TenneT manages its business (operating segments). TenneT measures and assesses its performance based on underlying financial information, which is further explained hereafter.

TenneT generates substantially all of its revenue from its regulated operating segments in the Netherlands and Germany. Therefore, close collaboration with its regulators to obtain regulations and agreements that provide reasonable compensation for the risks TenneT is exposed to, is key. TenneT's involvement in certain limited non-regulated activities is closely related and ancillary to its core tasks.

#### Segment analysis

For management information purposes, the financial performance of TenneT's regulated activities in the Netherlands and Germany is considered separately in two geographical segments. This segmentation, based on separately applicable regulatory frameworks, is the key determinant for financial management of the business and for decision-making on budgets and allocation of resources and financing. As a result, TenneT's operating segments are structured as TenneT TSO B.V. ('TSO Netherlands' or 'TSO NL'), TenneT GmbH & Co. KG ('TSO Germany') and non-regulated activities.

Transfer prices between the Netherlands and Germany are set at arm's length in a manner similar to transactions with third parties. These intercompany transactions are eliminated in the consolidated financial statements.

The Executive Board is the chief operating decision-making body of the Company (as defined by IFRS 8 'Operating segments'). Periodically, the Executive Board monitors the financial performance of the operating segments. The segment financial performance is evaluated based on underlying financial information, in which EBIT, investments, adjusted FFO to net debt and adjusted ROIC are key metrics. Financial performance of non-regulated activities is solely evaluated based on EBIT.

Underlying financial information is based on the principle of recognising regulatory assets and liabilities for all of TenneT's regulated activities. This implies that amounts resulting from past events and which are allowed to be received or are required to be returned through future tariffs are recognised as an asset or liability, respectively. The Executive Board holds the view that the presentation of underlying financial information provides additional relevant insight in the actual business, the financial performance and as such the economic reality.

Hereafter an overview of the Company's key metrics, based on underlying financial information, is disclosed. The Company's performance with respect to these metrics is further detailed in the [Safeguard Sustainable Financial Performance](#) section.

Operating segment	2025				2024			
	EBIT	Investments	Adj. FFO/ net debt	Adj. ROIC	EBIT	Investments	Adj. FFO/ net debt	Adj. ROIC
TSO Netherlands	992	4,869	9.4%	6.7%	625	3,783	12.0%	5.8%
TSO Germany	N/A	N/A	N/A	N/A	1,087	6,852	7.7%	4.7%
Non-regulated activities	195	2	N/A	N/A	27	2	N/A	N/A
<b>Total continued segments</b>	<b>1,187</b>	<b>4,871</b>	<b>N/A</b>	<b>N/A</b>	<b>1,739</b>	<b>10,637</b>	<b>N/A</b>	<b>N/A</b>
TSO Germany (held for sale)	1,570	9,948	7.0%	5.4%	N/A	N/A	N/A	N/A
NOVEC B.V. (held for sale)	N/A	N/A	N/A	N/A	8	-	N/A	N/A
<b>Total segments</b>	<b>2,757</b>	<b>14,819</b>	<b>N/A</b>	<b>N/A</b>	<b>1,747</b>	<b>10,637</b>	<b>N/A</b>	<b>N/A</b>
Eliminations	-11	-	N/A	N/A	-2	-	N/A	N/A
<b>Consolidated</b>	<b>2,746</b>	<b>14,819</b>	<b>6.6%</b>	<b>6.5%</b>	<b>1,745</b>	<b>10,637</b>	<b>8.2%</b>	<b>5.5%</b>

The definition of EBIT equals operating result as used in the statement of income. Investment amounts recognised under IFRS equal underlying investments. Investments consists of additions to tangible fixed assets, please refer to note 4, and additions to intangible assets, please refer to note 6. The following tables provide a breakdown of adjusted FFO to net debt and the adjusted ROIC:

(EUR million)	Notes	2025	2024
Result for the year		1,211	867
Depreciation, amortisation and impairments of assets		1,628	1,485
Other gains and losses	26	-143	12
<b>Total FFO</b>		<b>2,696</b>	<b>2,364</b>
Capitalised interest on assets under construction	27	-70	-39
Interest on provisions	27	48	49
50% of the interest on hybrid securities	13	-33	-39
<b>Adjusted FFO</b>		<b>2,641</b>	<b>2,335</b>
<b>Net debt</b>			
Borrowings	14	43,278	31,934
Lease liabilities	5	1,122	1,239
50% of the hybrid securities	13	567	1,070
Net employee defined benefit liabilities	17	223	243
Non-restricted cash	11	-4,811	-3,533
To be settled in tariffs	3	-545	-2,589
Pension assets	8	-41	-26
<b>Net debt</b>		<b>39,793</b>	<b>28,338</b>
<b>Adjusted FFO/net debt</b>		<b>6.6%</b>	<b>8.2%</b>

(EUR million)	Notes	2025	2024
Average total equity		12,467	11,295
Average borrowings	14	37,606	27,223
Average non-restricted cash	11	-4,174	-1,917
Average other financial liabilities	18	173	170
<b>Average total invested capital</b>		<b>46,072</b>	<b>36,770</b>
<b>Operating result</b>		<b>2,746</b>	<b>1,745</b>
Other interest received		189	221
Capitalised interest on assets under construction	27	70	39
<b>Adjusted operating result</b>		<b>3,005</b>	<b>2,005</b>
<b>Adjusted ROIC</b>		<b>6.5%</b>	<b>5.5%</b>

### Reconciliation of underlying figures with IFRS figures

In the IFRS figures, revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which TenneT expects to be entitled in exchange for those goods or services. In the underlying financial information revenue is recognised according to the allowed revenue as determined by the regulator. Consequently, differences between IFRS revenue and the underlying allowed revenue are recognised in underlying financial information as regulatory assets or liabilities. By doing so, post calculation differences are directly matched to the related costs and therefore provide additional relevant insight for managing TenneT's business.

Following this methodology, the main differences between IFRS figures and underlying financial information, as presented in this disclosure note as well as in the [Executive Board Report](#), are related to the recognition of:

- regulatory assets and liabilities to be settled in future tariffs related to differences between actual and allowed revenue or (pass-through) expenses from connection and transmission services and offshore activities;
- revenue from operation of energy exchanges (resulting in contract liabilities from auction receipts);
- revenue from maintenance of the energy balance;
- valuation differences in tangible fixed assets and related depreciation expenses;
- finance income and expenses related to interest on the regulatory assets and liabilities; and
- the income tax effect of the aforementioned adjustments.

The main differences are disclosed in the tables hereafter, followed by a further disclosure.

Underlying net assets and liabilities can be reconciled to reported IFRS figures as follows:

(EUR million)	2025	2024
<b>Consolidated underlying information</b>		
Total assets	68,604	55,271
Total liabilities	-56,075	-42,868
<b>Total underlying net assets and liabilities</b>	<b>12,529</b>	<b>12,403</b>
To be settled in tariffs	-544	-2,589
Contract liabilities from auction receipts	968	860
Maintenance of the energy balance	215	258
Valuation differences in tangible fixed assets	-170	-180
Income tax impact (deferred tax asset)	-122	469
<b>Total underlying adjustments</b>	<b>347</b>	<b>-1,182</b>
<b>Total IFRS net assets and liabilities</b>	<b>12,876</b>	<b>11,221</b>
<b>Consolidated IFRS information</b>		
Total assets	67,307	52,892
Total liabilities	-54,431	-41,671
<b>Total IFRS net assets and liabilities</b>	<b>12,876</b>	<b>11,221</b>

Consolidated underlying statement of income per operating segment, up to and including operating result, can be reconciled to reported IFRS figures as follows:

(EUR million)	2025							
	TSO NL	Non-regulated	Eliminations	Continued operations	TSO Germany <sup>1</sup>	Total segments	Eliminations	Total
Connection and transmission services	1,872	-	-	1,872	4,075	5,947	-	5,947
Offshore revenue	807	-	-	807	1,588	2,395	-	2,395
Maintenance of the energy balance	107	-	-	107	364	471	-	471
Operation of energy exchanges	1	-	-	1	-	1	-	1
Other revenue	42	27	-	69	207	276	-	276
Revenue from related parties	8	-	-	8	3	11	-	11
Inter-segment revenue	25	31	-34	22	8	30	-30	-
<b>Total underlying revenue</b>	<b>2,862</b>	<b>58</b>	<b>-34</b>	<b>2,886</b>	<b>6,245</b>	<b>9,131</b>	<b>-30</b>	<b>9,101</b>
Grid expenses	-984	-	-	-984	-3,068	-4,052	29	-4,023
Personnel expenses	-269	-13	-	-282	-195	-477	-	-477
Depreciation, amortisation and impairment of assets	-459	-5	-	-464	-1,164	-1,628	-	-1,628
Other operating expenses	-170	-32	7	-195	-260	-455	17	-438
Other gains and losses	10	134	-	144	-1	143	-	143
<b>Total operating expenses</b>	<b>-1,872</b>	<b>84</b>	<b>7</b>	<b>-1,781</b>	<b>-4,688</b>	<b>-6,469</b>	<b>46</b>	<b>-6,423</b>
Share in result of joint ventures and associates	2	53	-	55	13	68	-	68
<b>Underlying operating result</b>	<b>992</b>	<b>195</b>	<b>-27</b>	<b>1,160</b>	<b>1,570</b>	<b>2,730</b>	<b>16</b>	<b>2,746</b>
Revenue adjustments to IFRS	432	-	-	432	1,869	2,301	-	2,301
Cost adjustments to IFRS	5	-	-	5	-152	-147	-	-147
<b>IFRS operating result</b>	<b>1,429</b>	<b>195</b>	<b>-27</b>	<b>1,597</b>	<b>3,287</b>	<b>4,884</b>	<b>16</b>	<b>4,900</b>

<sup>1</sup> TSO Germany has been presented as discontinued operations in these consolidated financial statements, refer to note 1 for more information.

(EUR million)	2024							
	TSO NL	Non-regulated	Eliminations	Continued operations	TSO Germany <sup>1</sup>	Total segments	Eliminations	Total
Connection and transmission services	1,774	-	-	1,774	4,077	5,851	-	5,851
Offshore revenue	565	-	-	565	1,354	1,919	-	1,919
Maintenance of the energy balance	134	-	-	134	321	455	-	455
Operation of energy exchanges	1	-	-	1	-	1	-	1
Other revenue	27	41	-	68	125	193	-	193
Revenue from related parties	6	3	-	9	2	11	-	11
Inter-segment revenue	50	5	-12	43	22	65	-65	-
<b>Total underlying revenue</b>	<b>2,557</b>	<b>49</b>	<b>-12</b>	<b>2,594</b>	<b>5,901</b>	<b>8,495</b>	<b>-65</b>	<b>8,430</b>
Grid expenses	-1,125	-	3	-1,122	-3,323	-4,445	10	-4,435
Personnel expenses	-254	-6	-	-260	-139	-399	-	-399
Depreciation, amortisation and impairment of assets	-399	-7	-	-406	-1,079	-1,485	-	-1,485
Other operating expenses	-148	-34	7	-175	-283	-458	55	-403
Other gains and losses	-7	-	-	-7	-5	-12	-	-12
<b>Total operating expenses</b>	<b>-1,933</b>	<b>-47</b>	<b>10</b>	<b>-1,970</b>	<b>-4,829</b>	<b>-6,799</b>	<b>65</b>	<b>-6,734</b>
Share in result of joint ventures and associates	1	34	-	35	14	49	-	49
<b>Underlying operating result</b>	<b>625</b>	<b>36</b>	<b>-2</b>	<b>659</b>	<b>1,086</b>	<b>1,745</b>	<b>-</b>	<b>1,745</b>
Revenue adjustments to IFRS	993	-	-	993	576	1,569	-	1,569
Cost adjustments to IFRS	5	-	-	5	-115	-110	-	-110
<b>IFRS operating result</b>	<b>1,623</b>	<b>36</b>	<b>-2</b>	<b>1,657</b>	<b>1,547</b>	<b>3,204</b>	<b>-</b>	<b>3,204</b>

<sup>1</sup> TSO Germany has been presented as discontinued operations in these consolidated financial statements, refer to note 1 for more information.

Consolidated underlying statement of income can be reconciled to reported IFRS figures as follows:

(EUR million)	2025						2024					
	Continued operations	IFRS Discontinued operations	Eliminations	Total	Underlying adjustments	Underlying figures	Continued operations	IFRS Discontinued operations	Eliminations	Total	Underlying adjustments	Underlying figures
Connection and transmission services	2,705	5,352	-	8,057	-2,110	5,947	2,696	4,207	-	6,903	-1,052	5,851
Offshore revenue	122	1,684	-	1,806	589	2,395	255	1,354	-	1,609	310	1,919
Maintenance of the energy balance	231	378	-	609	-138	471	336	362	-	698	-243	455
Operation of energy exchanges	170	465	-	635	-634	1	188	400	-	588	-587	1
Other revenue	60	224	-	284	-8	276	60	130	-	190	3	193
Revenue from related parties	8	3	-	11	-	11	9	2	-	11	-	11
Inter-segment	22	8	-30	-	-	-	43	22	-65	-	-	-
<b>Total revenue</b>	<b>3,318</b>	<b>8,114</b>	<b>-30</b>	<b>11,402</b>	<b>-2,301</b>	<b>9,101</b>	<b>3,587</b>	<b>6,477</b>	<b>-65</b>	<b>9,999</b>	<b>-1,569</b>	<b>8,430</b>
Grid expenses	-981	-3,228	29	-4,180	157	-4,023	-1,120	-3,454	10	-4,564	129	-4,435
Personnel expenses	-282	-195	-	-477	-	-477	-260	-139	-	-399	-	-399
Depreciation, amortisation and impairment of assets	-459	-1,159	-	-1,618	-10	-1,628	-400	-1,066	-	-1,466	-19	-1,485
Other operating expenses	-198	-257	17	-438	-	-438	-178	-280	55	-403	-	-403
Other gains and losses	144	-1	-	143	-	143	-7	-5	-	-12	-	-12
<b>Total operating expenses</b>	<b>-1,776</b>	<b>-4,840</b>	<b>46</b>	<b>-6,570</b>	<b>147</b>	<b>-6,423</b>	<b>-1,965</b>	<b>-4,944</b>	<b>65</b>	<b>-6,844</b>	<b>110</b>	<b>-6,734</b>
Share in result of joint ventures and associates	55	13	-	68	-	68	35	14	-	49	-	49
<b>Operating result</b>	<b>1,597</b>	<b>3,287</b>	<b>16</b>	<b>4,900</b>	<b>-2,154</b>	<b>2,746</b>	<b>1,657</b>	<b>1,547</b>	<b>-</b>	<b>3,204</b>	<b>-1,459</b>	<b>1,745</b>
Finance income and expenses	-397	-751	-	-1,148	70	-1,078	-123	-553	-	-676	136	-540
<b>Result before income tax</b>	<b>1,200</b>	<b>2,536</b>	<b>16</b>	<b>3,752</b>	<b>-2,084</b>	<b>1,668</b>	<b>1,534</b>	<b>994</b>	<b>-</b>	<b>2,528</b>	<b>-1,323</b>	<b>1,205</b>
Income tax expenses	-275	-761	-	-1,036	579	-457	-398	-303	-	-701	363	-338
<b>Result for the year</b>	<b>925</b>	<b>1,775</b>	<b>16</b>	<b>2,716</b>	<b>-1,505</b>	<b>1,211</b>	<b>1,136</b>	<b>691</b>	<b>-</b>	<b>1,827</b>	<b>-960</b>	<b>867</b>

The increase in the underlying revenue can mainly be explained by:

- the ongoing and increasing investments resulting in a growing regulatory asset base;
- the higher WACC resulting in increased regulatory rate adjustments;
- the conditional approval by the ACM of post settlement for significantly increased expenses incurred during the current regulatory period;
- partly offset by decreased expenses for balancing energy, balancing capacity and redispatch in 2025, mainly due to lower prices, result in lower underlying revenue as these expenses are entirely passed through future tariffs.

In 2025, TenneT had two (2024: three) individual customers which have been invoiced more than 10% of its total Group underlying revenue. All of these customers relate to the segment TSO Germany and the revenue

invoiced to these customers in 2025 amounted from high to low EUR 1,911 million (2024: EUR 1,811 million) and EUR 1,416 million (2024: EUR 981 million).

The main differences between underlying financial information and IFRS are further disclosed hereafter.

#### To be settled in tariffs

Revenue surpluses and deficits resulting from variances related to actual costs or transmission volumes (ex post) and estimates used to set tariffs (ex ante) are incorporated in the tariffs of subsequent years in both Germany and the Netherlands. In underlying financial information, these surpluses and deficits that have to be settled in tariffs in future years are recognised as assets and liabilities in the statement of financial position under 'to be settled in tariffs'.

The underlying account 'to be settled in tariffs' is related to the revenue stream 'connection and transmission services' and 'offshore revenue' and concerns an underlying revenue adjustment of EUR -1,521 million (2024: EUR -742 million). The increase in the underlying revenue adjustment is mainly caused by lower actual costs than expected costs which are included in the 2025 tariffs-calculation in Germany. This effect is partly offset by the 2025 shift of offshore compensation from post-calculation in the offshore subsidy to regular settlement in future tariffs because of the capped subsidies from 2025 onwards. Offshore investments and activities have increased, therefore resulting in a relatively higher amount to be settled in tariffs for this revenue stream compared to 2024.

#### Contract liabilities from auction receipts

Auction receipts result from auctioning the available electricity transmission capacity on cross-border interconnections. These receipts are not at TenneT's free disposal. In accordance with Regulation (EU) 2019/943, auction receipts shall be used to fulfil the following priority objectives:

- guaranteeing the actual availability of the allocated capacity including firmness compensation; or
- maintaining or increasing cross-zonal capacities through optimisation of the usage of existing interconnectors by means of coordinated remedial actions, where applicable, or covering costs resulting from network investments that are relevant to reduce interconnector congestion.

In the Netherlands, the current outstanding balance of auction receipts will be utilised for fulfilling the aforementioned objectives and is therefore recognised as contract liabilities in underlying financial information, which will be released upon utilisation in subsequent years. When these priority objectives have been adequately fulfilled, auction receipts may be used as income to be taken into account by the regulator when approving the methodology for calculating or adjusting tariffs. Investments in previous years financed through utilisation of auction receipts are classified as investment contributions and are therefore recognised as contract liabilities as well. These contract liabilities are subsequently amortised over the related asset's useful life.

In Germany, auction receipts are recognised as interest-free capital on investments and are released over a period of 20 years. The reversal amounts are applied in the revenue cap of TenneT TSO GmbH with t-2 offset. Thus, the reversal amount offsets the depreciation of the investments.

The underlying account 'contract liabilities from auction receipts' is related to the revenue stream 'operations of energy exchanges' and concerns an underlying revenue adjustment of EUR -642 million (2024: EUR -584 million). The increase in the underlying revenue adjustment is due to higher IFRS revenue for operations of energy exchanges in 2025.

#### Maintenance of the energy balance

As transmission system operator of the high-voltage grid in the Netherlands, TenneT receives funds for performing certain statutory duties, such as the maintenance of the energy balance. The proceeds from these activities (i.e. imbalance settlements) may only be used after approval by the ACM. Imbalance settlements collected during the year are to be offset in transmission tariffs in the subsequent year. Consequently, these amounts are recorded as a liability and released in the subsequent year in the underlying financial information.

Furthermore, as the balancing group coordinator, TenneT TSO GmbH is responsible for balancing the balancing groups in terms of electricity. TenneT TSO GmbH balances surplus or deficit balancing groups by means of control energy and bills the balancing group managers for the resulting costs. For this billing of imbalances, the so-called 'Uniform balancing energy price across control zones' (reBAP) is used. As a result, TenneT TSO GmbH receives higher payments from the balancing group managers than TenneT TSO GmbH pays to the power plant operators. The resulting additional revenue from the balancing energy billing system are to be deducted from the grid tariffs. Analogously, revenue shortages will increase future grid tariffs.

The underlying account 'proceeds from maintenance of the energy balance' is related to the revenue stream 'maintenance of the energy balance' and concerns an underlying revenue adjustment of to EUR -138 million (2024: EUR -243 million). The decrease in the underlying revenue adjustment is caused by lower IFRS revenue for maintenance of the energy balance in 2025.

#### Depreciation, amortisation and impairment of assets

Differences in depreciation, amortisation and impairment of assets occur due to the difference in accounting treatment of the regulatory deferral accounts and the related cash flows in order to determine the economic useful life and recoverable amount of the assets as used for impairment analysis. Between underlying and IFRS there is no difference in depreciation method and depreciation terms, but the amount of depreciation deviates due to:

1. an impairment under IFRS of the NorNed cable of EUR 232 million in 2015, which is not recognised in underlying figures. Therefore, each year, a difference exists in the depreciation expense between IFRS and underlying financial information until the end of the useful life of the NorNed cable; and
2. higher acquisition costs from an adjustment in connection with the Purchase Price Allocation ('PPA') concerning the acquisition of TenneT Germany in 2010.

The underlying account 'valuation differences in tangible fixed assets' is related to the expense 'depreciation, amortisation and impairment of assets' and concerns an underlying adjustment of EUR -11 million for 2025 (2024: EUR -19 million).

### ① Accounting policies applied for underlying financial information

Underlying financial information matches regulatory revenue and expenses in a corresponding reporting period and defers certain income items until used for investments or tariff reductions.



Matching of revenue and expenses to the years in which these are settled in tariffs is achieved through recognition of regulatory deferral accounts in the underlying figures. The key requirement for such recognition is that an existing regulatory framework is in place that permits the future reimbursement or requires the future settlement of regulatory assets or liabilities, respectively. Consequently, a regulatory asset is recognised in underlying financial information in respect of permitted reimbursements of current year expenses in future year's tariffs. Vice versa, a regulatory liability is recognised in underlying financial information in respect of required settlements (i.e. repayments) of current year revenue through future tariffs.

## 4. Tangible fixed assets

(EUR million)	High-voltage substations	High-voltage connections	Other tangible fixed assets	Assets under construction	Total
<i>Cost</i>					
<b>At 1 January 2024</b>	<b>15,058</b>	<b>13,413</b>	<b>1,505</b>	<b>12,498</b>	<b>42,474</b>
Additions	107	239	202	9,955	10,503
Transfers	833	995	58	-1,868	18
Changes in estimates	21	-157	-	-11	-147
Disposals	-73	-48	-4	-17	-142
<b>At 31 December 2024</b>	<b>15,946</b>	<b>14,442</b>	<b>1,761</b>	<b>20,557</b>	<b>52,706</b>
Additions	625	470	494	13,073	14,662
Transfers	2,512	2,391	124	-5,051	-24
Changes in estimates	-63	-61	-	-9	-133
Disposals	-39	-160	-16	-	-215
Transfer to held for sale (note 2)	-12,871	-10,372	-1,659	-18,956	-43,858
<b>At 31 December 2025</b>	<b>6,110</b>	<b>6,710</b>	<b>704</b>	<b>9,614</b>	<b>23,138</b>
<i>Depreciation and impairment</i>					
<b>At 1 January 2024</b>	<b>4,583</b>	<b>3,679</b>	<b>568</b>	<b>-</b>	<b>8,830</b>
Depreciation	661	459	70	-	1,190
Impairments	-	3	-	-	3
Disposals	-65	-47	-3	-	-115
<b>At 31 December 2024</b>	<b>5,179</b>	<b>4,094</b>	<b>635</b>	<b>-</b>	<b>9,908</b>
Depreciation	710	490	80	-	1,280
Impairments	-	-	-	9	9
Disposals	-24	-150	-13	-	-187
Transfer to held for sale (note 2)	-4,296	-2,488	-348	-	-7,132
<b>At 31 December 2025</b>	<b>1,569</b>	<b>1,946</b>	<b>354</b>	<b>9</b>	<b>3,878</b>
<b>Net book value</b>					
At 1 January 2024	10,475	9,734	937	12,498	33,644
At 31 December 2024	10,767	10,348	1,126	20,557	42,798
<b>At 31 December 2025</b>	<b>4,541</b>	<b>4,764</b>	<b>350</b>	<b>9,605</b>	<b>19,260</b>

High-voltage substations include onshore and offshore transformer and converter stations. When owned by TenneT, the land on which onshore substations are located is also part of the high-voltage substations. High-voltage connections consist of overhead lines, pylons, sub-sea cables and underground onshore cables. TenneT generally does not own the land surrounding high-voltage pylons or cables. Other tangible fixed assets consist



of office buildings, office equipment and other company assets. Assets under construction mainly include investments related to newly built onshore and offshore transformers, converter stations, onshore lines, pylons and (sub-sea) cables. Please refer to the Company's website for more details regarding ongoing projects in the [Netherlands](#) and [Germany](#).

For all of the offshore assets included in the categories of high-voltage substations and high-voltage connections, legal or constructive asset retirement obligations exist for decommissioning these assets at the end of the useful lives or at the end date of the related permits. Therefore, a decommissioning provision is recognised. The estimated total costs for removing the assets are capitalised as part of the carrying value of the related assets and are depreciated over the assets' useful lives. Changes in discount and inflation rates, if any, directly impact this carrying value. The discount rate and inflation rate were adjusted in 2025 to reflect current market assessments of the time value of money and the specific risks related to the provision. Besides the adjustment of the discount rate and inflation rate, also updated price levels are recognised as 'changes in estimates'. For more details on the changed assumptions of the decommissioning provision, please refer to note [16](#).

The amount of borrowing costs capitalised as part of assets under construction during 2025 is disclosed in note [27](#). The effective interest rate used to determine the amount of borrowing costs capitalised was 2.94% (2024: 2.95%).

During 2024, the Company adjusted the classification of work in progress to better reflect the way in which economic benefits are derived from its use. As a result, EUR 18 million was reclassified from inventories to assets under construction. Also, several replacement investment projects from the same portfolio, as recorded within the assets under construction, amounting to EUR 17 million have been disposed of during 2024, as a better replacement solution was chosen.

Furthermore, several tangible fixed assets were put into use in 2025 and consequently reclassified from assets under construction to their respective asset categories. The increase in transfers compared to 2024 relates to the completion of BorWin 5 and DoIWin 5, refer to [Building the electricity grid of tomorrow](#) for a complete overview of these projects. In addition, software components of tangible fixed assets amounting to EUR 21 million were reclassified to intangible fixed assets in 2025. The remaining EUR 3 million of transfers concerns a reclassification of residual spare parts, which were transferred to inventories.

Annual impairment trigger analyses on tangible assets, and where applicable testing for impairment, is done at the individual asset level or smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash generating units ('CGUs')). For TenneT's three operating segments this consists of:

- TSO Netherlands (one large CGU consisting of regulated onshore and offshore assets, considered for impairment (triggers) on individual level);
- TSO Germany (one large CGU consisting of regulated onshore and offshore assets, considered for impairment (triggers) on individual level); and
- Non-regulated activities (several small CGUs as well as individual assets).

No impairment triggers were identified on CGU level, but individual assets were still assessed for existing impairment indications. This individual assessment resulted in the identification of an impairment trigger relating to the revised offshore wind plans by the government. The government decided that another 700 MW project that was planned for the area north of the Wadden Islands was cancelled. The aforementioned resulted in the recognition of an impairment as included in the tangible fixed assets movement schedule.

Off balance sheet commitments related to tangible fixed assets are disclosed in note [23](#).

#### ★ Key estimates and assumptions

The useful lives of assets are uncertain and subject to judgement. To calculate depreciation amounts, the following useful lives of various asset categories were assumed:

Estimated useful lives tangible fixed assets	Years
<b>Substations</b>	
Primary gear including switches and offshore converter stations	20 to 40
Offshore platforms	20 to 35
Security and control equipment	10 to 25
Power transformers	35 to 55
Capacitor banks	20 to 40
Telecommunications equipment	5 to 20
Buildings	40 to 50
<b>Connections</b>	
Pylons/lines	35 to 50
Cables (subsea and underground)	20 to 50
<b>Other</b>	
Office buildings	40 to 50
Office IT equipment	3 to 5
Process automation facilities	5
Other company assets	5 to 10

Estimated residual values, useful lives and methods of depreciation of assets are reassessed annually and are adjusted prospectively, if appropriate. Furthermore, climate-related risks concerning the construction and operation of tangible fixed assets have been considered and did not result in material adjustments in the valuation of these tangible fixed assets. These risks are already mitigated by adjusting the design or taking other specific measures.

### ① Accounting policies

Tangible fixed assets are valued at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such costs include the cost of replacing part of the asset and borrowing costs for long-term construction projects if the recognition criteria are met. When material parts of the asset are required to be replaced at intervals, such parts are recognised as individual assets with specific useful lives and depreciated accordingly. Likewise, when major maintenance is performed, its cost is recognised in the carrying amount of the asset as a replacement, if the recognition criteria are met. All other repair and maintenance costs are recognised in the statement of income as incurred.

Cost also includes borrowing costs for long-term construction projects if the recognition criteria are met. General and specific borrowing costs directly attributable to the acquisition or construction of the tangible fixed assets are added to the cost, until such time that the assets are substantially ready for their intended use or sale. No borrowing costs are capitalised if and to the extent such borrowing costs are directly compensated in the year of construction. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset as well if the recognition criteria for a provision are met.

Depreciation is calculated using the straight-line method as this best reflects the use of the assets. At each reporting date, TenneT assesses whether there is an indication that an asset may be impaired. If any indication exists (i.e. no future economic benefits are expected from its use), the asset's recoverable amount is estimated. The recoverable amount is the highest of an asset's or CGU's fair value less costs of disposal and its value in use. If the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income when the asset is impaired or disposed.

## 5. Right of use assets and lease liabilities

### Right of use assets

(EUR million)	Land and buildings	Power plants	NordLink cable	Other right of use assets	Total
<b>At 1 January 2024</b>	<b>129</b>	<b>428</b>	<b>360</b>	<b>60</b>	<b>977</b>
Additions	18	230	-	34	282
Transfer from intangible assets	19	-	-	-	19
Remeasurement	4	190	6	6	206
Depreciation	-26	-107	-73	-21	-227
<b>At 31 December 2024</b>	<b>144</b>	<b>741</b>	<b>293</b>	<b>79</b>	<b>1,257</b>
Additions	16	129	-	23	168
Remeasurement	11	2	9	2	24
Depreciation	-28	-144	-74	-26	-272
Disposals	-17	-	-	-	-17
Transfer to held for sale (note 2)	-66	-631	-228	-34	-959
<b>At 31 December 2025</b>	<b>60</b>	<b>97</b>	<b>-</b>	<b>44</b>	<b>201</b>

### Land and buildings

Land is mainly leased for installing pylons for electricity transmission lines and for constructing substations. Lease contracts for land have a duration of 18-142 years (2024: 1-142 years). Buildings are mainly leased as office space and for storage space. Lease contracts for buildings have a duration of 1-15 years (2024: 1-15 years), are negotiated individually and include a range of different terms and conditions, including extension options. These extension options are accounted for insofar it is probable that these options will be exercised. Lease payment terms are fixed, only a minority of the lease contracts contains clauses with reference to the Consumer Price Index ('CPI').

During 2024, the Company adjusted the classification of ground lease contracts to better reflect its contractual terms. As a result, EUR 19 million was reclassified from other intangible assets to right of use assets.

In 2025, the lease contract of the main office of the Company was terminated as this building was acquired. The acquisition resulted in a right of use asset and lease liability disposal of EUR 17 million and an addition in the tangible fixed assets for the purchase value of the building.

### Power plants

TenneT is committed to the use of grid reserve power plants representing lease commitments. In 2025 and 2024, TenneT signed contracts that contain lease elements, aimed at keeping power plants operational till 2032 to ensure the security and reliability of the electricity supply system, in particular for the management of grid congestion and voltage support. Furthermore, multiple leased power plants have been prolonged in 2025 resulting in a remeasurement of the right of use assets for an amount of EUR 2 million.

Lease payments are fixed, but TenneT has one leased power plant that includes one-off payments which comply with IFRS 16. No other variable lease payments are applicable. One lease contract for a power plant includes a clause with reference to the CPI index, but other lease contracts do not include any clauses with reference to an index or contractual rate.

### NordLink cable

TenneT leases the NordLink submarine cable from DC Nordseekabel GmbH & Co. KG ('NOKA') to transmit electricity between Germany and Norway. Lease payments are fixed.

### Other right of use assets

Telecom lease contracts, including fibreglass cables, have a duration of 3-30 years (2024: 1-30 years). For qualifying employees TenneT leases cars with a lease term of 2-7 years (2024: 1-8 years). TenneT does not purchase nor does it guarantee the value of leased telecom assets or leased cars. Several of these lease contracts contain termination and/or extension options. In determining the lease term all relevant facts and circumstances that create a significant economic incentive to exercise these options are taken into consideration. Lease payments are fixed, only some of the lease contracts have predetermined lease payment changes over the lease period.

TenneT has no material sublease contracts in 2025 and 2024 and therefore no material income from subleasing right of use assets. TenneT has also not entered into any sale and leaseback contracts. Furthermore, no lease contracts have been entered into that contain residual value guarantees, restrictions or covenants.

### Short-term leases and leases of low value

In 2025, the total of lease expenses for short-term leases with a duration between 1 and 12 months and low value leases amounted to nil (2024: EUR 1 million).

### Lease liabilities

(EUR million)	2025			2024		
	Non-current	Current	Total	Non-current	Current	Total
Land and buildings	38	4	42	103	22	125
Power plants	49	7	56	653	99	752
NordLink cable	-	-	-	212	67	279
Other lease liabilities	36	11	47	61	22	83
<b>Total</b>	<b>123</b>	<b>22</b>	<b>145</b>	<b>1,029</b>	<b>210</b>	<b>1,239</b>

(EUR million)	Land and buildings	Power plants	NordLink cable	Other lease liabilities	Total
<b>At 1 January 2024</b>	<b>129</b>	<b>442</b>	<b>336</b>	<b>61</b>	<b>968</b>
Additions	18	220	-	35	273
Interest	2	22	11	2	37
Remeasurement	3	190	6	8	207
Repayments	-27	-122	-74	-23	-246
<b>At 31 December 2024</b>	<b>125</b>	<b>752</b>	<b>279</b>	<b>83</b>	<b>1,239</b>
Additions	16	49	-	24	89
Interest	3	27	8	2	40
Remeasurement	13	43	9	2	67
Repayments	-30	-161	-77	-28	-296
Disposals	-17	-	-	-	-17
Transfer to held for sale (note 2)	-68	-654	-219	-36	-977
<b>At 31 December 2025</b>	<b>42</b>	<b>56</b>	<b>-</b>	<b>47</b>	<b>145</b>

The total cash outflow in 2025, including low value items and short-term leases, was EUR 296 million (2024: EUR 247 million). There are no material future cash outflows of leases not yet commenced, but to which TenneT is committed.

In the table hereafter the total lease expense as recognised in the statement of income is disclosed:

(EUR million)	2025	2024
Depreciation expense of right of use assets	272	227
Interest expenses on lease liabilities	40	37
Capitalised costs to (in)tangible fixed assets	-11	-8
<b>Total lease expenses</b>	<b>301</b>	<b>256</b>

The undiscounted maturity of lease liabilities is disclosed in note 20. Hereafter the discounted maturity of the lease liabilities is presented:

(EUR million)	2025	2024
Less than 1 month	2	17
1 to 3 months	4	34
3 to 12 months	16	159
1 to 5 years	58	707
More than 5 years	65	322
<b>Total lease liabilities</b>	<b>145</b>	<b>1,239</b>

### Key estimates and assumptions

To determine the total amount of lease liabilities, the present value of outstanding lease payments is calculated using the interest rate implicit in the lease. If the interest implicit in the lease is not available, TenneT's incremental borrowing rate is used as discount rate as this is assumed to be the best estimate of the implicit interest rate. The incremental borrowing rate used per maturity category is shown in the table hereafter:

	2025	2024
Less than 5 years	2.5%	3.8%
5 to 10 years	2.7%	3.7%
10 to 15 years	3.2%	3.9%
15 to 25 years	3.5%	4.1%
More than 25 years	4.0%	4.5%

Several lease contracts contain extension or termination options for which it is uncertain whether these will be exercised in the future. These options are accounted for insofar it is probable that these will be exercised. In determining the lease term all relevant facts and circumstances that create a significant economic incentive to exercise these options are taken into consideration. The estimated probability of exercising these options is reassessed annually.

### Accounting policies

At inception of a contract, TenneT assesses whether a contract conveys the right to control the use of an identified asset for a period in exchange for consideration, in which case it is classified as a lease. TenneT recognises a right of use asset and a lease liability at the lease commencement date.

The asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate

of costs to restore the underlying asset, less any lease incentives received. The lease asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term, considered to be indicated by the lease term. The lease asset is periodically adjusted for certain remeasurements of the lease liability and impairment losses, if any.

The lease liability is initially measured at the present value of outstanding lease payments, discounted using the interest rate implicit in the lease (e.g. for car leases) or, if that rate cannot be readily determined, TenneT's incremental borrowing rate. After initial recognition, the lease liability is measured at the present value of the remaining lease payments using the effective interest method and is remeasured when there is a change in future lease payments arising from a change in an index or rate or if TenneT changes its assessment of whether it will exercise a purchase, extension or termination option. A corresponding adjustment is made to the carrying amount of the right of use asset with any excess over the carrying amount of the asset being recognised as profit or loss.

TenneT has elected not to recognise right of use assets and lease liabilities for short-term leases (leases with a term of twelve months or less) and leases of low-value assets. TenneT recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit. Furthermore, TenneT has elected not to recognise the lease of intangible assets.

## 6. Intangible assets

(EUR million)	Goodwill	Software	Customer contracts	Other intangible assets	Intangible assets under construction	Total
<i>Cost</i>						
<b>At 1 January 2024</b>	<b>28</b>	<b>535</b>	<b>64</b>	<b>41</b>	<b>110</b>	<b>778</b>
Additions	-	9	-	-	126	135
Transfers	-	91	-	-26	-91	-26
Disposals	-	-4	-	-	-	-4
<b>At 31 December 2024</b>	<b>28</b>	<b>631</b>	<b>64</b>	<b>15</b>	<b>145</b>	<b>883</b>
Additions	-	10	-	-	147	157
Transfers	-	157	-	-	-136	21
Disposals	-	-20	-64	-1	-	-85
Transfer to held for sale (note 2)	-25	-164	-	-	-79	-268
<b>At 31 December 2025</b>	<b>3</b>	<b>614</b>	<b>-</b>	<b>14</b>	<b>77</b>	<b>708</b>
<i>Amortisation and impairment</i>						
<b>At 1 January 2024</b>	<b>-</b>	<b>322</b>	<b>64</b>	<b>18</b>	<b>1</b>	<b>405</b>
Amortisation	-	53	-	1	-	54
Transfers	-	-	-	-7	-	-7
Disposals	-	-3	-	-	-	-3
<b>At 31 December 2024</b>	<b>-</b>	<b>372</b>	<b>64</b>	<b>12</b>	<b>1</b>	<b>449</b>
Amortisation	-	67	-	1	-	68
Disposals	-	-20	-64	-1	-	-85
Transfer to held for sale (note 2)	-	-84	-	-	-	-84
<b>At 31 December 2025</b>	<b>-</b>	<b>335</b>	<b>-</b>	<b>12</b>	<b>1</b>	<b>348</b>
<b>Net book value</b>						
At 1 January 2024	28	213	-	23	109	373
At 31 December 2024	28	259	-	3	144	434
<b>At 31 December 2025</b>	<b>3</b>	<b>279</b>	<b>-</b>	<b>2</b>	<b>76</b>	<b>360</b>

At 31 December 2025, goodwill was allocated to the cash generating units ('CGU') in the operating segment of TSO Netherlands EUR 3 million (2024: EUR 3 million).

Additions to intangible assets under constructions mainly relate to development of new software systems. During 2025, EUR 76 million (2024: EUR 63 million) of software was internally developed. Please refer to note 37 for disclosure on the legal reserve related to internally generated assets.

During 2024, the Company adjusted the classification of ground lease contracts to better reflect its contractual terms. As a result, EUR 19 million was reclassified from other intangible assets to right of use assets.

In 2025, disposals have been recognised for fully amortised customer contracts related to the sold activities of the group company formerly known as NOVEC B.V. (now CEVON B.V.). Further reference is made to note 1. Also fully amortised software was disposed of during 2025.

### ★ Key estimates and assumptions

The useful lives of assets are uncertain and subject to judgement. To calculate amortisation amounts, the following useful lives of various asset categories were assumed:

Estimated useful lives intangible assets	Years
Goodwill	Indefinite
Software	3 to 12
Other	5 to 15

Intangible assets, with the exception of goodwill, are assumed to have a fixed useful life within the ranges outlined in the table before and are amortised over this useful life. Estimated residual values, useful lives and methods of amortisation of assets are reassessed annually and are adjusted prospectively, if appropriate.

Insofar clear indications existed that there were no future economic benefits expected from the use of specific assets, impairments have been recognised by estimating the recoverable amounts on CGU level and comparing this to the carrying value of the assets.

Goodwill is assumed to have an indefinite useful life and is therefore not amortised, but is tested for impairment annually or more frequently, if events or changes in circumstances indicate a triggering event, either individually or at CGU level. The 2025 annual impairment test for the goodwill has not resulted in the recognition of any impairment.

### Impairment testing of goodwill

For the purpose of annual impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs. For TenneT's three operating segments this consists of:

- TSO Netherlands (one large CGU consisting of regulated onshore and offshore assets);
- TSO Germany (one large CGU consisting of regulated onshore and offshore assets); and
- non-regulated activities (several small CGU's).

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects TenneT's assessment of current market conditions in respect of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, an appropriate valuation model is used if no recent market transactions can be identified.

The impairment calculation is based on detailed projections, which are prepared separately for each of the CGUs to which the individual assets are allocated, with exception TSO Germany. The projections take into account current regulatory parameters, considering expected future regulatory developments. Management holds the view that the resulting cash flows can be determined reliably and that these give an appropriate reflection of the CGU's cash flow generating potential.

The recoverable amount of the CGU TSO Germany was determined based on the fair value less cost of disposal. The fair value is based on the equity value as agreed upon in the agreement with the institutional investors and KfW.

### **Accounting policies**

Intangible assets are measured at acquisition cost on initial recognition. The cost of intangible assets acquired in a business combination is recognised at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets are amortised using the straight-line method as this best reflects the use of the assets. Internally generated intangible assets arising from research are not capitalised, but recognised in the statement of income in the period in which they are incurred.

Goodwill is initially measured at cost and represents the excess of (i) the consideration transferred over and (ii) TenneT's interest in the value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the amount of the non-controlling interest in the acquiree. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

At each reporting date, TenneT assesses whether there is an indication that an asset may be impaired. If any indication exists (i.e. no future economic benefits are expected from its use), or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. The recoverable amount is the higher end of an asset's or CGU's fair value less costs of disposal and its value in use. If the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income when the asset is impaired or disposed.

## 7. Investments in joint ventures and associates

### Joint ventures

TenneT has, directly or indirectly, equity stakes in the following entities that qualify as joint ventures:

Joint venture	Legal seat	Country	2025	2024
BritNed Development Ltd ('BritNed')	Arnhem	Netherlands	50%	50%
National Energy Information Services B.V.	Groningen	Netherlands	50%	50%
Reddyn B.V.	Arnhem	Netherlands	50%	50%
TensZ B.V.	Rotterdam	Netherlands	50%	50%
VertiCer B.V.	Groningen	Netherlands	50%	50%
GOPACS B.V.	Amersfoort	Netherlands	25%	N/A
Equigy B.V.	Arnhem	Netherlands	20%	20%
DC Nordseekabel GmbH & Co. KG ('NOKA') <sup>1</sup>	Bayreuth	Germany	0%	50%
Flexcess GmbH <sup>1</sup>	Bayreuth	Germany	0%	50%
Open Tower Company B.V. ('OTC') <sup>2</sup>	Vianen	Netherlands	0%	25%

<sup>1</sup> Part of assets held for sale as per 31 December 2025.

<sup>2</sup> OTC, an associate of NOVEC B.V., was part of assets held for sale as at 31 December 2024 and was sold in 2025, please refer to note 1.

For all joint ventures equal equity stakes are applicable, except for Equigy B.V. and GOPACS B.V., for which joint control is exercised despite unequal equity stakes. Therefore, these investments are classified as joint ventures as well.

The investment in BritNed is considered as investment of material value. NOKA was considered an investment of material value as well until it was classified as an asset held for sale. The other joint ventures, amounting to EUR 3 million at 31 December 2025 (2024: EUR 3 million), are considered immaterial and are therefore not further disclosed. TenneT's share in result of these immaterial joint ventures amounted to EUR 2 million in 2025 (2024: EUR 2 million). In 2025, TenneT received EUR 2 million dividend from the immaterial joint ventures (2024: EUR 2 million).

None of TenneT's joint ventures are permitted to distribute dividends without the consent from all shareholders or partners.

### BritNed

BritNed is a joint venture with the British TSO, National Grid plc ('National Grid'). BritNed owns and operates a 1,000 MW direct current ('DC') interconnector between the United Kingdom and the Netherlands. Trading revenue and operating costs are shared equally between TenneT and National Grid. BritNed had nil contingent liabilities (2024: nil) at 31 December 2025. In 2025, EUR 62 million dividend was received from BritNed (2024: EUR 31 million).

### NOKA

NordLink is a partnership between Statnett SF ('Statnett'), TenneT and KfW IPEX-Bank GmbH ('KfW') for operating the NordLink interconnector between Norway and Germany. Ownership of the interconnector is equally split, with TenneT and KfW owning the southern part through NOKA, a jointly owned company, and Statnett owning the northern part. Trading revenue and operating costs are shared equally between NOKA and Statnett. NOKA is per 31 December 2025 part of assets classified as held for sale and discontinued operations (refer to note 2).

At 31 December 2025, NOKA had contingent liabilities of EUR 19 million (2024: EUR 3 million) mainly related to purchase obligations. During 2025, TenneT has withdrawn EUR 34 million from NOKA's capital (2024: EUR 35 million).

Summarised financial information of material joint ventures and reconciliation with the carrying amounts of the investments in the consolidated financial statements is as follows:

### Statement of financial position

(EUR million)	2025		2024	
	BritNed	BritNed	NOKA	
Non-current assets	403	430	728	
Cash and cash equivalents	85	117	55	
Other current assets	23	18	13	
Non-current liabilities	-42	-46	-70	
Current liabilities	-93	-112	-4	
<b>Equity</b>	<b>376</b>	<b>407</b>	<b>722</b>	
<i>Ownership TenneT</i>	50%	50%	50%	
<b>Carrying amount of the investment</b>	<b>188</b>	<b>204</b>	<b>362</b>	

### Statement of income

(EUR million)	2025		2024	
	BritNed	BritNed	NOKA	
Revenue	173	133	79	
Depreciation, amortisation and impairments of assets	-18	-19	-42	
Other operating expenses	-31	-37	-8	
<b>Operating result</b>	<b>124</b>	<b>77</b>	<b>29</b>	
Finance income and expenses	-3	-2	-	
Income tax expenses	-28	-20	-2	
<b>Result for the year<sup>1</sup></b>	<b>93</b>	<b>55</b>	<b>27</b>	
<i>Ownership TenneT</i>	50%	50%	50%	
<b>Group's share in result</b>	<b>47</b>	<b>28</b>	<b>14</b>	

<sup>1</sup> Result for the year equals total comprehensive income.

### Associates

TenneT has, directly or indirectly, equity stakes in the following entities that qualify as associates:

Associate	Legal seat	Country	2025	2024
Holding des Gestionnaires de Réseaux de Transport d'Electricité S.A.S. ('HGRT')	Paris	France	34.0%	34.0%
Beheerder Afsprakenstelsel B.V. ('BAS')	Amersfoort	Netherlands	25.0%	25.0%
Energie Data Services Nederland B.V. ('EDSN')	Amersfoort	Netherlands	12.5%	12.5%
TSCNET Services GmbH ('TSC') <sup>1</sup>	Munich	Germany	6.3%	12.5%
Joint Allocation Office S.A. ('JAO') <sup>1</sup>	Luxembourg-Hamm	Luxembourg	4.0%	8.0%
WL Winet B.V. <sup>2</sup>	Eindhoven	Netherlands	0.0%	40.0%

<sup>1</sup> Both TenneT TSO B.V. and TenneT TSO GmbH have a share of 6.25% and 4% in TSC and JAO respectively. The share of TenneT TSO GmbH is part of assets held for sale as per 31 December 2025.

<sup>2</sup> WL Winet B.V. was part of assets held for sale as at 31 December 2024 and was sold in 2025, please refer to note 1.

The investments in associates, amounting to EUR 33 million at 31 December 2025 (2024: EUR 33 million), are considered immaterial and are therefore not further disclosed. TenneT's share in result of these immaterial associates amounted to EUR 6 million in 2025 (2024: EUR 5 million). In 2025, TenneT received EUR 6 million dividend from the immaterial associates (2024: EUR 5 million).

None of TenneT's associates are permitted to distribute dividends without the consent from all shareholders or partners.

### ① Accounting policies

A joint venture is an arrangement in which the parties have joint control over the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. An associate is an entity in which TenneT has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not (joint) control of those policies.

Investments in joint ventures and associates are accounted for using the equity method. Under the equity method, the investment in the joint venture or associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the investment since the acquisition date. Goodwill relating to the investment is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of income reflects TenneT's share in the results of the investments. Any change in other comprehensive income of these investments is presented as part of the other comprehensive income. In addition, when there is a change recognised directly in the equity of the investment, TenneT's share of any change is recognised in the statement of changes in equity. Unrealised gains and losses resulting from transactions between TenneT and any investment are eliminated to the extent of the interest in such investment. When a joint venture or associate distributes dividend to TenneT in excess of TenneT's carrying amount, a liability is recognised if TenneT:

- is obliged to refund the dividend;
- has incurred a legal or constructive obligation; or
- made payments on behalf of the associate.

In the absence of such obligations, the excess is recognised in the statement of income. When the joint venture or associate subsequently generates results, this is only recognised if and to the extent they exceed the excess cash distributions previously recognised in the statement of income plus any previously unrecognised losses.

After application of the equity method, TenneT determines whether it is necessary to recognise an impairment loss on its investment in the joint venture or associate. At each reporting date, TenneT determines whether there is objective evidence that the investment is impaired. If such evidence exists, the amount of impairment is calculated as the excess of the carrying amount of the investment over its recoverable amount and recognised in the statement of income.

Upon loss of significant influence over the joint venture or associate, any retained investment is valued at fair value. Any difference between the carrying amount of the investment upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in the statement of income.

## 8. Other financial assets

(EUR million)	2025	2024
Pension assets	-	26
Financial assets through profit or loss	13	13
Amounts due from related parties	2	-
Fees for credit facilities available	1	1
Other	44	16
<b>Total</b>	<b>60</b>	<b>56</b>

### Pension assets

Please refer to note [17](#) for further disclosure of pension assets. Per 31 December 2025 an amount of EUR 42 million is part of assets classified as held for sale (reference is made to note [2](#)).

### Financial assets through profit and loss

Financial assets through profit and loss include investments in Westley Fund 3 and 4, located in Menlo Park, California, USA, with a fair value of EUR 6 million (2024: EUR 6 million), and in SET Ventures 3 and 4, located in Amsterdam, with a fair value of EUR 7 million (2024: EUR 7 million). TenneT contributed EUR 2 million in capital for these minorities in 2025 (2024: EUR 1 million) and recognised EUR 2 million (2024: EUR 1 million fair value loss) fair value loss. In addition, an amount of EUR 1 million (2024: EUR 2 million) has been disposed of in 2025. SET Ventures 2 was disposed in 2025.

### Amounts due from related parties

The amounts due from related parties relate to an issued loan to an associate.

### Fees for credit facilities available

The fees for credit facilities available relate to the prepaid sign-off fee for the Revolving Credit Facility ('RCF') and the shareholder facility. The current part amounts to EUR 1 million (2024: EUR 10 million) and is classified as part of account- and other receivables.

### Other

The increase is mainly resulting from a deposited amount in 2025 on an interest-bearing deposit at a third party, serving as coverage for reinsured amounts by TenneT Reinsurance N.V. Per 31 December 2025 an amount of EUR 38 million is part of assets classified as held for sale (reference is made to note [2](#)).

Besides the aforementioned agreement, the non-current part of a prepaid amount on a contract related to a recovery facility with a duration until 2032 is included. This amount will be partially released each period until maturity of the contract.

#### ① Accounting policies

Please refer to note 22 accounting policies for financial instruments.

## 9. Inventories

Inventories primarily consist of strategic stock of EUR 12 million (2024: EUR 186 million). Per 31 December 2025 an amount of EUR 222 million is part of assets classified as held for sale (refer to note 2). The allowance for obsolete inventory is EUR 3 million (2024: EUR 48 million). Per 31 December 2025 an amount of EUR 45 million is part of assets classified as held for sale (reference is made to note 2). The decrease of the inventories, including the allowance for obsolete inventory, is fully related to classification as held for sale. The fair value of inventory was not materially different from the carrying value.

#### ① Accounting policies

Inventories are recognised at the lower of cost and net realisable value. Cost consists of direct purchase costs and associated costs incurred in bringing inventories to their present condition and location. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale.

## 10. Account- and other receivables

(EUR million)	2025	2024
Accounts receivable	335	622
Amounts to be invoiced	175	1,381
EEG accounts receivable	-	83
Amounts to be invoiced to EEG trade debtors	-	116
VAT receivable	1	252
Subsidies to be received	-	59
Amounts due from related parties	1	28
Other	45	89
<b>Total</b>	<b>557</b>	<b>2,630</b>

A list of all related parties is included in note 31.

## Accounts receivable

Per 31 December 2025 an amount of EUR 413 million is part of assets classified as held for sale (reference is made to note 2). As a result of this reclassification, the accounts receivable have decreased.

At 31 December, the ageing of accounts receivable was as follows:

(EUR million)	2025	2024
Not past due	329	579
<i>Past due</i>		
0 to 30 days	2	37
31 to 60 days	-	4
More than 60 days	4	2
<b>Total past due</b>	<b>6</b>	<b>43</b>
<b>Total</b>	<b>335</b>	<b>622</b>

Changes in the allowance for expected credit losses were as follows:

(EUR million)	2025	2024
<b>At 1 January</b>	<b>22</b>	<b>15</b>
Charge for the year	4	7
Utilisation of provision	-	-
Unused amounts reversed	-2	-
Transfer to held for sale (note 2)	-14	-
<b>At 31 December</b>	<b>10</b>	<b>22</b>

At 31 December 2025, accounts receivable with an initial value of nil (2024: EUR 11 million) were fully provided for.

## Amounts to be invoiced

The majority of the amounts to be invoiced relates to unbilled fees related to connection and transmission services, operation of energy exchanges and maintenance of the energy balance. The assessment of amounts to be invoiced between the date of the last information available from meter readings and year-end is primarily based on expected consumption and weather patterns. When the actual information is available, mostly within a month after year-end, the amounts to be invoiced are adjusted accordingly to reflect the latest information. Per 31 December 2025 an amount of EUR 1,017 million is part of assets classified as held for sale (reference is made to note 2). After adjustment for the discontinued operations, the remaining increase in amounts to be invoiced mainly reflects higher tariffs, partially offset by lower transmitted volumes in the Netherlands compared to 2024.

### EEG accounts receivable and amounts to be invoiced to EEG trade debtors

In accordance with the Renewable Energy Sources Act (EEG) TenneT TSO GmbH is required to purchase electricity from producers of renewable energy at fixed feed-in tariffs. Subsequently, such renewable energy is sold on power exchanges at spot prices. The promotion of this renewable energy is financed by the federal budget. EEG revenue and expenses are legally required to be equal and to be administrated separately, therefore TenneT TSO GmbH acts as an agent with respect to these EEG services. Per 31 December 2025 an amount of EUR 211 million is part of assets classified as held for sale (reference is made to note 2).

EEG trade receivables and amounts to be invoiced to EEG trade debtors relate to the outstanding invoices for the EEG levy, the accrual for the unbilled EEG levy, the accrual for horizontal balancing amounts (i.e. unsettled charges to the other German TSOs) and energy trading revenue. EEG trade receivables were not at TenneT's free disposal. Please refer to note 19 for the EEG accounts payable and to note 11 for EEG deposits.

### Subsidies to be received

The subsidies to be received have decreased to nil, due to an adjustment as implemented in 2024 in the offshore subsidy conditions by the ministry of Climate Policy and Green Growth. From 2025 onwards, the offshore subsidies are capped. Therefore, the current year expenses that would be compensated through post-calculation in the offshore subsidy have shifted to regular settlement in future tariffs. As a result, the subsidies to be received have declined since 2024.

### Accounting policies

Please refer to note 22 accounting policies for financial instruments.

## 11. Cash and cash equivalents

Cash and cash equivalents consisted of the following items:

(EUR million)	2025	2024
Collateral securities	307	364
EEG funds	-	116
EEG deposits less than or equal to 3 months	-	150
KWK funds	-	153
Strompreisbremse funds (ASK)	-	75
SD Funds	1	2
<b>Total restricted</b>	<b>308</b>	<b>860</b>
Deposits less than or equal to 3 months	2,650	2,050
Cash at bank	2,161	1,483
<b>Total non-restricted</b>	<b>4,811</b>	<b>3,533</b>
<b>Total cash and cash equivalents</b>	<b>5,119</b>	<b>4,393</b>
Cash at banks and short-term deposits part of assets held for sale (note 2)	743	-
<b>Total cash and cash equivalents used in cash flow statement</b>	<b>5,862</b>	<b>4,393</b>

To better reflect the specific circumstances and conditions of the cash and cash equivalents, the Company adjusted the classification of the cash and cash equivalents from 'at free disposal' and 'not at free disposal' to 'non-restricted' and 'restricted', including the comparative figures. This change only impacts the classification of the short term deposits from 'not at free disposal' to 'non-restricted'.

Collateral securities are related to other financial liabilities and are restricted as legal restrictions for the usage of the collateral securities apply, refer to note 18. Cash and cash equivalents relating to EEG activities have been legally separated as required by BNetzA as legal restrictions for the usage of the funds apply, refer to note 10. The same applies for funds related to KWK-G and Electricity Revenue Cap Act ('Strompreisbremse'). Furthermore, legal restrictions apply on the usage of the SD funds, which consists of cash at bank of Stichting Beheer Doelgelden Landelijk Hoogspanningsnet (SD). The SD funds can only be used to fulfil priority objectives in accordance with EU Regulation 2019/943 or other legal tasks after approval by ACM.

The short-term deposits are made for varying periods of between one day and three months, depending on the cash requirements of the Group, and earn interest at the respective short-term deposit rates. The funds are temporarily deposited and non-restricted as no legal restrictions for the usage of the funds from the deposits apply. Cash at bank carries interest at floating rates based on daily bank deposit rates.



### Accounting policies

In the consolidated statement of cash flows, cash and cash equivalents include cash at bank, deposits held at call with banks and other short-term highly liquid investments with remaining maturities of three months or less and are presented net of outstanding bank overdrafts. Securities are deposits on collaterals that serve as financial security for transactions relating to auction, energy exchange and balancing responsibilities. A matching obligation is recognised towards the party that deposited the funds as collateral. Securities are stated at fair value upon receipt and subsequently at amortised cost.

The Group presents its cash flows in the consolidated statement of cash flows using the indirect method. The Group has elected to classify interest received as cash flows from investing activities and interest paid, including interest on lease liabilities, as cash flows from financing activities.

## 12. Capital management

The primary objective of TenneT's capital structure, which consists of equity and debt, is to ensure a sustainable financial position to absorb adverse changes in the regulatory environment and to enable TenneT to execute its extensive investment programme which is essential for the success of the energy transition in the Netherlands and Germany.

TenneT Holding B.V. has defined the following capital management objectives, namely:

1. to maintain an issuer credit rating of at least BBB+ from Standard & Poor's (2024: A-) on TenneT Holding level; and
2. to maintain a long-term average adjusted FFO to net debt based on underlying financial information of well above 5.0% (2024: at least 8.0%).

The changes in TenneT's credit rating and the adjusted FFO to net debt ratio target compared to prior year are both related to TenneT's new funding structure to facilitate the separation of its Dutch and German operations, by establishing two stand-alone companies, each operating and funded separately. Please refer to note 1 for further details. As a result, TenneT has set the following objectives for TenneT Netherlands and TenneT Germany:

- TenneT Netherlands B.V. is the financing entity for TenneT's Dutch operations. As a result, TenneT Holding transferred all of its existing senior debt financing, including the intercompany loan to TenneT Germany, to TenneT Netherlands B.V. TenneT Netherlands B.V. has received an irrevocable and unconditional institutional guarantee from the Dutch state. With the state guarantee in place, the credit risk of eligible senior debt instruments of TenneT Netherlands B.V. aligns with the triple A status of the Dutch state.

- TenneT Germany will raise the financing for the German operations after closing of the equity funding agreement with APG, GIC and NBIM. The objective is to obtain a robust investment grade rating for TenneT Germany to support the financing of TenneT Germany's CapEx programme. TenneT Germany has already concluded its first financing transaction by signing a EUR 12.0 billion RCF, which is undrawn at 31 December 2025. The RCF is subject to closing conditions of the partly sale of TenneT Germany, including a contribution of at least EUR 1.5 billion of equity.

### 1. Maintain an issuer credit rating of at least BBB+ from S&P

At 31 December 2025, TenneT has the following issuer credit ratings from Standard & Poor's and Moody's Investor Service which were last updated on respectively 16 September 2025 and 2 October 2025.

Unsecured credit rating	At 31 December 2025		At 31 December 2024	
	Long-term issuer rating	Short-term issuer rating	Long-term issuer rating	Short-term issuer rating
Standard & Poor's	BBB+ (stable outlook)	A-2	A- (stable outlook)	A-2
Moody's Investor Service	Baa2 (stable outlook)	P-2	A3 (stable outlook)	P-2

### 2. Maintain a long-term average adjusted FFO/Net debt ratio based on underlying financial information of well above 5.0%

TenneT has the objective to maintain an issuer credit rating of at least BBB+ from Standard & Poor's. To realise this objective, TenneT maintains a long-term average adjusted FFO to net debt ratio of well above 5.0% based on underlying financial information (please refer to note 3 for a breakdown of the adjusted FFO to net debt ratio). This ratio meets the minimum requirements for a BBB+ issuer credit rating as defined by the credit rating agency Standard & Poor's.

## 13. Equity

The equity of the Company consists of equity attributable to the owners of the Company and non-controlling interests. For the movement schedule of the equity components, please refer to the consolidated statement of changes in equity.

### Equity attributable to owners of the Company

#### Paid-up and called-up capital

The Company's authorised share capital amounted to EUR 500 million (2024: EUR 500 million), divided into one million shares of EUR 500 each. Of these shares, two hundred thousand shares have been issued and paid-up.

### Share premium reserve

The share premium reserve consists of the capital contributions made by the Shareholder of ordinary shares, the Dutch state, represented by the Ministry of Finance. In addition, the contribution received from the Shareholder for an amount of EUR 1.6 billion in 2023 has been reclassified from other financial liabilities to equity in 2024, as the shares in TenneT Germany were not transferred for 100% to KfW. The latter was a condition for repayment of the EUR 1.6 billion to the Shareholder and that condition was not met as the negotiations with KfW were terminated in 2024.

### Retained earnings

Part of the retained earnings is presented as legal reserves. For more details please refer to note [37](#).

### Dividend distribution and result appropriation

In 2025, in agreement with the shareholder, no dividend was paid to TenneT's ordinary shareholder (2024: EUR 150 million; EUR 750 per share). TenneT made aggregate distributions to the holders of hybrid securities of EUR 52 million during 2025 (2024: EUR 63 million). The appropriation of the 2025 result is at the free disposal of the General Meeting of Shareholders. In light of the new method decision of the regulator ACM for the period 2027-2031, the Company proposes not to distribute any dividends to its shareholder for as long as TenneT remains entitled to the direct reimbursement of construction interest for large investments, known as 't-0 remuneration', which is expected to apply until 2030. The reduction path for the 't-0 remuneration' will be discontinued immediately or accelerated if it is no longer necessary to maintain the credit rating of the issuer TenneT Holding B.V. or TenneT Netherlands B.V. In this case, the end date of the 't-0 remuneration' will be earlier than 2030.

### Hybrid securities

Hybrid securities are subordinated securities and are, with the exception of common equity, the most junior instruments in the capital structure of the Company. The hybrid securities are undated and do not default on non-payment of coupons (unless payment was mandatory following a resolution or payment of a dividend to common shareholders, i.e. a so-called 'dividend pusher').

The holders of the hybrid securities have limited ability to influence the outcome of a bankruptcy proceeding or a restructuring outside bankruptcy. Consequently, the hybrid security holders cannot oblige TenneT to pay distributions or redeem the securities in part or in full. Payment of distributions on and redemption of the securities is at TenneT's sole discretion. As a result, the hybrid securities are classified as part of the equity attributable to the Company's owners.

On 31 December 2025, TenneT had EUR 1.1 billion of green hybrid securities outstanding. This relates to the issued dual tranche hybrid security of each EUR 550 million in March 2024. The first tranche bears an optional,

cumulative coupon of 4.625%, payable at TenneT's discretion annually on 21 June of each year. The second tranche bears an optional, cumulative coupon of 4.875%, payable at TenneT's discretion annually on 21 March of each year. At 31 December 2025, the unpaid cumulative dividend for this dual tranche amounted to respectively EUR 13 million (2024: EUR 13 million) and EUR 20 million (2024: EUR 20 million).

The hybrid security issued in April 2017 of EUR 1 billion and the hybrid security issued in August 2018 of EUR 100 million were redeemed in May 2024. The green hybrid securities issued in July 2020 with a total amount of EUR 1 billion were redeemed in July 2025.

### Non-controlling interests

The proportion of economic interests held by non-controlling interests in the Group's subsidiaries is as follows:

Non-controlling interests	Country	Voting interest		Economic interest	
		2025	2024	2025	2024
TenneT Offshore 2. Beteiligungsgesellschaft mbH ('TO2')	Germany	49%	49%	69%	69%
TenneT Offshore 8. Beteiligungsgesellschaft mbH ('TO8')	Germany	49%	49%	63%	63%

The non-controlling interests in TO2 and TO8 are held by Copenhagen Infrastructure Partners ('CIP'; legal seat: Copenhagen, Denmark). The Group has the power to control TO2 and TO8 and holds 51% of the voting rights in these entities. Movements in the non-controlling interests are summarised in the table hereafter.

(EUR million)	TO2	TO8	Total
<b>At 1 January 2024</b>	<b>214</b>	<b>186</b>	<b>400</b>
Result attributable to non-controlling interests	-2	7	5
Capital contributions	20	5	25
Capital repayments	-32	-18	-50
Dividends paid	-18	-8	-26
<b>At 31 December 2024</b>	<b>182</b>	<b>172</b>	<b>354</b>
Result attributable to non-controlling interests	-3	7	4
Capital contributions	1	1	2
Capital repayments	-13	-13	-26
Dividends paid	-14	-6	-20
<b>At 31 December 2025</b>	<b>153</b>	<b>161</b>	<b>314</b>

Financial information of these subsidiaries is summarised hereafter on a consolidated basis before intercompany eliminations and in conformity with TenneT's accounting principles.

## Statement of financial position

(EUR million)	2025			2024		
	TO2	TO8	Total	TO2	TO8	Total
Non-current assets	648	982	1,630	722	1,066	1,788
Cash and cash equivalents	-	-	-	-	-	-
Other current assets	167	145	312	152	107	259
Non-current liabilities	-505	-769	-1,274	-550	-826	-1,376
Current liabilities	-89	-104	-193	-60	-74	-134
<b>Equity</b>	<b>221</b>	<b>254</b>	<b>475</b>	<b>264</b>	<b>273</b>	<b>537</b>
Attributable to owners of the Company	68	93	161	82	101	183
Attributable to non-controlling interests	153	161	314	182	172	354

## Statement of income

(EUR million)	2025			2024		
	TO2	TO8	Total	TO2	TO8	Total
Revenue	156	190	346	160	195	355
Depreciation, amortisation and impairment of assets	-88	-98	-186	-90	-100	-190
Other operating expenses	-58	-54	-112	-68	-64	-132
<b>Operating result</b>	<b>10</b>	<b>38</b>	<b>48</b>	<b>2</b>	<b>31</b>	<b>33</b>
Finance income and expenses	-9	-15	-24	-7	-14	-21
Income tax expenses	-5	-12	-17	1	-5	-4
<b>Result for the year<sup>1</sup></b>	<b>-4</b>	<b>11</b>	<b>7</b>	<b>-4</b>	<b>12</b>	<b>8</b>
Attributable to owners of the Company	-1	4	3	-2	5	3
Attributable to non-controlling interests	-3	7	4	-2	7	5

<sup>1</sup> Result for the year equals total comprehensive income

## Statement of cash flows

(EUR million)	2025			2024		
	TO2	TO8	Total	TO2	TO8	Total
Net cash flows from operating activities	114	203	317	68	57	125
Net cash flows used in investing activities	-1	-3	-4	2	2	4
Net cash flows from financing activities	-113	-200	-313	-70	-59	-129
<b>Net change in cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 14. Borrowings

Changes in borrowings from financing activities are as follows:

(EUR million)	Interest-bearing					Total
	Interest-bearing bonds	shareholder loans	Interest-bearing loans	Interest-bearing USPP	Interest-bearing Schuldschein	
<b>At 1 January 2024</b>	<b>16,587</b>	<b>-</b>	<b>5,001</b>	<b>500</b>	<b>423</b>	<b>22,511</b>
Cash inflow from new borrowings	-	13,100	250	-	-	13,350
Cash outflow from redemptions	-	-	-3,841	-	-100	-3,941
Amortisation	14	-	-	-	-	14
<b>At 31 December 2024</b>	<b>16,601</b>	<b>13,100</b>	<b>1,410</b>	<b>500</b>	<b>323</b>	<b>31,934</b>
Cash inflow from new borrowings	-	11,900	-	-	-	11,900
Cash outflow from redemptions	-500	-	-68	-	-1	-569
Amortisation	13	-	-	-	-	13
<b>At 31 December 2025</b>	<b>16,114</b>	<b>25,000</b>	<b>1,342</b>	<b>500</b>	<b>322</b>	<b>43,278</b>

TenneT and the Dutch state have agreed upon a shareholder loan facility of EUR 25.0 billion at 12 January 2024 to safeguard the financing of TenneT's planned investments in the Netherlands and Germany for 2024 and 2025. This loan facility is fully drawn. At 21 February 2025, TenneT and the Dutch state have agreed upon a supplementary shareholder loan facility of EUR 19.4 billion safeguarding TenneT's planned investments in the Netherlands and Germany for 2025 and 2026.

TenneT has agreed with the Dutch State to cancel EUR 8.4 billion of the EUR 19.4 billion after the state guarantee was signed. As of 31 December 2025, EUR 11.0 billion of the shareholder loan facility is still available for 2026. The interest rate on the shareholder loan facilities is determined by the mid-swap rate at the time of utilisation plus a margin depending on the loan's duration. The Company determines the duration of each loan drawn, which spans between six and sixteen years, in accordance with the contractual terms. The loans drawn from the facility are granted at market conditions.

Furthermore, TenneT has developed a Green Financing Framework to finance its renewable energy activities. The Green Financing Framework is aligned to the 2025 ICMA Green Bond Principles ('GBP') and the 2025 LMA Green Loan Principles ('GLP') and addresses their four pillars; (i) Use of Proceeds, (ii) Process for Project Evaluation and Selection, (iii) Management of Proceeds and (iv) Reporting. TenneT has issued green financing across different formats (senior bonds, hybrid bonds, US Private Placement and Schuldschein). An overview of the interest-bearing bonds outstanding at year-end, of which an amount of EUR 1,750 million is classified as current borrowings, is included below.

Year of issuance	Nominal interest rate	Redemption schedule	Effective interest rate	Maturity	Nominal value	EUR million	
						2025	2024
2015	1.750%	At maturity	1.83%	Jun-27	500	499	499
2016	1.000%	At maturity	1.04%	Jun-26	500	500	500
2016	1.250%	At maturity	1.35%	Oct-33	500	496	496
2016	1.875%	At maturity	1.97%	Jun-36	500	495	494
2017	1.375%	At maturity	1.41%	Jun-29	500	499	499
2017	0.750%	At maturity	0.88%	Jun-25	500	-	500
2018	1.375%	At maturity	1.49%	Jun-28	500	499	498
2018	2.000%	At maturity	2.04%	Jun-34	750	747	747
2019	0.875%	At maturity	0.98%	Jun-30	500	498	497
2019	1.500%	At maturity	1.58%	Jun-39	750	742	742
2020	0.125%	At maturity	0.21%	Nov-32	600	597	596
2020	0.500%	At maturity	0.54%	Nov-40	750	746	745
2021	0.125%	At maturity	0.17%	Dec-27	650	649	649
2021	0.500%	At maturity	0.60%	Jun-31	500	497	497
2021	0.875%	At maturity	0.89%	Jun-35	1,000	995	995
2021	1.125%	At maturity	1.16%	Jun-41	650	647	646
2022	1.625%	At maturity	1.78%	Nov-26	1,250	1,250	1,246
2022	3.875%	At maturity	3.93%	Oct-28	650	649	649
2022	2.125%	At maturity	2.23%	Nov-29	1,000	996	995
2022	4.250%	At maturity	4.32%	Apr-32	500	498	498
2022	2.375%	At maturity	2.48%	May-33	750	744	743
2022	4.500%	At maturity	4.56%	Oct-34	1,000	995	994
2022	2.750%	At maturity	2.85%	May-42	850	836	835
2022	4.750%	At maturity	4.75%	Oct-42	850	842	843
<b>Total green bonds</b>						<b>15,916</b>	<b>16,403</b>
2010	4.750%	At maturity	4.93%	Jun-30	200	198	198
<b>Total other bonds</b>						<b>198</b>	<b>198</b>
<b>Total interest-bearing bonds</b>						<b>16,114</b>	<b>16,601</b>

The Company also has other credit facilities at its disposal at 31 December 2025. Please refer to note [20](#) for further details.

The amount of borrowing costs capitalised as part of assets under construction during 2025 is disclosed in note [27](#). The effective interest rate used to determine the amount of borrowing costs capitalised was 2.94% (2024: 2.95%).

### **i** Accounting policies

Please refer to note [22](#) accounting policies for financial instruments.

## 15. Contract liabilities

The movements in the contract liabilities are as follows:

(EUR million)	2025	2024
<b>At 1 January</b>	<b>773</b>	<b>627</b>
Additions	226	160
Amortisation	-16	-14
Disposals	-66	-
Transfer to held for sale (note <a href="#">2</a> )	-141	-
<b>At 31 December</b>	<b>776</b>	<b>773</b>

Contract liabilities are related to investment contributions from customers intended for new high-voltage grid connections, which need to be paid by the concerning customers.

The maturities of the contract liabilities are disclosed in the following table:

(EUR million)	2025	2024
Less than 1 year	15	14
1 to 5 years	67	54
More than 5 years	694	705
<b>Total</b>	<b>776</b>	<b>773</b>

### **i** Accounting policies

Contract liabilities are recognised when payments are received or when the payments are due (whichever is earlier) before a related performance obligation is satisfied. Contract liabilities are recognised in accordance with the related contract. At initial recognition, contributions received from third parties are measured at transaction price, presented as contract liabilities ('investment contributions') and are subsequently amortised and recognised as revenue over the related assets useful life.

## 16. Provisions

(EUR million)	2025			2024		
	Non-current	Current	Total	Non-current	Current	Total
Decommissioning	325	-	325	1,607	5	1,612
Other	38	18	56	119	559	678
<b>Total</b>	<b>363</b>	<b>18</b>	<b>381</b>	<b>1,726</b>	<b>564</b>	<b>2,290</b>

The movements in the provisions are as follows:

(EUR million)	Decommissioning	Other	Total
<b>At 1 January 2024</b>	<b>1,618</b>	<b>219</b>	<b>1,837</b>
Additions	107	493	600
Utilisation	-	-25	-25
Changes in estimates	-159	-	-159
Unused amounts reversed	-	-12	-12
Imputed interest	46	3	49
<b>At 31 December 2024</b>	<b>1,612</b>	<b>678</b>	<b>2,290</b>
Additions	163	325	488
Utilisation	-2	-335	-337
Changes in estimates	-136	-34	-170
Unused amounts reversed	-	-90	-90
Imputed interest	47	-1	46
Other	-	6	6
Transfer to held for sale (note 2)	-1,359	-493	-1,852
<b>At 31 December 2025</b>	<b>325</b>	<b>56</b>	<b>381</b>

### Decommissioning provision

The decommissioning provision is mainly related to TenneT's offshore assets, i.e. offshore platforms and sub-sea cables, including the interconnectors. For all of the offshore assets legal or constructive asset retirement obligations exist for decommissioning these assets at the end of the useful lives or at the end date of the related permits. Therefore, a decommissioning provision is recognised. The estimated total costs for removing the assets are capitalised as part of the carrying amount of the related assets and are depreciated over the assets' useful lives.

In 2025, EUR 163 million was added (2024: EUR 107 million) for expected future decommissioning costs for projects constructed during 2025. Changes in estimates amounted to EUR -136 million (2024: EUR -159 million), mainly due to the used discount rate (EUR -129 million) (2024: EUR -45 million), the used inflation rate (EUR -4 million) (2024: EUR -70 million), updated price levels (EUR -7 million) (2024: EUR 26 million) and changes

in the estimated future removal costs (EUR 4 million) (2024: EUR -65 million). The imputed interest for 2025 is recognised in the statement of income as a finance expense of EUR 47 million (2024: EUR 46 million). No offshore assets have been decommissioned in 2025 or 2024. In line with current regulation and permits, the first decommissioning of offshore assets is expected to be executed in 2029. Per 31 December 2025 an amount of EUR 1,359 million is part of assets classified as held for sale (reference is made to note 2).

### Other provisions

The other provisions as per 31 December 2025 mainly consist of legal claims of EUR 13 million (2024: EUR 553 million) and the provision for long-term service bonuses of EUR 37 million (2024: EUR 46 million). Per 31 December 2025 an amount of EUR 493 million is part of assets classified as held for sale (reference is made to note 2).

The legal claims, including potential compensation claims regarding offshore grid connection systems, relate to both project claims concerning assets under construction, for which the estimated additional payments are capitalised, as well as other claims for which the estimated additional payments are recognised as operating expenses. Regarding long-term service bonuses TenneT has future obligations under the collective labour agreement involving the payment of bonuses to long-serving and retiring employees.

The decrease in 2025 is mainly resulting from settlement of legal claims during the year, partly offset by amongst others the recognition of the provision for environmental compensation measures in Germany (which is classified as held for sale at 31 December 2025, reference is made to note 2).

### ★ Key estimates and assumptions

#### Decommissioning provision

The decommissioning provision involves:

1. estimating the future decommissioning costs;
2. estimating the expected remaining useful life including the start of the decommissioning of the relevant asset;
3. estimating the applicable discount rate and (future) inflation rate.

The main uncertainties related to the estimated future decommissioning costs are the required removal procedures and techniques, the future availability of equipment and vessels, market rates at expected time of decommissioning and possible changes in legislation, policies and permits applicable to offshore assets and their removal.

Decommissioning costs are provided for at the net present value of estimated future costs to settle the obligation. The useful life of the offshore assets is estimated at 20 till 35 years and for interconnector cables the useful life is estimated at 40 years, in accordance with the useful lives as disclosed in note 4.



Decommissioning will commence at the end of the useful life of the offshore assets, also taking into account the end of the permit period for operating the offshore assets.

The discount rate and inflation rate were adjusted in 2025 to reflect current market assessments of the time value of money and the specific risks related to the provision. For the decommissioning provision a discount rate between 3.42% and 3.58% (2024: between 2.71% and 2.75%) and an expected future inflation rate between 2.08% and 2.18% (2024: between 2.10% and 2.21%) was assumed. A change in the discount rate of 1 percent point would have a maximum impact of EUR 82 million on the asset value and liability value.

#### Other provisions

The provision for legal claims is subject to significant judgement and reflects TenneT's best estimate of the probable outflow of resources for each individual case. If the recognition criteria for a provision are met, a provision for the legal claim is recognised. As a result of uncertainties, legal claims for which the recognition criteria of a provision are not met, could in unlikely events still result in outcomes with a material impact on TenneT's financial position. For potential compensation claims regarding offshore grid connection systems, the key parameters used are the expected duration of the delay, the energy market prices and the wind profile at sea.

The environmental obligations involve estimating the future dismantling and environmental restoration costs for each location. For this provision a discount rate of 3.00% was applied (2024: 2.60%).

The provisions for long-term service and retirement bonuses have been calculated on the basis of actuarial principles, including the main assumptions of future salary increases, leave chances and age-dependent retention rates. For the provision for long-term service bonuses a discount rate of 4.54% was applied (2024: 3.65%) and for the other provisions a discount rate of 3.00% was applied (2024: 2.60%). A change in discount rate of 1 percent point would have a maximum impact of EUR 6 million on the provision for long-term service bonuses.

TenneT holds the view that the recognised provisions reflect the best estimate of the probable outflow of resources. However, uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of these provisions in future periods. For disclosure of contingent liabilities please refer to note 23.

#### Accounting policies

Provisions are recognised when there is (i) a legal or constructive obligation as a result of past events, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and (iii) when the amount can be reliably estimated. Provisions are measured at the present value of estimated cash flows to settle obligations, based on expected price levels.

Cash flows are discounted at a pre-tax rate that reflects the risks specific to the liability. The unwinding of interest components associated with provisions is recognised in the statement of income as a finance expense.

Estimated future costs are reviewed annually and adjusted as appropriate. Changes in estimated future costs and discount rates for decommissioning costs are recognised as change in estimates and recorded in tangible fixed assets. For other changes in estimates it depends on the nature of the provision whether these changes are recognised in tangible fixed assets or in the statement of income.

## 17. Net employee defined benefit liabilities

### Pension plans Germany

TenneT has defined benefit plans for the majority of its German personnel. German employees are mainly employed based on the collective labour agreement of 'Tarifgruppe Energie' and thus enjoy benefits in the form of old-age, disability and surviving dependents' pensions. The large majority of the benefit obligations are based on pension schemes that define annual pension claims based on respective employees' pensionable income of a particular year. Furthermore, each employee is allowed to defer a certain amount of their compensation to raise his pension claim within defined bounds.

The Group contributes to two post-employment defined benefit plans in Germany, pursuant to a works council agreement called 'Betriebliche Alterssicherung' (hereafter referred to as 'pension scheme 2001') and a works council agreement called 'Beitragsplan' (hereafter referred to as 'pension scheme 2008'), as well as to a small number of individual pension commitments. The pension obligations related to these plans are partly covered by assets held in two Contractual Trust Arrangements (CTA) administered by 'Helaba Pension Trust e.V.' (Helaba). According to German law, TenneT remains ultimately liable for fulfilling these pension obligations.

### Pension scheme 2001

This scheme covers employees who started their employment with TenneT TSO GmbH on or before 31 December 2007 (or later if the individual employment contract was agreed on or before 1 April 2008). The scheme became effective on 1 January 2001 and absorbed older plans at the time. As part of the transition in 2001 to the new plan, employees were guaranteed a vested pension claim based on the old plan for their years of service prior to the transition date. The plan offers benefits in the form of old-age, disability and surviving dependents' pensions and is composed of an employer-funded basic level based on the respective employee's yearly pensionable income, an employer-funded top-up level based on the respective company's performance and an employee-funded supplementary level which allows employees to increase their pension entitlement through deferred compensation. Yearly fixed pension claims are calculated with a fixed internal interest rate that sum up to the total earned pension benefits of the respective employee.

### Pension scheme 2008

This scheme covers employees who started their employment with TenneT TSO GmbH after 31 December 2007 (unless the individual employment contract was agreed before 1 April 2008, in which case the pension scheme 2001 applies). This scheme offers benefits in the form of old-age, disability and surviving dependents' pensions.

Pension cost is composed of the employer-funded basic level based on the respective employee's yearly pensionable income, an employer funded top-up level based on the respective company's performance and an employee-funded supplementary level which allows employees to increase their pension entitlement through deferred compensation. If the employee contribution to the supplementary level reaches a certain level, the company pays an additional contribution of one-third of the respective basic level contribution.

Annually, for each year a contribution to the pension claims is increased with an interest rate that is recalculated based on the weighted average current yield of German Federal Government Bonds (Bundesanleihen), with an effective floor of 3.0% and with different maturities (10, 20 and 30 years) reflecting the average duration of the plan. The annual pension claim contributions for all years of service sum up to the total earned pension benefits of the respective employee.

Differences between the plans are limited and mainly refer to the way internal interest rates and the pensionable income are determined. Therefore, the disclosure in the notes hereafter comprises the combined plans.

The funded status of the pension plans and the amounts recognised in the statement of financial position were as follows:

(EUR million)	2025	2024
Defined benefit obligation	307	333
Fair value of plan assets	-125	-116
<b>Funded status</b>	<b>182</b>	<b>217</b>
Pensions assets included in other financial assets	41	26
<b>Total defined benefit liability</b>	<b>223</b>	<b>243</b>

The defined benefit liabilities at 31 December are presented in the table hereafter. The short-term part of the defined benefit liability is presented as part of the current other provisions. Please refer to note 8 for the benefit asset as included in other financial assets.

(EUR million)	2025	2024
Defined benefit liability non-current	221	240
Defined benefit liability current	2	3
<b>Total defined benefit liability</b>	<b>223</b>	<b>243</b>

Changes in the present value of the defined benefit obligation ('DBO') over the year were as follows:

(EUR million)	2025	2024
<b>Defined benefit obligation at 1 January</b>	<b>333</b>	<b>314</b>
Current service expenses	17	15
Interest expenses	12	10
Contributions by plan participants	3	3
Benefits paid	-6	-5
Remeasurements	-52	-4
Transfer to held for sale (note 2)	-307	-
<b>Defined benefit obligation at 31 December</b>	<b>-</b>	<b>333</b>

Remeasurements are mainly due to the change of the discount rate from 3.5% in 2024 to 4.1% in 2025.

Changes in the fair value of plan assets at 31 December of the year were as follows:

(EUR million)	2025	2024
<b>Fair value of plan assets at 1 January</b>	<b>116</b>	<b>109</b>
Actual return on plan assets	8	7
Contributions by employer	5	5
Benefits paid	-4	-5
Transfer to held for sale (note 2)	-125	-
<b>Fair value of plan assets at 31 December</b>	<b>-</b>	<b>116</b>

Categories of plan assets as a percentage of the fair value of the total plan assets were as follows:

	2025	2024
<b>Quoted in active markets:</b>		
Equity instruments	30%	33%
Debt securities	49%	43%
Other	4%	5%
<b>Unquoted investments:</b>		
Debt securities	0%	0%
Real estate	11%	12%
Cash	1%	5%
Other	5%	2%

Remeasurements, including actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, recognised as other comprehensive income in the statement of comprehensive income were as follows:

(EUR million)	2025	2024
<b>Accumulated balance at 1 January</b>	<b>7</b>	<b>15</b>
Remeasurements	-56	-8
<b>Accumulated balance at 31 December</b>	<b>-49</b>	<b>7</b>

Remeasurements for the year originate from the following:

(EUR million)	2025	2024
Remeasurements from actuarial gains and losses in DBO	-52	-4
Exceeding return on plan assets (over net interest included in net liability)	-4	-4
<b>Total remeasurements</b>	<b>-56</b>	<b>-8</b>
Thereof:		
Actuarial gains and losses from experience	-18	-1
Actuarial gains and losses from changes in actuarial assumptions	-34	-3

### State plans

Contributions to state plans, which are recognised as part of social security contributions in the personnel expenses, amounted to EUR 40 million in 2025 (2024: EUR 32 million).

### Key estimates and assumptions

Pension obligations and pension entitlements that are known on the reporting date are valued using economic trend assumptions including, among others, salary growth rates and pension increase rates, which are intended to reflect realistic expectations, as well as variables specific to reporting dates such as discount rates. The mortality table used is the 'Richttafeln 2018 G' provided by Heubeck-Richttafeln-GmbH. The other principal assumptions used in determining the pension obligations were as follows:

	2025	2024
Discount rate	4.10%	3.50%
Future salary increases	2.50%	2.50%
Future pension increases	1.00%	1.00%

The vast majority of TenneT's pension plans include a fixed annual pension increase of 1% after retirement. For pension agreements that do not include this fixed increase, a future pension increase of 2.3% per year (2024: 2.3% per year) was used in the calculation of defined benefit obligations.

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and actuarial experience. An increase in each of the main assumptions would have had the followings effects:

(EUR million)	2025	2024
0.25% change of discount rate	-13	-15
0.50% change of salary increase rate	-	1
0.50% change of pension increase rate	2	1
Change of 1 year in life expectancy	6	8

The sensitivities indicated are computed based on the same methods and assumptions used to determine the present value of the defined benefit obligations and are based on variations in a single parameter only. Note that the sensitivity analyses may not be representative of an actual change in the defined benefit obligation, as it is unlikely that changes in assumptions would occur in isolation.

Due to the development of plan assets and the change in (statutory) discount rates, TenneT expects to have no obligation to contribute to plan assets in 2025. TenneT expects the following undiscounted benefit payments from the plan:

(EUR million)	2025	2024
Within the next 12 months	9	8
Within 1 to 5 years	42	39
Within 5 to 10 years	70	62
More than 10 years	586	572
<b>Total</b>	<b>707</b>	<b>681</b>

### ① Accounting policies

For defined benefit plans, pension costs are determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest), are recognised in other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of income in subsequent periods.

Service costs, comprising current service costs and, if applicable, past-service costs, gains and losses on curtailments and non-routine settlements, are recognised as personnel expenses in the consolidated statement of income. Interest is calculated by applying the discount rate to the net defined benefit liability or asset and is recognised as part of the finance result in the statement of income.

Prepaid pension costs relating to defined benefit plans are capitalised only if they lead to refunds to the employer or to reductions in future contributions to the plan by the employer.

### Pension plan the Netherlands

For the Dutch personnel, TenneT has a multi-employer scheme offered by ABP Pension Fund ('ABP'). The pension contribution rate for 2025 was 19.5% (2024: 19.5%) of the pensionable salary. In 2026, TenneT expects to contribute EUR 62 million, based on 2025 number of employees, to the ABP scheme. Compared to the total participants in the ABP pension fund, TenneT's share in ABP is limited. The Company is not liable for any deficits in the multi-employer scheme of the pension fund.

ABP has indicated that it is unable to provide the company-specific information required by IFRS for defined-benefit pension schemes. Consequently, this scheme is treated as if it were a defined contribution scheme.

The policy funding ratio is the 12-month moving average of the nominal funding ratio. ABP's policy funding ratio at 31 December 2025 was 123.5% (2024: 111.9%) which is above the critical regulatory coverage rate level under which certain measures are required.

### ① Accounting policies

Payments to defined contribution plans are charged as an expense in the period to which these payments relate.

## 18. Other financial liabilities

The contribution received from the Shareholder for an amount of EUR 1.6 billion in 2023 has been reclassified from other financial liabilities to equity in 2024, as the shares in TenneT Germany were not transferred for 100% to KfW. The latter was a condition for repayment of the EUR 1.6 billion to the Shareholder and that condition was not met as the negotiations with KfW were terminated in 2024. The other non-current other financial liabilities consist of shares held by CIP in TenneT Offshore Dolwin3 Verwaltungs GmbH ('TOD3') for 67%. The movement is disclosed in the table hereafter:

(EUR million)	2025	2024
<b>At 1 January</b>	<b>170</b>	<b>1,771</b>
Share in result current year	12	9
Reclassification to equity	-	-1,602
Capital repaid	-6	-8
Transfer to held for sale (note 2)	-176	-
<b>At 31 December</b>	<b>-</b>	<b>170</b>

The current other financial liabilities of EUR 307 million (2024: EUR 364 million) relate to collateral securities posted by third parties to underwrite trading on energy exchanges, auctioning of cross-border interconnection capacity and maintenance of the energy balance as disclosed in note 11.

### ① Accounting policies

Please refer to note 22 accounting policies for financial instruments.

## 19. Account- and other payables

(EUR million)	2025	2024
Accounts payable	196	406
EEG accounts payable	-	466
Invoices to be received	280	843
Grid expenses payable	69	2,016
Interest payable	306	220
Personnel payables	33	96
Social securities and other taxes payable	69	130
Payables to related parties	22	13
Other	128	238
<b>Total</b>	<b>1,103</b>	<b>4,428</b>



A list of all related parties is included in note [31](#).

#### Accounts payable

As at 31 December 2025, an amount of EUR 224 million is presented as assets held for sale (refer to note [2](#)). The decreased accounts payable, after adjustment for the discontinued operations, is mainly due to a large annual settlement related to offshore insurance premiums with a different timing compared to prior year.

#### EEG accounts payable

EEG revenue and expenses are legally required to be equal and to be administrated separately, therefore TenneT TSO GmbH acts as an agent with respect to these EEG services. Please, refer to note [10](#) for more information. Per 31 December 2025 an amount of EUR 737 million is part of assets classified as held for sale (refer to note [2](#)).

#### Invoices to be received

The increased amount of invoices to be received, after adjustment for the discontinued operations, is mainly because of vendors reaching milestones in the 2GW Program regarding performed construction work on the tangible fixed assets under construction, partly offset by a partial shift to the other payables for a conditional settlement. Per 31 December 2025 an amount of EUR 1,597 million is part of assets classified as held for sale (refer to note [2](#)).

#### Grid expenses payable

The grid expenses payable mainly consist of accrued expenses relating to balancing energy and capacity, congestion management (redispatch), grid losses and reactive power. Grid expenses payable, after adjustment for the discontinued operations, mainly decreased due to the lower level of grid expenses compared to 2024 as a result of lower energy prices. Per 31 December 2025 an amount of EUR 1,641 million is part of assets classified as held for sale (refer to note [2](#)).

#### Interest payable

Interest payable increased because of higher outstanding borrowings in combination with an increase of the interest rates.

#### Personnel payables

Personnel payables mainly relate to paid leave and holiday allowances. Per 31 December 2025 an amount of EUR 78 million is part of assets classified as held for sale (refer to note [2](#)).

#### Other payables

Other payables mainly consist of accruals and settlements to be made. Per 31 December 2025 an amount of EUR 84 million is part of assets classified as held for sale (refer to note [2](#)).

#### ✦ Key estimates and assumptions

Accrued grid expenses for measures taken to restore the imbalance on the high-voltage grid relate to balancing services provided by various electricity generating parties. At year-end, TenneT records a pass-through accrual for all balancing costs incurred, but for which no invoices have been received yet. The accrual is based on actual electricity volumes or, if not available, estimated volumes derived from models. Several assumptions are included in these models such as weather conditions, requested volumes and capacity of power plants. Electricity prices are based on underlying contracts and historical data.

#### 📘 Accounting policies

Please refer to note [22](#) accounting policies for financial instruments.

## 20. Financial risk management

TenneT's business activities are exposed to a number of financial risks such as interest rate risk, credit risk, liquidity risk, equity risk and commodity price risk, which are further described in this disclosure note. The financial risk management strategy primarily focuses on protecting liquidity, equity capital and net result in order to safeguard TenneT's ability to continue active operations while providing an adequate return to its shareholder. TenneT's approach to managing financial risks, including a number of specific disclosures (such as a maturity analysis of contractual undiscounted financial obligations) required by accounting standards, is disclosed in this note. For details about regulatory risks, please refer to the '[risk management](#)' section.

Risk management related to financing activities is performed by TenneT's treasury department under policies included in the Treasury Statute as approved by the Executive Board. The objective is to facilitate the realisation of TenneT's financial and strategic objectives from a funding and financial risk perspective. The Treasury Statute includes principles related to interest rate risk, liquidity risk, the use of derivatives and the investment of excess liquidity. The use of all ordinary course financial instruments is permitted, provided these are used solely to cover open positions of the Company. Any speculative use of financial instruments is explicitly not authorised.

#### Interest rate risk

TenneT is exposed to interest rate risk on its debt portfolio. To mitigate this risk, the policy is to base the majority of the loan portfolio on fixed interest rates. As of 31 December 2025, the senior debt portfolio was for about 99% (2024: 99%) based on fixed interest rates. An increase or decrease in interest rates of 2 percentage points would result in an increase or decrease of EUR 5 million in TenneT's interest expenses (2024: EUR 5 million).



Furthermore, there is a risk that interest payable on borrowings exceeds the interest compensation received by TenneT under the prevailing regulatory systems in the Netherlands and Germany. The risk that the interest payable on borrowings exceeds the interest compensation received by TenneT is largely mitigated with the ex-post settlement of the interest rates which is part of the current regulatory period. Currently, TenneT expects that actual costs of debt for the Company are below the predefined maximum reference rates, resulting in ex-post settlement of the interest rates with actual interest rates in the applicable year of the regulatory period. In Germany, actual interest expenses are compensated up to a level customary to the market. The BNetzA determines the market rate on the basis of reference interest rates published by the Deutsche Bundesbank.

### Credit risk

TenneT is exposed to the risk of loss resulting from counterparties defaulting on their commitments including failure to pay or failure to fulfil performance obligations on a contract. TenneT's exposure to credit risk from its operating activities and treasury (financial) activities is inherent to its business activities.

### Operational credit risk

In respect of TenneT's operating activities, TenneT has a credit policy in place, which takes into account the risk profiles of TenneT's counterparties. The Company also has policies in place to monitor the financial viability of counterparties.

The operation of energy exchanges, the execution of the Renewable Energy Act (EEG) in Germany and the maintenance of the energy balance between supply and demand require transfers of significant cash amounts. TenneT's policies are aimed at minimising the risks associated with the clearing transactions in connection with these cash flows. For maintaining the energy balance between supply and demand, the associated costs are covered by income from parties with balancing responsibility, which are charged for any imbalances attributable to them. Any remaining surplus is deducted from subsequent tariffs for system services. Securities as bank guarantees and collaterals are held as protection against the default risk of parties with balancing responsibility. With respect to investment projects, TenneT also requires counterparties to issue bank guarantees or collaterals as protection against defaults.

Credit risk on account- and other receivables is limited, because most of TenneT's debtors have a low risk of default. Consequently, TenneT requires no material collateral as security and no insurance for credit risk. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 8 and note 10. The movement of the allowance for expected credit losses of accounts receivable is disclosed in note 10.

The provision rates for expected credit losses are based on groupings of various customer segments with similar loss patterns (such as customer type and arrears in payments). Any expected credit losses for financial guarantee contracts and commitment letters, if any, are also provided for. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, accounts receivable and other financial assets are written-off if there is no reasonable expectation of recovering the contractual cash flows. TenneT considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, TenneT may also consider a financial asset to be in default when internal or external information indicates that TenneT is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by TenneT.

### Financial credit risk

In 2025, the financial credit risk mainly originated from TenneT's transactions and positions with several financial institutions. At 31 December 2025, the maximum credit risk for the Company amounted to EUR 2.7 billion (2024: EUR 2.2 billion).

Counterparty risk is defined as the risk that a party that has entered into a contract with TenneT is unable to fulfil its financial obligations towards the Company. In accordance with TenneT's treasury policies, counterparty credit exposure is monitored frequently against the counterparty credit limits, excluding the positions for EEG, KWK-G and ASK (Strompreisbremse). TenneT has concentration limits in place for the Group EEG, KWK-G and ASK current account balance, when funds are placed on deposit and when financial derivatives, money market loans and other financial products are entered into.

At 31 December 2025, TenneT had EUR 2,650 million on deposits (please refer to note 11). These deposits had a maturity of less than or equal to 3 months (2024: EUR 2,050 million). TenneT had nil on deposits with third parties relating to EEG (2024: EUR 150 million). In addition, no financial derivatives were outstanding at 31 December 2025 and there were no deposits with a maturity of more than 3 months (2024: nil).

As of the reporting date, TenneT does not expect any significant losses from non-performance by treasury counterparties.

### Liquidity risk

Liquidity risk is defined as the risk that the Group is unable to meet its short-term financial obligations.

TenneT expects to fulfil its financial obligations for 2026 with (i) shareholder loan facilities, (ii) cash and cash equivalents, (iii) funds from operations, (iv) unused credit facilities and (v) capital market transactions. TenneT expects to meet its financial obligations for the subsequent years through various capital market transactions and intends to manage future refinancing risks by spreading the tenors of new financing arrangements.

The size of TenneT's loan and credit facilities in combination with the State guarantee for TenneT Netherlands is such that the Company expects that all substantial adverse financial developments and events are reasonably expected to be accommodated and that continuation of day-to-day operations is ensured for at least 12 months. To safeguard the financing of TenneT's planned investments, TenneT has a shareholder loan facility. Please refer to note 14 for further details. In addition to this shareholder loan facility, TenneT Netherlands has EUR 3.3 billion committed RCFs (undrawn at 31 December 2025) at its disposal (available until 2028). Furthermore, TenneT had EUR 450 million of long-term loan commitments from the EIB (nil drawn at 31 December 2025), EUR 200 million of uncommitted bank facilities (nil drawn at 31 December 2025) and EUR 450 million bank overdraft facilities (nil drawn at 31 December 2025) at its disposal at 31 December 2025. The terms and conditions of TenneT's credit facilities include negative pledge and pari passu clauses and all credit facilities have floating-rate interest conditions. No security interest over any of the Group's assets has been provided.

TenneT also has access to diversified funding sources through its medium-term note ('EMTN') programme and TenneT's commercial paper ('CP') programme. Both programmes significantly reduce TenneT's dependency on bank financing. Also, TenneT's borrowings have a diversified maturity profile, which reduces refinancing risks.

The following maturity schedule presents TenneT's financial obligations on a contractual, non-discounted basis:

(EUR million)	Notes	< 1 month	1-3 months	3-12 months	1-5 years	> 5 years	Total
<b>At 31 December 2025</b>							
Lease liabilities	5	2	4	19	68	84	177
Borrowings	14	212	12	2,952	10,454	41,900	55,530
Other financial liabilities	18	307	-	-	-	-	307
Account- and other payables	19	425	165	111	-	-	701
<b>Total</b>		<b>946</b>	<b>181</b>	<b>3,082</b>	<b>10,522</b>	<b>41,984</b>	<b>56,715</b>

(EUR million)	Notes	< 1 month	1-3 months	3-12 months	1-5 years	> 5 years	Total
<b>At 31 December 2024</b>							
Lease liabilities	5	22	41	188	801	359	1,411
Borrowings	14	111	3	1,258	9,331	29,873	40,576
Other financial liabilities	18	364	-	-	-	170	534
Account- and other payables	19	1,778	875	1,555	-	-	4,208
<b>Total</b>		<b>2,275</b>	<b>919</b>	<b>3,001</b>	<b>10,132</b>	<b>30,402</b>	<b>46,729</b>

The settlement of the EEG receivables and payables has a potentially significant impact on the Group's working capital position. Even though EEG expenses for payments to renewable energy producers are fully financed out of the federal budget, temporary liquidity risks may arise for the German TSOs including TenneT, which may require interim financing to bridge liquidity gaps in the short-term.

### Equity risk

Equity risk pertains to the risk of a lack of access to equity on a sustainable basis. This risk reflects the inability to raise additional capital in a timely fashion for TenneT's extensive investment portfolio or to absorb negative regulatory developments, possibly adversely affecting TenneT's financial position.

TenneT Netherlands B.V. has received an irrevocable and unconditional institutional guarantee from the Dutch state. With the state guarantee in place, the ability of TenneT to raise additional debt capital has increased significantly and minimized the risk that TenneT Netherlands can not finance its investments.

Furthermore, at 24 September TenneT, announced that it reached an equity funding agreement with APG, GIC and NBIM. The contemplated transaction include a primary equity commitment by the institutional investors of up to EUR 9.5 billion in aggregate, to be contributed partly at completion and partly in the years until 2029. Also Kreditanstalt für Wiederaufbau ('KfW'), acting on behalf of the German state reached an agreement with TenneT Holding on 3 February 2026. It has been agreed that KfW will participate in the purchase of newly issued shares when institutional investors contribute equity. The aforementioned results in a primary equity commitment of up to EUR 2.3 billion. Completion of the transaction is subject to customary conditions including regulatory clearances and is expected to take place by the end of the first half-year of 2026. Please, refer to note 1 for more information.

### Commodity price risk

TenneT's energy procurement risk management policy and delegations of authority govern its commodity trading activities for energy transactions. The purpose of this policy is to ensure TenneT transacts within pre-defined risk parameters and only in the physical and financial markets where TenneT or its customers have a physical market requirement.

Energy purchase contracts for the forward purchase of electricity that are used to fulfil performance obligations to customers, or for energy that the Group uses itself, meet the expected purchase or usage requirements of IFRS 9. These energy purchases are therefore not recognised in the financial statements until these are realised. Disclosure of commitments under such contracts is included in note 23.

Energy purchase contracts are considered to consist of two components, being a forward purchase of electricity at spot prices and a forward purchase of environmental certificates at a variable price (being the contract price less the spot electricity price). With respect to TenneT's current contracts, neither of these components meets the requirement to be accounted for as a derivative. As currently no liquid market for environmental certificates exists, this component meets the expected purchase or usage exemption of IFRS 9. TenneT expects to enter into an increasing number of these contracts, in order to meet its compliance requirements in the short to medium term. It is possible that in future, if and when liquid markets develop to the extent that TenneT will receive environmental certificates in excess of its required levels, this exemption may cease to apply and the Company may be required to account for forward purchase commitments for environmental certificates as derivatives at fair value through profit and loss.

## 21. Fair values

The next table provides an overview of the carrying value, based on the IFRS Accounting Standards, and the fair value of financial assets and liabilities, including the level in the valuation hierarchy:

(EUR million)	Notes	Carrying amount		Fair value		Hierarchy
		2025	2024	2025	2024	
Financial assets						
<b>Other financial assets:</b>						
Financial assets through profit and loss	8	13	13	13	13	Level 3
<b>Total</b>		<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	
Financial liabilities						
<b>Borrowings:</b>						
Bonds	14	16,114	16,601	14,971	15,371	Level 1
Other borrowings	14	27,164	15,333	26,608	15,039	Level 2
<b>Total</b>		<b>43,278</b>	<b>31,934</b>	<b>41,579</b>	<b>30,410</b>	

At 31 December 2025, no financial instruments carried at fair value were held (2024: nil). Furthermore, TenneT concluded that the fair value of the loans, receivables, cash and cash equivalents, account- and other payables and other financial liabilities approximate their carrying amounts at 31 December 2025, due to the short-term maturities of these financial instruments.

The following hierarchy by valuation technique was used to calculate the fair value of assets and liabilities:

- Level 1: Measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Measurement based on inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3: Measurement based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the level 2 borrowings was based on discounted cash flows and the fair value of the financial assets through profit and loss was based on information received by the investment funds. A change in the assumptions used to calculate the fair value would not result in a significantly different outcome. There were no transfers between the fair value hierarchy levels during 2025 or 2024.

## 22. **i** Accounting policies for financial instruments

### Financial assets

All financial assets are recognised initially at fair value, net of directly attributable transaction cost.

After initial recognition, financial assets are measured at amortised cost, fair value through other comprehensive income ('OCI') and fair value through profit or loss. Financial assets related to investment funds are classified as fair value through profit or loss. All other of TenneT's financial assets are classified as amortised cost, because the following two conditions are met:

- the financial assets are held within a business model with the objective 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.

Financial assets at amortised cost are subsequently measured using the effective interest ('EIR') method and are subject to impairment.

The Group recognises an allowance for expected credit losses ('ECLs') for financial assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

### Financial liabilities

All financial liabilities are recognised initially at fair value and, in case of loans, borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

After initial recognition at fair value, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of income when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance expense in the statement of income.

## 23. Commitments and contingencies

### Commitments

The table below includes the off-balance sheet rights and commitments existing per balance sheet date for the continuing operations as the commitments and contingencies for the discontinuing operations are disclosed in note 2.

(EUR million)	2025				2024			
	0-1 year	1-5 years	> 5 years	Total	0-1 year	1-5 years	> 5 years	Total
<b>Off-balance sheet rights</b>								
Bank guarantees received	762	1,496	51	2,309	248	1,879	138	2,265
Other off-balance sheet rights	9	-	-	9	10	-	-	10
<b>Total</b>	<b>771</b>	<b>1,496</b>	<b>51</b>	<b>2,318</b>	<b>258</b>	<b>1,879</b>	<b>138</b>	<b>2,275</b>
<b>Off-balance sheet commitments</b>								
Capital commitments	4,801	10,289	241	15,331	3,722	11,513	187	15,422
Grid-related commitments	12	13	3	28	6	25	11	42
Other off-balance sheet commitments	119	32	-	151	56	69	2	127
<b>Total</b>	<b>4,932</b>	<b>10,334</b>	<b>244</b>	<b>15,510</b>	<b>3,784</b>	<b>11,607</b>	<b>200</b>	<b>15,591</b>

### Bank guarantees received

The bank guarantees received are related to ongoing investment projects.

### Capital commitments

Capital commitments are commitments entered into related to purchases on ongoing investment projects. The capital commitments of continued operations slightly decreased due to investments in TenneT's 2GW Program.

### Grid related commitments

Grid-related commitments mainly consist of the outstanding value of purchase orders relating to grid expenses to which the Company is committed.

### Other off-balance sheet commitments

Other off-balance sheet commitments mainly consist of the outstanding value of purchase orders to which TenneT is committed, not related to ongoing investment projects or grid expenses.

Also, TenneT Holding B.V. has, together with National Grid plc, provided a parent company guarantee on the liabilities of BritNed.

### Contingencies

Due to the business TenneT operates in and TenneT's legal structure, TenneT faces several contingent assets and liabilities. In general, the following items are disclosed as contingent assets and liabilities at TenneT:

- possible impact of the Dutch and German regulatory frameworks on TenneT's business, financial conditions and net result;
- operational risks and risks related to material investment projects;
- impact of environmental issues;
- risks relating to the legal structure of TenneT;
- risks relating to the financing of TenneT; and
- factors which are material for the purpose of assessing market risks.

Financial risk management related to several of these contingencies is disclosed in note 20. Hereafter, the contingencies regarding legal claims and environmental issues are further disclosed. Uncertainties relating to contingent liabilities make a reliable estimate of the financial impact impossible.

Various other off-balance sheet commitments and contingencies as well as other off-balance sheet rights existed at 31 December 2025, but were immaterial from a disclosure perspective.

### Legal contingencies

Legal claims mainly relate to project claims concerning assets under construction, for which the estimated additional payments would be capitalised. Generally, there are also claims relating to compensation for delays and interruptions, for which any compensation would be passed through future tariffs. If the recognition criteria for a provision are met, a provision for the legal claim is recognised. As a result of uncertainties, legal claims for which the recognition criteria of a provision are not met, could in unlikely events still result in outcomes with a material impact on TenneT's financial position.

Petrofac notified TenneT that it intends to pursue a significant legal claim arising from TenneT's partial termination of the contract related to the Petrofac scope, the basis of which Petrofac now contests, which might impact TenneT's tangible fixed assets under construction and/or result. TenneT did, per date of the report, not finalise its assessment of the Petrofac claim. No legal proceedings have been initiated to date. However, both TenneT and Petrofac have stated that they will assert claims against each other following the partial termination of the contract by TenneT. Given the inherent uncertainties, the final resolution of this claim may differ significantly from management's current estimates. While the claim does not meet the criteria for recognition as a provision, it represents a significant source of estimation uncertainty with a potentially material impact on TenneT's financial position. Further context is provided in the board report, section '[Building the electricity grid of tomorrow](#)'.

Given TenneT's interests, the financial magnitude involved, and the importance of the projects' progress, any further disclosure could be expected to seriously prejudice TenneT's position.

#### Environmental contingencies

The Group is exposed to risks regarding environmental obligations arising from past activities. For example, a number of sites have to be restored to their original condition before being returned at the end of the contractual period. Under current legislation, environmental plans and any other measures to be adopted have to be agreed with local, regional and national authorities as appropriate. As soon as such plans are approved or other legal obligations arise, a provision is recognised based on the most reliable estimate possible of future cash outflows. TenneT holds the view that the recognised provisions are adequate, based on information currently available.

#### Accounting policies

Contingent assets are disclosed where an inflow of economic benefits is probable. As soon as it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs.

If an obligation does not meet the recognition requirements for provisions, a contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. When it becomes probable that an outflow of future economic benefits will be required, a provision is recognised in the financial statements of the period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made. If the Company is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability.

## 24. Revenue

(EUR million)	2025					
	TSO NL	Non-regulated	Eliminations	Total segments	Eliminations	Total
Connection and transmission services	2,705	-	-	2,705	-	2,705
Offshore revenue	122	-	-	122	-	122
Maintenance of the energy balance	231	-	-	231	-	231
Operation of energy exchanges	170	-	-	170	-	170
Other revenue	33	27	-	60	-	60
Revenue from related parties	8	-	-	8	-	8
Inter segment revenue	3	31	-34	-	-	-
Revenue to TenneT Germany	22	-	-	22	-22	-
<b>Total</b>	<b>3,294</b>	<b>58</b>	<b>-34</b>	<b>3,318</b>	<b>-22</b>	<b>3,296</b>

(EUR million)	2024					
	TSO NL	Non-regulated	Eliminations	Total segments	Eliminations	Total
Connection and transmission services	2,696	-	-	2,696	-	2,696
Offshore revenue	255	-	-	255	-	255
Maintenance of the energy balance	336	-	-	336	-	336
Operation of energy exchanges	188	-	-	188	-	188
Other revenue	19	41	-	60	-	60
Revenue from related parties	5	4	-	9	-	9
Inter segment revenue	7	5	-12	-	-	-
Revenue to TenneT Germany	43	-	-	43	-43	-
<b>Total</b>	<b>3,549</b>	<b>50</b>	<b>-12</b>	<b>3,587</b>	<b>-43</b>	<b>3,544</b>

A list of all related parties is included in note [31](#).

#### Connection and transmission services

Revenue from connection and transmission services is regulated by the [ACM](#) and mainly relates to transmission of electricity volumes through the high-voltage grid and to connection services provided to [DSOs](#) and industrial customers. The increase in the revenue is mainly explained by the increase in the transmission tariffs in 2025 compared to 2024, offset by lower transmission volumes. The increase in the transmission tariffs, based on the revenue decision of the [ACM](#), is mainly the result of a higher asset base due to large investment projects and higher pass-through expenses due to increased electricity volumes and prices from earlier years that are settled in the current year tariffs.



### Offshore revenue

Offshore revenue is also regulated by the ACM. The offshore revenue is a government subsidy obtained from the ministry of Climate Policy and Green Growth, which is based on the revenue decision of the ACM. Offshore revenue decreased mainly due to an adjustment in the offshore subsidy conditions by the ministry of Climate Policy and Green Growth. From 2025 onwards, the offshore subsidies are capped. Therefore, the current year expenses that would be compensated through post-calculation in the offshore subsidy have now shifted to regular settlement in future tariffs.

### Maintenance of the energy balance

TenneT is responsible for ensuring that electricity supply and demand is in balance at all times (i.e. alternating current frequency in the high-voltage grid must be at 50 hertz continuously). If this balance is significantly disrupted, this may result in a power outage or even a black-out, depending on the length and severity of the imbalance. To ensure this balance, TenneT contracts and deploys (amongst others) reserve and emergency capacity to compensate unexpected fluctuations in supply and demand with balancing energy. The associated costs are covered by income from parties with balancing responsibility, which are charged for any imbalances attributable to them. Likewise, balancing responsible parties that solve imbalances are compensated. The cash in- and outflows associated from maintaining this energy balance (e.g. imbalance settlements) fluctuate considerably and are refunded through tariffs of transmission services in subsequent years.

Revenue from maintenance of the energy balance decreased in 2025 compared to 2024 mainly due to lower imbalance volumes and prices which resulted in lower imbalance settlements during the year.

### Operation of energy exchanges

This revenue stream is resulting from the auctioning of the available electricity transmission capacity on cross-border interconnections, which is facilitated through a trading platform of a related party. The decrease in 2025 compared to 2024 is mainly due to lower auction prices. The auction prices were higher in 2024 due to larger uncertainties on the energy market.

### Accounting policies

Revenue primarily represents the sales value derived from the connection and transmission of electricity together with the sales value derived from the provision of other services to customers during the year. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue arises from contracts with a single performance obligation.

If the revenue received or the receivable exceeds the maximum annual amount as determined by the national regulators, ACM or BNetzA respectively, a downward adjustment will be made to future tariffs to reflect this over-recovery. Under IFRS Accounting Standards, no liability is recognised for settlement in future tariffs since this adjustment relates to the performance of future services. Similarly, no asset is recognised under IFRS Accounting Standards when a regulator permits upward adjustments to be made to future tariffs in respect of under-recovery. In underlying accounting, as opposed to IFRS Accounting Standards, the amounts to be settled in future tariffs are accounted for, please refer to note 3 for further details.

Offshore revenue is reimbursed through tariffs and partially through a subsidy. Offshore revenue received through subsidy is accounted for in accordance with the recognition and measurement principles of IAS 20 related to government grants. Revenue is not recognised until there is reasonable assurance that the Group satisfies the conditions for receiving the subsidy.

## 25. Operating expenses

### Grid expenses

(EUR million)	2025	2024
Connection and transmission services	436	423
System services	294	363
Maintenance of the energy balance	106	134
<b>Total ancillary services</b>	<b>836</b>	<b>920</b>
Maintaining and operating transmission grids	143	200
<b>Total</b>	<b>979</b>	<b>1,120</b>

Ancillary services are the costs TenneT must incur to maintain the energy balance in the high-voltage grid with balancing energy, balancing capacity and reactive power and to compensate for grid losses and grid congestion (redispatch costs). As ancillary services require TenneT to procure electricity, these cost are directly affected by electricity market prices. The decrease of the energy prices in the past few years as a result of amongst others societal savings of fossil fuels, diversification of gas supplies, increased solar and wind power generation and increased flexibility measures such as battery storage continued in 2025. As such, ancillary services costs decreased from EUR 920 million in 2024 to EUR 836 million in 2025.

The costs for maintaining and operating transmission grids mainly decreased due to the acquisition of the 150 kV high-voltage grid through Nadine II B.V. (for more information please refer to note 1) and as such the termination of cross-border lease expenses. The grid expenses will largely be reimbursed through future tariffs as pass-through costs, which means that the decreased grid expenses will therefore result in lower revenue in future years.

**Personnel expenses**

(EUR million)	2025	2024
Salaries	370	297
Social security contributions	42	34
Pension charges	56	45
Hiring of temporary personnel	156	161
Other personnel expenses	41	48
Capitalised costs for (in)angible fixed assets	-383	-325
<b>Total</b>	<b>282</b>	<b>260</b>

	2025	2024
Average internal workforce in FTEs employed in the Netherlands	3,606	3,103
<b>Average internal workforce in FTEs</b>	<b>3,606</b>	<b>3,103</b>
Average external workforce in FTEs employed in the Netherlands	776	836
<b>Average external workforce in FTEs</b>	<b>776</b>	<b>836</b>
<b>Total average workforce in FTEs</b>	<b>4,382</b>	<b>3,939</b>

Of the total internal workforce, all internal employees except for 13 FTEs (2024: 18 FTEs) work in the Netherlands. The personnel expenses have increased in 2025 mainly due to the increased workforce and salary increases at 1 January 2025.

**Key management remuneration**

Members of the Executive Board and Supervisory Board are regarded as key management. Aggregate remuneration of members of the Executive Board and Supervisory Board is as follows:

*Remuneration Executive Board*

(EUR thousand)	2025	2024
Fixed remuneration	1,649	1,827
Variable remuneration	31	-
Pension cost	258	302
Termination benefit	440	-
<b>Total</b>	<b>2,378</b>	<b>2,129</b>

The entire Executive Board consists of statutory directors of the Company. Pension remuneration equals (i) the contributions payable to the defined contribution plan for service rendered in the period or (ii), for defined benefit plans, the current service cost and, when applicable, past service cost. Ms. Freitag received the termination compensation since she was not re-appointed and/or employed for a second term, ended at 31 December 2025, at the initiative of TenneT. The termination compensation for Ms. Freitag concerns an exception to our remuneration policy.

*Remuneration Supervisory Board*

(EUR thousand)	2025	2024
Fixed remuneration	193	181
Committee fee	92	83
<b>Total</b>	<b>285</b>	<b>264</b>

Please refer to the [Remuneration Report](#) for a more detailed disclosure on remuneration.

**Other operating expenses**

(EUR million)	2025	2024
IT expenses	96	60
Consultancy expenses	77	54
Travel and living expenses	28	24
Accommodation and office expenses	20	17
Other expenses	30	29
<b>Total</b>	<b>251</b>	<b>184</b>

Other operating expenses increased in 2025 compared to 2024 mainly due to higher costs related to information and communication technology innovations.

**Auditors' remuneration**

The fees listed in the table hereafter relate to the services provided to the Company and its consolidated Group entities by Deloitte Accountants B.V., the Netherlands, the external auditor as referred to in section 1(1) of the Dutch Accounting Firm Oversight Act (Dutch acronym: Wta), as well as by other Dutch and non-Dutch Deloitte legal entities, including their tax services and advisory groups.

(EUR thousand)	2025	2024
<b>Audit of the financial statements</b>		
Deloitte Accountants B.V.	1,333	1,437
Deloitte GmbH Wirtschaftsprüfungsgesellschaft	1,031	1,088
<b>Total audit of the financial statements</b>	<b>2,364</b>	<b>2,525</b>
<b>Other assurance services</b>		
Deloitte Accountants B.V.	612	681
Deloitte GmbH Wirtschaftsprüfungsgesellschaft	1,743	368
<b>Total other assurance services</b>	<b>2,355</b>	<b>1,049</b>
<b>Total auditors' fees</b>	<b>4,719</b>	<b>3,574</b>

The fees for the audit of the financial statements include the audit fees related to (i) TenneT's Integrated Annual Report, (ii) any statutory financial statements of subsidiaries and (iii) services that are normally provided by the auditor in connection with their audit mandate.

The other assurance fees include the aggregate fees invoiced for assurance and services for other audit services, which generally only the Company's independent auditor can reasonably provide, such as comfort letters, regulatory statements and audits of grant statements.

### **Accounting policies**

TenneT has energy purchase contracts for the forward purchase of electricity that are used to fulfil performance obligations to customers, or for energy that the Group uses itself. Substantially all TenneT's costs of purchasing electricity for supply to customers are recoverable at an amount equal to cost (pass-through in the tariffs for subsequent years). The timing of recovery of these costs can vary between financial periods leading to an under- or over-recovery within any particular year that can lead to large fluctuations in the statement of income. TenneT follows approved policies to manage price and supply risks for TenneT's commodity activities.

The aforementioned energy purchase contracts for the forward purchase of electricity meet the expected purchase or usage requirements of IFRS 9. These energy purchases are, therefore, not recognised in the financial statements until these are realised. Disclosure of commitments under such contracts have been disclosed as 'Grid related commitments' in note [23](#).

Operating expenses are incurred during regular day-to-day business and relate to amongst others personnel expenses, depreciation or costs for connection and transmission services, system services, maintenance of the energy balance, maintaining and operating transmission grids and accommodation or travel. Operating expenses are recognised in the statement of income in the period these costs are incurred. Payments to defined contribution pension plans are also charged as an expense in the period to which these payments relate.

## 26. Other gains and losses

The other gains and losses amounting to EUR 144 million (2024: EUR -7 million) mainly relate to the recognition of a gain on sale of EUR 133 million regarding to the sale of WL Winet B.V. and the activities in NOVEC B.V. For further details please refer to note [1](#).

## 27. Finance income and expenses

### Finance income

The finance income relates to interest on long-term receivables from related parties and interest on bank accounts.

### Finance expenses

(EUR million)	2025	2024
Interest on borrowings and credit facilities	985	607
Interest on provisions	9	13
Interest on lease liabilities	4	3
Consent fees	165	-
Other finance expenses	53	70
Capitalised interest on assets under construction	-70	-39
<b>Subtotal interest expenses</b>	<b>1,146</b>	<b>654</b>
Allocated to TenneT Germany	654	469
<b>Total interest expenses</b>	<b>492</b>	<b>185</b>

Finance expenses mainly consist of interest and fees on borrowings and credit facilities, interest on provisions and interest on lease liabilities. In addition, TenneT transferred all of its existing senior debt financing from the Company to TenneT Netherlands B.V., for which consent fees and transaction related expenses have been incurred of EUR 165 million in 2025.

Finance expenses increased, mainly because of the withdrawals from the shareholder loan facility and one-off payment, please refer to note [1](#) and note [14](#), in combination with the consent fees incurred and the increased interest rates.

### **Accounting policies**

Finance expenses are recognised in the statement of income using the effective interest rate method. When finance expenses are not related to existing borrowings, they are recognised in the statement of income when incurred.

## 28. Corporate income tax

Corporate income tax is payable in the Netherlands and Germany. In the Netherlands, TenneT has agreed the so-called 'horizontal monitoring agreement' with the Dutch tax authorities. Based on transparency and mutual trust, this agreement is meant to ensure that tax positions are fully disclosed and agreed on in advance. Therefore, generally no tax audits are performed by the Dutch tax authorities.

The Company is the (ultimate) parent entity of a fiscal unity in the Netherlands for corporate income tax. The corporate income tax expenses have been accounted for as if the Company was independently liable for its full corporate income tax.

In the Netherlands, corporate income tax returns for all Dutch entities have been filed up to and including 2023. Corporate income tax paid amounted to EUR 196 million in 2025 in the Netherlands (2024: EUR 145 million). In Germany, corporate income and trade tax returns for all German entities have been filed up to and including 2024. In 2025, TenneT paid EUR 198 million (2024: EUR 174 million) of corporate income and trade tax in Germany. At 31 December 2025, current income tax receivable amounted to nil (2024: nil) in the Netherlands and nil (2024: EUR 30 million) in Germany, while current income tax payable amounted to EUR 108 million (2024: EUR 87 million) in the Netherlands and EUR 273 million (2024: EUR 90 million) in Germany. The income tax payable in Germany is classified as liabilities held for sale, refer to note 2.

The key components of the corporate income tax expenses are:

(EUR million)	2025	2024
Current income tax expenses	226	184
Deferred tax expenses	49	214
<b>Total income tax expenses</b>	<b>275</b>	<b>398</b>

Corporate income tax on results has been applied at the rates prevailing in the respective countries. In the Netherlands, a statutory corporate income tax rate of 25.8% was applied on the result before tax, while in Germany, on average, a marginal statutory corporate income tax rate of 30.27% (2024: 30.2%) was applied (including trade tax levied by municipalities or 'Gewerbsteuer').

As the corporate income tax calculation is based on underlying results, the differences between underlying financial information and IFRS figures, as disclosed in note 3, also result in a net deferred tax asset and deferred tax expenses. The majority of the deferred tax position and the deferred tax expenses are therefore related to (variances in) amounts to be settled in tariffs (including proceeds from maintenance of the energy balance), auction receipts and valuation differences in tangible fixed assets. Also some other differences between IFRS Accounting Standards and fiscal valuation exist in the valuation of tangible fixed assets, provisions and contract liabilities. The deferred tax position and deferred tax expenses are further specified hereafter.

Reconciliation between the corporate income tax expenses and the result before income tax multiplied by the Dutch statutory corporate income tax rate of 25.8% is as follows:

(EUR million)	2025	2024
Result from continued operations before tax	1,127	1,485
Result from discontinued operations before tax (note 2)	2,625	1,043
<b>Result before income tax</b>	<b>3,752</b>	<b>2,528</b>
Statutory income tax expenses	968	652
Adjustments in respect to current and deferred tax of previous years	-	-1
Non-deductible costs	-	16
Non-taxable income	-51	-10
Effect of discontinued operations	119	44
<b>At the effective corporate income tax rate</b>	<b>1,036</b>	<b>701</b>
Income tax expense reported in statement of income	275	398
Income tax expense attributable to discontinued operations (note 2)	761	303
<b>Total income tax expenses</b>	<b>1,036</b>	<b>701</b>

The main reason for the higher effective tax rate of 27.6% (2024: 27.7%) compared to the Dutch statutory rate is the effect of the higher statutory tax rate for the German operations.

The movements during 2025 in deferred taxes in the statement of financial position and statement of income and other comprehensive income are disclosed in the table hereafter.

(EUR million)	At 1 January 2025	Income tax in statement of income			Other items	At 31 December 2025	Assets	Liabilities
		from continued operations	from discontinued operations	Transfer to held for sale				
To be settled in tariffs	318	-100	-270	340	-	288	288	-
Auction receipts	-154	1	-18	87	-	-84	-	-84
Provision differences	374	-	-33	-309	-16	16	16	-
Depreciation differences	-245	1	51	307	-14	100	100	-
Other regulatory receivables/payables	297	-	-150	-147	-	-	-	-
Contract liabilities	-64	6	1	3	-	-54	-	-54
Result allocation to hybrid securities	-10	-	-	-	1	-9	-	-9
Other <sup>1</sup>	2	43	72	-73	-	44	44	-
<b>Total deferred tax assets (liabilities)</b>	<b>518</b>	<b>-49</b>	<b>-347</b>	<b>208</b>	<b>-29</b>	<b>301</b>	<b>448</b>	<b>-147</b>
Netting	-	-	-	-	-	-	-147	147
<b>Net deferred tax assets (liabilities)</b>	<b>518</b>	<b>-49</b>	<b>-347</b>	<b>208</b>	<b>-29</b>	<b>301</b>	<b>301</b>	<b>-</b>

1 The other deferred taxes include an amount of EUR 42 million relating to interest expense carried forward resulting from the limitation on the deductibility of interest expenses in current year.

The movements in other items include acquired assets and liabilities relating to the acquisition of the assets of Nadine II for an amount of EUR 14 million, please refer to note 1 for further information.

The changes during prior year in deferred taxes in the statement of financial position and the income statement are disclosed hereafter:

(EUR million)	At 1 January 2024	Income tax in statement of income			Other items	At 31 December 2024	Assets	Liabilities
		from continued operations	from discontinued operations					
To be settled in tariffs	553	36	-271	-	318	389	-71	
Auction receipts	-97	-39	-18	-	-154	-	-154	
Provision differences	357	52	-33	-2	374	374	-	
Depreciation differences	-230	-67	52	-	-245	113	-358	
Other regulatory receivables/payables	342	106	-151	-	297	297	-	
Contract liabilities	-67	2	1	-	-64	-	-64	
Result allocation to hybrid securities	-6	-	-	-4	-10	-	-10	
Other	-3	-67	72	-	2	2	-	
<b>Total deferred tax assets (liabilities)</b>	<b>849</b>	<b>23</b>	<b>-6</b>	<b>-6</b>	<b>518</b>	<b>1,175</b>	<b>-657</b>	
Netting	-	-	-	-	-	-669	669	
<b>Net deferred tax assets (liabilities)</b>	<b>849</b>	<b>23</b>	<b>-6</b>	<b>-6</b>	<b>518</b>	<b>506</b>	<b>12</b>	

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. There are no unrecognised carry-forward losses per 31 December 2025 (2024: nil).

### Pillar Two legislation

The Group has applied the temporary exception as issued by the International Accounting Standards Board ('IASB') from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

In the Netherlands, the Pillar Two legislation is enacted and is applicable to the TenneT Group. Accordingly, the Pillar Two legislation has been fully integrated into previous years tax reporting and TenneT has comprehensively reviewed the Pillar Two requirements to ensure all tax obligations are properly met. TenneT is mainly operating in the Netherlands and Germany. In both countries TenneT will apply a (transitional) safe harbour approach with regard to Pillar Two compliance and as a result a top-up tax is not applicable.

### Accounting policies

The corporate income tax charge for the period is recognised in the statement of income, equity or the statement of comprehensive income, in accordance with the relevant accounting treatment of the related transaction. The corporate income tax charge comprises both current and deferred tax.

Current income tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the tax authorities. The tax rates and tax laws used to calculate these amounts are those enacted or substantively enacted at the reporting date in those countries where TenneT operates and where it generates taxable income.

Deferred tax is recognised using the liability method with respect to temporary differences between the tax bases of assets and liabilities and their respective carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date in the relevant countries.

Deferred tax is generally recognised in respect of all temporary differences, the carry-forward of unused tax credits and any unused tax losses. Deferred tax assets (also in association with investments in subsidiaries, associates and interests in joint arrangements) are recognised to the extent that it is probable that taxable result will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised. This assessment is performed annually.

Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are recognised on a gross basis in the statement of financial position unless:

- the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same tax authority on either:
  - the same taxable entity; or
  - different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

## 29. Earnings per share

Earnings per share were calculated by dividing results for the year attributable to ordinary shareholders of the Company, after adjustment for the distribution on hybrid securities, by the weighted average number of ordinary shares outstanding during the year. The following table reflects the income used for the basic and diluted earnings per share calculations:

(EUR million)	2025	2024
Result from continuing operations attributable to equity holders	852	1,087
Result from discontinuing operations attributable to equity holders	1,860	735
Result allocation to hybrid securities	-65	-78
<b>Result for the year attributable to ordinary shares holders of the Company</b>	<b>2,647</b>	<b>1,744</b>
Weighted average number of ordinary shares in issue (in thousands)	200	200

The weighted average number of ordinary shares outstanding during 2025 was 200 thousand (2024: 200 thousand).

### Accounting policies

Calculation of earnings per share is based on the result for the year attributable to TenneT's sole shareholder and the weighted average number of shares outstanding during the year.

## 30. Consolidated subsidiaries

The following legal entities are included in the consolidation of TenneT Holding B.V.:

Subsidiary	Legal seat	Country	Voting interest		Economic interest	
			2025	2024	2025	2024
<b>Direct subsidiaries</b>						
CEVON B.V. (previously NOVEC B.V.)	The Hague	Netherlands	100%	100%	100%	100%
Relined B.V.	Utrecht	Netherlands	100%	100%	100%	100%
TenneT Duitsland Coöperatief U.A. <sup>1</sup>	Arnhem	Netherlands	100%	100%	100%	100%
TenneT Green B.V. <sup>1</sup>	Arnhem	Netherlands	100%	100%	100%	100%
TenneT Netherlands B.V. <sup>2</sup>	Arnhem	Netherlands	100%	0%	100%	0%
TenneT Orange B.V.	Arnhem	Netherlands	100%	100%	100%	100%
TenneT Reinsurance N.V.	Arnhem	Netherlands	100%	100%	100%	100%
TenneT TSO Duitsland B.V. <sup>1</sup>	Arnhem	Netherlands	100%	100%	100%	100%
<b>Indirect subsidiaries</b>						
Stichting Beheer Doelgelden Landelijk Hoogspanningsnet	Arnhem	Netherlands	N/A	N/A	N/A	N/A
B.V. Transportnet Zuid-Holland <sup>1</sup>	Voorburg	Netherlands	100%	100%	100%	100%
Duvekot Rentmeesters B.V.	Bathmen	Netherlands	100%	100%	100%	100%
Nadine II B.V. <sup>2</sup>	Arnhem	Netherlands	100%	N/A	100%	N/A
Nadine Netwerk B.V. <sup>1</sup>	Arnhem	Netherlands	100%	100%	100%	100%
Nederlands-Duitse Internet Exchange B.V.	Enschede	Netherlands	100%	100%	100%	100%
NLink International B.V. <sup>1</sup>	Arnhem	Netherlands	100%	100%	100%	100%
Omroepmasten B.V. <sup>3</sup>	Vianen	Netherlands	0%	100%	0%	100%
Saranne B.V. <sup>1</sup>	Arnhem	Netherlands	100%	100%	100%	100%
TenneT TSO B.V.	Arnhem	Netherlands	100%	100%	100%	100%
TransTenneT B.V. <sup>1</sup>	Arnhem	Netherlands	100%	100%	100%	100%
<b>Subsidiaries part of assets and liabilities held for sale as per 31 December 2025</b>						
DC Netz DolWin4 GmbH	Bayreuth	Germany	100%	100%	100%	100%
DC Netz HelWin1 GmbH	Bayreuth	Germany	100%	100%	100%	100%
DC Netz SylWin2 GmbH	Bayreuth	Germany	100%	100%	100%	100%
Greenet Stiftung	Bayreuth	Germany	N/A	N/A	N/A	N/A
Relined GmbH	Emsbüren	Germany	100%	100%	100%	100%
TenneT GmbH & Co. KG <sup>4</sup>	Bayreuth	Germany	100%	100%	100%	100%
TenneT Offshore 1. Beteiligungsgesellschaft mbH	Bayreuth	Germany	51%	51%	31%	31%
TenneT Offshore 2. Beteiligungsgesellschaft mbH	Bayreuth	Germany	51%	51%	31%	31%
TenneT Offshore 8. Beteiligungsgesellschaft mbH	Bayreuth	Germany	51%	51%	37%	37%
TenneT Offshore 9. Beteiligungsgesellschaft mbH	Bayreuth	Germany	51%	51%	37%	37%
TenneT Offshore Dolwin3 Beteiligungs GmbH & Co. KG <sup>4</sup>	Bayreuth	Germany	51%	51%	33%	33%
TenneT Offshore Dolwin3 GmbH & Co. KG	Bayreuth	Germany	51%	51%	33%	33%
TenneT Offshore Dolwin3 Verwaltungs GmbH	Bayreuth	Germany	51%	51%	33%	33%
TenneT Offshore GmbH	Bayreuth	Germany	100%	100%	100%	100%

Subsidiary	Legal seat	Country	Voting interest		Economic interest	
			2025	2024	2025	2024
TenneT TSO GmbH	Bayreuth	Germany	100%	100%	100%	100%
TenneT Verwaltungs GmbH	Bayreuth	Germany	100%	100%	100%	100%

1 For these companies TenneT has issued a declaration of liability as referred to in Part 9 of Book 2 of the Dutch Civil Code, article 403.

2 Please refer to note 1 for more information regarding the new subsidiary.

3 This company was part of held for sale as of 31 December 2024 and was sold in 2025.

4 These companies have opted for the exemption of Section 264b of the German Commercial Code.

As TenneT is able to exercise direct control over management as well as financial and operational policies of Stichting Beheer Doelgeden Landelijk Hoogspanningsnet, this foundation is included in the consolidation. This foundation temporarily manages funds arising from maintenance of the energy balance and auctioning of cross-border capacity by TenneT. The same applies to Greenet Stiftung which is a foundation that compensates negative impact due to construction work of TenneT in its German grid.

### 31. Related parties

An overview of legal entities included in the consolidated financial statements is included in note 30. In addition, the following related parties are identified at the Company level within the Group:

- the Shareholder, state of the Netherlands, as TenneT Holding B.V. is controlled by the Dutch state, which owns 100% of the Company's ordinary shares (note 13);
- joint ventures and associates (note 7);
- members of the Executive Board and Supervisory Board of TenneT Holding B.V. during the reporting period (note 25).

#### Accounting policies

TenneT has identified its shareholder, its key management personnel and its joint ventures and associates as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, as defined by IAS 24 'Related Parties'. The transactions with the key management personnel are split in the total fixed remuneration and the pension cost. A (long-term) incentive scheme existed solely from January till April 2025, reference is made to the 'Remuneration report'.

### 32. Events after the reporting period

On 3 February 2026 Kreditanstalt für Wiederaufbau ('KfW'), acting on behalf of the German state, and TenneT Holding, reached an agreement for KfW to acquire an equity stake of 25.1% in TenneT GmbH & Co. KG for approximately EUR 3.3 billion. Further reference is made to note 1.

In addition, in February 2026, it was indicated by Petrofac that it intends to pursue a claim against TenneT, although the amount mentioned is subject to further revision and has not yet been fully substantiated. No legal proceedings have been initiated to date. However, both TenneT and Petrofac have stated that they will assert claims against each other following the partial termination of the contract by TenneT. TenneT's claim has not yet been fully quantified, as its scope is currently being assessed through a due-diligence process conducted by the suppliers' prospective replacement contractor, please refer to note 23 for more information.

Furthermore, in February 2026, the ACM has published the regulatory method decision for the new regulatory period 2027-2031. The ACM decided an overhaul of the regulatory method from price-cap regulation towards cost-based regulation, please refer to section [Safeguard sustainable financial performance](#) for more information.

No other significant events which are not yet disclosed occurred between the reporting date and the date of approval of the financial statements.



# Company financial statements

## Company statement of financial position

For the year ended 31 December

(EUR million)	Notes	2025	2024
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	34	15,029	12,271
Investments in associates	35	31	31
Deferred tax assets		33	-
Other financial assets	36	1,113	28,472
<b>Total non-current assets</b>		<b>16,206</b>	<b>40,774</b>
<b>Current assets</b>			
Other financial assets		-	201
Account- and other receivables		22	154
Cash and cash equivalents		-	3,531
<b>Total current assets</b>		<b>22</b>	<b>3,685</b>
<b>Total assets</b>		<b>16,228</b>	<b>44,459</b>

(EUR million)	Notes	2025	2024
<b>Equity and liabilities</b>			
<b>Equity</b>			
Paid-up and called-up capital		100	100
Share premium reserve		4,622	4,622
Retained earnings		3,318	1,510
Legal reserves		740	751
Unappropriated result		2,647	1,744
<b>Equity attributable to ordinary shares</b>		<b>11,427</b>	<b>8,727</b>
Hybrid securities		1,135	2,140
<b>Equity attributable to owners of the Company</b>	37	<b>12,562</b>	<b>10,867</b>
<b>Non-current liabilities</b>			
Borrowings	38	-	31,366
Deferred tax liabilities		-	10
<b>Total non-current liabilities</b>		<b>-</b>	<b>31,376</b>
<b>Current liabilities</b>			
Borrowings	38	-	568
Account- and other payables	39	3,666	1,849
<b>Total current liabilities</b>		<b>3,666</b>	<b>2,417</b>
<b>Total equity and liabilities</b>		<b>16,228</b>	<b>44,660</b>



## Company statement of income

For the year ended 31 December

(EUR million)	Notes	2025	2024
Other operating expenses	41	-10	-10
Other gains	42	44	-
<b>Total operating expenses</b>		<b>34</b>	<b>-10</b>
Share in result of associates	34	6	5
<b>Operating result</b>		<b>40</b>	<b>-5</b>
Finance income	43	700	725
Finance expenses	43	-871	-692
<b>Finance result</b>		<b>-171</b>	<b>33</b>
<b>Result before income tax</b>		<b>-131</b>	<b>28</b>
Income tax expenses		49	-20
<b>Result after income tax</b>		<b>-82</b>	<b>8</b>
Result from subsidiaries	34	2,794	1,814
<b>Result for the year</b>		<b>2,712</b>	<b>1,822</b>

## Notes to the company financial statements

These notes contain disclosures relating to the company financial statements of TenneT Holding B.V. Details of TenneT Holding B.V.'s financial results and financial position are provided, as well as a description of the accounting policies applied during compilation of these company financial statements.

### 33. Company accounting policies

#### [Accounting policies for the company financial statements](#)

The company financial statements for TenneT Holding B.V. have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code. The same principles governing valuation and the determination of results (including the principles governing the classification of financial instruments as equity or liability) have been applied during compilation of the company financial statements and the consolidated financial statements, as permitted by Article 362 clause 8 of Part 9 of Book 2 of the Dutch Civil Code.

### 34. Investments in subsidiaries

Investments in subsidiaries relate to the legal entities included in the consolidation as disclosed in note 30 of the consolidated financial statements. The movement in investments in subsidiaries can be specified as follows:

(EUR million)	2025	2024
<b>At 1 January</b>	<b>12,271</b>	<b>10,661</b>
Share in result	2,794	1,814
Capital contributions	-	56
Capital repayments	-60	-49
Dividends received	-	-217
Disposal	-16	-
Remeasurement of defined benefit liabilities	40	6
<b>At 31 December</b>	<b>15,029</b>	<b>12,271</b>

At 24 September, TenneT announced that TenneT Germany will issue additional shares which will be purchased by APG (investing on behalf of Dutch pension fund ABP), Singapore sovereign wealth fund GIC and Norges Bank Investment Management ('NBIM'). TenneT and the institutional investors agreed upon that TenneT Germany will reinvest and use its distributable profits to fund itself, and that it shall consequently not declare or make any distributions to the shareholders, for the period up to and including 2029.

Furthermore, in light of the new method decision of the regulator ACM for the period 2027-2031, the Company proposes not to distribute any dividends to its shareholder for as long as TenneT remains entitled to the direct reimbursement of construction interest for large investments, known as 't-0 remuneration', which is expected to apply until 2030. The reduction path for the 't-0 remuneration' will be discontinued immediately or accelerated if it is no longer necessary to maintain the credit rating of the issuer TenneT Holding B.V. or TenneT Netherlands B.V. In this case, the end date of the 't-0 remuneration' will be earlier than 2030.

Disposal of subsidiaries relates to the sale of Omroepmasten B.V., please refer to note 1.

#### [Accounting policies](#)

Investments in subsidiaries are measured at net asset value. The net asset value of a participating interest is determined by valuing assets, provisions and liabilities and calculating the result using the accounting principles applied to the consolidated financial statements.

When TenneT's share of losses in an investment equals or exceeds its interest on investment, (including separately presented goodwill or any other unsecured non-current receivables, as part of the net investment), it does not recognise any further losses, unless it has incurred legal or constructive obligations or made payments on behalf of this investment. In such case, TenneT will recognise a provision.

### 35. Investments in associates

The investment in associates is related to HGRT. In 2025, TenneT's share in HGRT's result amounted to EUR 6 million (2024: EUR 5 million) and an amount of EUR 6 million (2024: EUR 5 million) of dividends was received. Further reference is made to note 7 of the consolidated financial statements.

### 36. Other financial assets

For more information on (i) prepaid fees for credit facilities available and (ii) financial assets through profit and loss, please refer to note 8 of the consolidated financial statements. The intercompany loans and cash management activities of TenneT Holding B.V. were transferred to TenneT Netherlands B.V. in September 2025, refer to note 1, partly offset by the issuance of a facility for an amount of EUR 1.1 billion to TenneT Netherlands B.V., which is the equivalent of the aggregate amount of the nominal value of the hybrid bonds issued in March 2024 by the Company. The facility is mirrored to the aforementioned hybrid bonds of the Company, refer to note 13 for the terms and conditions.

The movements relating to the non-current other financial assets are as follows:

(EUR million)	2025	2024
<b>At 1 January</b>	<b>28,472</b>	<b>22,299</b>
Additions	9,620	7,899
Repayments	-3,172	-1,574
Transfer to current other financial assets	-1	-151
Transfer to TenneT Netherlands B.V.	-33,806	-
Capital contribution to financial assets through profit or loss	2	-
Fair value adjustment financial assets through profit or loss	-2	-1
<b>At 31 December</b>	<b>1,113</b>	<b>28,472</b>

TenneT Holding B.V. had no current other financial assets as of 31 December 2025 (2024: EUR 338 million). The current other financial assets as of 31 December 2024 were related to receivables from subsidiaries.

### 37. Equity

Please refer to the [consolidated statement of changes in equity](#) and note 13 in the consolidated financial statements for further disclosure regarding the components of the equity, including the hybrid securities, except for the legal reserves that are required to be recognised at company level, which are disclosed hereafter. In the consolidated financial statements, the reserve for participating interests and the reserve for internally generated assets are included in retained earnings and these legal reserves are not freely distributable.

(EUR million)	Reserve for participating interests	Reserve for internally generated intangible assets	Total legal reserves
<b>At 1 January 2024</b>	<b>628</b>	<b>131</b>	<b>759</b>
Result from joint ventures and associates	48	-	48
Dividends from joint ventures and associates	-38	-	-38
Capital repayments from joint ventures and associates	-35	-	-35
Internally generated intangible assets	-	63	63
Amortisation on internally generated intangible assets	-	-46	-46
<b>At 31 December 2024</b>	<b>603</b>	<b>148</b>	<b>751</b>
Result from joint ventures and associates	69	-	69
Dividends from joint ventures and associates	-70	-	-70
Capital repayments from joint ventures and associates	-34	-	-34
Internally generated intangible assets	-	76	76
Amortisation on internally generated intangible assets	-	-52	-52
<b>At 31 December 2025</b>	<b>568</b>	<b>172</b>	<b>740</b>

### Reserve for participating interests

The reserve for participating interests relates to joint ventures and associates, for which TenneT does not control payment of dividends.

### Reserve for internally generated intangible assets

The reserve for internally generated intangible assets relates to internally developed software. During 2025, EUR 76 million (2024: EUR 63 million) of software was internally developed. The legal reserve for internally generated intangible assets is amortised over the related assets useful life. For more details on the intangible assets please refer to note 6.

### Appropriation of result for the year

The financial statements of 2024 were approved in the General Meeting of Shareholders held on 5 March 2025. The General Meeting has determined the appropriation of result in accordance with the proposal being made to that end. The appropriation of the 2025 result is at the free disposal of the General Meeting of Shareholders. In light of the new method decision of the regulator ACM for the period 2027-2031, the Company proposes not to distribute any dividends to its shareholder for as long as TenneT remains entitled to the direct reimbursement of construction interest for large investments, known as 't-0 remuneration', which is expected to apply until 2030. The reduction path for the 't-0 remuneration' will be discontinued immediately or accelerated if it is no longer necessary to maintain the credit rating of the issuer TenneT Holding B.V. or TenneT Netherlands B.V. In this case, the end date of the 't-0 remuneration' will be earlier than 2030.

### 38. Borrowings

In September 2025, all senior bonds and loans were transferred to TenneT Netherlands B.V., please also refer to note 1.

### 39. Account- and other payables

(EUR million)	2025	2024
Payables to subsidiaries	3,572	1,532
Interest payable	-	221
Income tax payable	92	88
Other payables	2	8
<b>Total</b>	<b>3,666</b>	<b>1,849</b>



The interest payable decreased because of, respectively, the transfer of the cash management activities and the transfer of the shareholder loan facility to TenneT Netherlands B.V. The aforementioned explains also the increase of the payables to subsidiaries as the transferred liabilities were higher than the transferred receivables, please refer to note [1](#) for further information.

#### 40. Personnel expenses

TenneT Holding B.V. did not employ any personnel during 2025 or 2024, and as a result did not incur any personnel expenses in those periods. Members of the Executive Board and Supervisory Board of the Company received their remuneration, as disclosed in note [25](#) of the consolidated financial statements, from other entities within the Group.

#### 41. Other operating expenses

Other operating expenses mainly consist of consultancy expenses due to advice relating to the exploration of alternative funding solutions for TenneT's German activities. These costs are partly paid by TenneT Germany.

#### 42. Other gains

The other gains of EUR 44 million (2024: nil) relate to the sale of the activities of NOVEC B.V. regarding its operation of the antenna towers, part of the Group's segment of non-regulated activities, to Althio B.V., please refer to note [1](#) for more information.

#### 43. Finance income and expenses

In September 2025, all receivables from group companies as well as senior bonds and loans were transferred to TenneT Netherlands B.V. resulting in decreased finance income and expenses as the statement of income of the Company solely comprises the finance income and expenses up to September 2025. The intercompany loan agreements had terms equivalent to those that prevail in arm's length transactions.

#### 44. Commitments and contingencies

Off-balance sheet rights per balance sheet date consist of payment guarantees for an amount of EUR 0,596 million (2024: EUR 1,916 million) issued by TenneT Germany ('guarantor') to the Company. The guarantor guarantees to the Company to pay on behalf of TenneT Holding to amongst others its credit providers of any and all due payment obligations of the Company.

Also, TenneT Holding B.V. has, together with National Grid plc, provided a parent company guarantee on the liabilities of [BritNed](#).



Furthermore, the Company has provided an irrevocable and unconditional undertaking in relation to the reinsurance arrangements of its subsidiary TenneT Reinsurance N.V. ('reinsurer'). In the event that the reinsurer fails, in whole or in part, to meet its payment obligations, the Company is obliged to pay for the withdrawal of the claims from the claimant or to make direct payments to the claimant equivalent to the outstanding default amounts. While no such defaults have occurred to date, the Company continuously monitors its reinsurance exposures and related financial commitments.

#### 45. Events after the reporting period

Please refer to note [32](#) of the consolidated financial statements for a description of the relevant events after the reporting period.

Arnhem, 2 March 2026

*Executive Board TenneT Holding B.V.*

M.J.J. van Beek (Chair)

M.C. Abbenhuis

D.K. Inia

*Supervisory Board TenneT Holding B.V.*

A.F. van der Touw (Chair)

E. Kairisto

M.R.P.M. Camps

A.C.C. van Els

E.M. Schöne

K. Singh

TenneT Holding B.V.

Utrechtseweg 310

6812 AR Arnhem

The Netherlands

PO Box 718

6800 AS Arnhem

The Netherlands

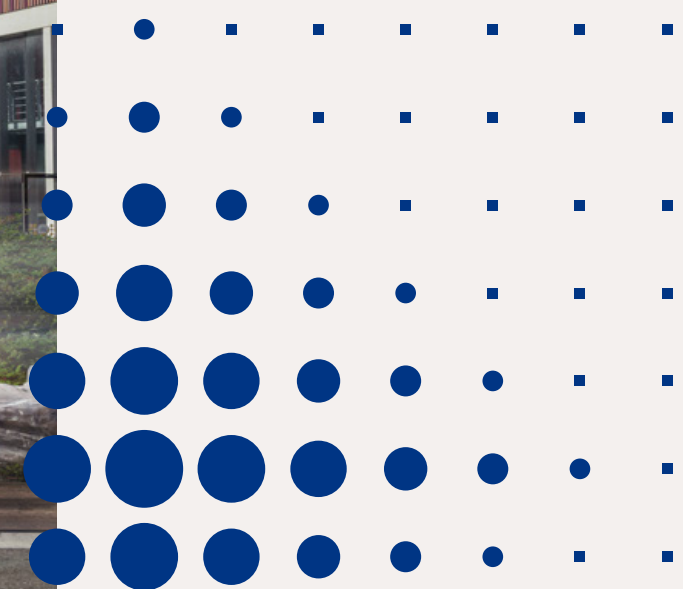
Chamber of Commerce register 09083317



# Other information



Profit appropriation	251
Independent auditor's report	252
Company addresses	259





# Profit appropriation

Profit appropriation is governed by Section 38.3 of the Articles of Association, which states the following 'To the extent that the profit is not used to make up prior losses in accordance with the provision of paragraph 2, it shall be at the free disposal of the general meeting. In the calculation of the profit amount to be distributed on every share, only the amount of the compulsory payments on the nominal amount of the shares shall be taken into consideration. In the event of a tied vote on a proposal to distribute or reserve profits, the profits to which the proposal relates shall be reserved'.

Hybrid securities are deeply subordinated securities and are, with the exception of common equity, the most junior instruments in the capital structure of the Company. The hybrid securities are undated and do not default on non-payment of coupons (unless such payment was mandatory following a resolution or payment of a dividend to common shareholders, i.e. as so called 'dividend pusher').

The holders of the hybrid securities have limited ability to influence the outcome of a bankruptcy proceeding or a restructuring outside bankruptcy. Consequently, the hybrid security holders cannot oblige TenneT to pay distributions or redeem the securities in part or in full. Payment of distributions on and redemption of the securities is at our sole discretion.

As a result, the hybrid securities are classified as part of the equity attributable to the company's owners.



# Independent auditor's report

To: the shareholder and Supervisory Board of TenneT Holding B.V. ('**TenneT**' or the '**Company**')

## Report on the audit of the financial statements 2025 included in the Integrated Annual Report 2025

### Our opinion

We have audited the [financial statements 2025](#) of TenneT Holding B.V., based in Arnhem, the Netherlands (the '**Financial Statements**'). The [Financial Statements](#) comprise the [consolidated](#) and [company financial statements](#).

In our opinion:

- The accompanying [consolidated financial statements](#) give a true and fair view of the financial position of TenneT Holding B.V. as at 31 December 2025, and of its result and its cash flows for 2025 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying [company financial statements](#) give a true and fair view of the financial position of TenneT Holding B.V. as at 31 December 2025, and of its result for 2025 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The [consolidated statement of financial position](#) as at 31 December 2025.
2. The following statements for 2025: the [consolidated statement of income](#), the [consolidated statements of comprehensive income](#), [changes in equity](#) and [cash flows](#).
3. The [notes](#) comprising material accounting policies and other explanatory information.

The company financial statements comprise:

1. The [company statement of financial position](#) as at 31 December 2025.
2. The [company statement of income](#) for 2025.
3. The [notes](#) comprising material accounting policies and other explanatory information.

### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the Financial Statements' section of our report.

We are independent of TenneT Holding B.V. in accordance with the EU 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 assurance-opdrachten (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).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information in support of our opinion

We designed our audit procedures in the context of our audit of the Financial Statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

### Materiality

Based on our professional judgment we determined the materiality for the Financial Statements as a whole at EUR 146.0 million (2024: EUR 90.0 million). The materiality is based on 7% of the average underlying operating result for the years 2025, 2024 and 2023. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the Financial Statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of EUR 7.3 million (2024: EUR 4.5 million), which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

### Scope of the group audit

TenneT Holding B.V. is at the head of a group of components. The financial information of this group is included in the consolidated financial statements of TenneT Holding B.V.

Because we are ultimately responsible for the opinion, we are responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for reporting entities. Decisive were the size and/or the risk profile of the reporting entities or operations. On this basis, we selected reporting entities for which an audit had to be carried out on the complete set of financial information or specific items.

In establishing the overall group audit strategy and plan, we determined the type of work that needed to be performed at the components by the group engagement team and the component auditors.

Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those



components to be able to conclude whether sufficient appropriate audit evidence was obtained as a basis for our opinion on the Financial Statements as a whole. For each component we determined whether we required an audit of their complete financial information or whether other procedures would be sufficient. Our group audit mainly focused on the significant group entities TenneT Holding B.V., TenneT TSO GmbH & Co. KG and TenneT Netherlands B.V., because combined they make up more than 95% of the group's revenue, operating result and assets. We included additional reporting entities in the scope of our group audit to have additional audit coverage on the group's consolidated financial statements, and performed other procedures with respect to residual risk in components and account balances that have not been included in audit scope.

The group consolidation, Financial Statements disclosures and certain centrally coordinated accounting topics were audited by the group engagement team. These topics included among others treasury and corporate income tax. Team members with specialized knowledge were involved in the areas of forensic, tax, accounting, valuation, pension and information technology.

Based on our risk assessment, we determined the nature, timing and extent of audit procedures to be performed, including determining the components at which to perform audit procedures. We have obtained the following audit coverage of the group with our audit procedures:

Audit coverage	
IFRS revenue	99%
IFRS operating result	99%
IFRS assets	99%

By performing the procedures mentioned above at components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

### Audit approach fraud risks

We identified and assessed the risks of material misstatements of the Financial Statements due to fraud. During our audit we obtained an understanding of the Company and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the Supervisory Board exercises oversight, as well as the outcomes.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

- We evaluated TenneT's fraud risk assessment and made inquiries with management, those charged with governance and others within TenneT, including but not limited to the units/departments (i) Internal Audit, (ii) Compliance & Integrity and (iii) Financial Governance Services. We reviewed their process for identifying and responding to the risk of fraud, the internal communication regarding their views on business practices and ethical behaviour and whether they have knowledge of any actual, suspected or alleged fraud affecting the Company.
- We held discussions amongst team members and component auditors to identify fraud risk factors and considered whether other information obtained from our risk assessment procedures indicated risks of

material misstatement due to fraud. Fraud risk factors identified include among others:

- fraud, bribery and corruption;
- compliance with respect to trade regulations/sanctions;
- compliance with respect to environmental requirements; and
- compliance with procurement policies.
- We evaluated whether unusual or unexpected relationships have been identified in performing analytical procedures, that may indicate risks of material misstatement due to fraud.
- We identified a significant risk of material misstatement due to fraud arising from management override of controls which included a specific focus on projects with characteristics that may be indicative of a higher likelihood of fraudulent journal entries. This includes an assessment on the classification of expenditures given their relevance to the regulatory accounting and thus future revenues.
- We determined overall responses to address the assessed risks of material misstatement due to fraud which included:
  - assigning and supervising personnel with the adequate knowledge, skills and ability;
  - evaluating whether the selection and application of accounting policies by the group, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting;
  - we tested the operating effectiveness of the relevant controls in the business processes surrounding project procurement and project cost accounting;
  - incorporating elements of unpredictability in the selection of the nature, timing and extent of our audit procedures;
  - we tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the Financial Statements;
  - evaluating whether the judgements and decisions made by management in making the accounting estimates included in the Financial Statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Significant accounting judgements, estimates and assumptions that might have a major impact on the Financial Statements are disclosed in [note 1](#) of the



consolidated financial statements. Useful life of assets, grid expense payables and the provision for decommissioning were focus areas in our audit as the related account balances are subject to significant management judgement; and

- o performing a retrospective review of management judgements and assumptions related to significant accounting estimates such as cost assumptions on the decommissioning provisions and in-feed management accruals reflected in prior year Financial Statements. We considered available information and made enquiries of relevant executives, directors and the Supervisory Board.

This did not lead to indications for fraud potentially resulting in material misstatements.

#### Audit approach compliance with laws and regulations

As part of obtaining an understanding of TenneT and its environment we obtained a general understanding of the legal and regulatory framework applicable to TenneT and the industry in which it operates and how TenneT is complying with that framework. Moreover, we performed the following procedures:

- We assessed the laws and regulations relevant to the Company through discussion with management, those charged with governance and others within TenneT, including the units (i) Internal Audit, Risk & Internal Control and Compliance & Integrity, (ii) Legal Affairs, (iii) Regulatory Affairs (iv) Business Guidance and (v) Financial Governance Services. We have read related minutes and reports. We involved our forensic specialists in our evaluation.
- We obtained sufficient and appropriate audit evidence regarding provisions of those laws and regulations generally recognised to have a direct effect on the determination of material amounts and disclosures in the Financial Statements such as (corporate) tax and pension laws and financial reporting regulations, the requirements under EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code.
- Apart from these, TenneT is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the Financial Statements, for instance, through imposing fines or litigation. Given the nature

of TenneT's business and the complexity of European public procurement regulations, the Elektriciteitswet (Dutch Electricity Act), the Energiewirtschaftsgesetz (German Energy Industry Act), and other relevant Dutch and German energy laws and regulations, as well as environmental laws, there is a risk of non-compliance with the requirements of such laws and regulations. In addition, we considered relevant laws and regulations applicable to listed companies.

- Our procedures are more limited with respect to other laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the Financial Statements. These laws and regulations compliance may be fundamental to the operating aspects of the business, to TenneT's ability to continue its business, or to avoid material penalties (e.g. compliance with the energy laws in the Netherlands and Germany or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the Financial Statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the Financial Statements.
- Our procedures are limited to (i) inquiry of the Executive Board, the Supervisory Board and others within TenneT as to whether the Company is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the Financial Statements.
- We remained alert to indications of (suspected) non-compliance throughout the audit.
- We obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Based on our procedures performed, we have no matters to report.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

#### Audit approach going concern

We are responsible to obtain sufficient and appropriate audit evidence regarding the appropriateness of management's use of the going concern assumption in preparing the Financial Statements. Management is responsible to assess the Company's ability to continue as a going concern and disclosing in the Financial Statements any events or circumstances that may cast significant doubt on the Company's ability to continue as a going concern. As described in [note 1](#), the Executive Board holds the view that no events or conditions give rise to doubt about the ability of the Company to continue in operation, for at least one year from the date of the end of the reporting period.

To fulfil our responsibilities, we performed the following procedures:

- we evaluated management's assessment of the going concern assumption and related disclosure [note 1](#) of the Financial Statements;
- we challenged management's cash flow forecasts and primary assumptions, also in the light of our understanding obtained with regards to management's outlook as reported in the [Executive Board Report](#);
- we evaluated the Company's capital management objectives, including its long-term credit rating and liquidity on a rolling 12-month forward looking basis as disclosed in [note 12](#); and
- we evaluated the Company's repayment obligations as disclosed in [note 20](#).

Based on our procedures performed, we have no matters to report.

#### Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.



Descriptions for key audit matters contain the following elements:

- a description of the key audit matter;
- a summary of audit procedures performed;
- if relevant, key observations relating to key audit matters; and
- if relevant, references to information or notes in the financial statements.

These matters were addressed in the context of our audit of the Financial Statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## 1. Project Voltura/ Project Rico

### Description

For the past three years, TenneT has pursued alternative funding solutions for its German operations (**'Project Voltura'**) to meet the equity requirement for a minimum BBB credit rating, enabling TenneT Germany to access capital markets and issue debt to finance its high-voltage grid. After considering both public listing and a private capital markets track, TenneT has reached an agreement in September 2025 with APG, Norges Bank and GIC (the **'institutional investors'**) to contribute up to EUR 9.5 billion in exchange for new to be issued shares in TenneT GmbH & Co. KG. EUR 4.0 billion will be contributed in 2026; the remainder of the total commitment will be provided in subsequent periods. Based on the target capital interests after the funding period, 46% of the voting rights will be allocated immediately to the institutional investors on completion of the transaction.

Since then and in addition, TenneT has been in discussion with Kreditanstalt für Wiederaufbau (**'KfW'**), acting on behalf of the German government, on a potential sale of shares in TenneT Germany (**'Project Rico'**). On 3 February 2026, TenneT signed an agreement with KfW to sell 25.1% stake for an amount of approximately EUR 3.3 billion. After closing, KfW will contribute pro rata with the institutional investors, through primary equity contributions, to maintain its 25.1% ownership. KfW has given a commitment of EUR 2.3 billion in this regard.

During the funding period and within two months of each additional primary equity contribution by KfW, the institutional investors can choose to acquire additional shares from TenneT Holding, equal to the additional contribution by KfW. Final capital interests of the institutional investors will be reassessed at the end of the funding period in 2029, based on actual contributions. The institutional investors will retain 46% of the voting rights for the duration of the funding period, subject to adjustment to reflect actual contributions.

The finalisation of both transactions is subject to regulatory approval. TenneT has concluded it is highly probable that Project Voltura and Project Rico will be completed within 12 months from balance sheet date, reducing TenneT Holding's voting rights in TenneT Germany to 28.9%. Accordingly, the requirements of IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' have been applied in the consolidated Financial Statements of TenneT Holding B.V. as at 31 December 2025.

We have included this as a key audit matter because of:

- the additional reporting risks such as incorrectly concluding that IFRS 5 is applicable; and
- the complexity and one-off nature of these transactions could lead to incorrect accounting and incomplete disclosures.

### Our response

We performed the following procedures:

- we obtained a detailed understanding of the (internal) process that TenneT applies to manage the developments and decision making around Project Voltura and Project Rico;
- we made inquiries with TenneT's Executive Board, Supervisory Board, the Voltura Committee, and other key officers involved;
- we reviewed the transaction documentation;
- we evaluated the affected accounting positions and disclosures in the Financial Statements, including the judgement whether the criteria for applying IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' have been met as per December 31, 2025; and
- we have reviewed relevant minutes and reports, including those of the Voltura Committee.

### Our observations

We did not identify material observations from our procedures. We have concluded that the requirements of IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' have been appropriately applied to the Financial Statements.

## 2. Tangible fixed assets

### Description

Securing supply and facilitating the energy transition by expanding and enhancing the high-voltage grid through integration of sustainable energy sources requires substantial investments and flexible access to (equity) funding. TenneT increased its investment volume to EUR 14.4 billion in 2025 for on- and offshore grid connections.

We have included this as a key audit matter because of:

- the financial significance of the tangible fixed assets and related capital expenditures;
- the risks associated with large investment projects, complexity in procurement, construction and timely completion;
- the professional judgement required in determining the impact of the energy transition on (i) (funding) the capital investment planning, and (ii) the existing asset portfolio, including the assessment of remaining useful lives of assets; and
- the professional judgement required in (i) assessing whether there is any indication that an asset may be impaired and (ii) if there is any such indication, estimating the recoverable amount of that asset (i.e. measuring any impairment).

### Our response

We performed the following procedures:

- we tested the internal control environment related to tangible fixed assets through testing of operating effectiveness of relevant controls, including controls related to (i) investment approval, (ii) the financial closing of assets under construction, and (iii) the periodic reassessment of the useful lives of tangible fixed assets;



- we tested the design and implementation of relevant controls related to TenneT's liquidity forecast underpinning its ability to finance investments;
- we obtained and discussed internal management reports about progress of the key assets under construction and performed tests of details on the additions to and other movements in tangible fixed assets;
- we evaluated management's impairment trigger assessment that no indications were identified that any assets may be impaired as at 31 December 2025.

#### *Our observations*

Our procedures did not identify material observations and we considered management's key assumptions, to be within the reasonable range of our own expectations.

### 3. Decommissioning provision

#### *Description*

Moving towards a future with renewable energy sources involves significant investments in (offshore) assets that are to be decommissioned, thus requiring recognition of decommission provisions. The corresponding provisions are based on estimates of costs, timing of decommissioning, discount rates and inflation.

We have included this as a key audit matter because of:

- the significance of the provision and additions for the year triggered by construction of new (offshore) assets;
- the uncertainty involved in measuring the provision and sensitivity to changes in key assumptions, including the cost base, the inflation rate and the discount rate; and
- the calculation is a manual process.

#### *Our response*

We performed the following procedures:

- we have obtained management's position paper on the cost assumptions and methodology used. Our audit procedures included

testing of design and implementation of relevant controls around the periodical assessment of these assumptions and the evaluation of the financial model used to calculate the provision;

- we assessed the reasonability of the key assumptions through comparison with observable market data and procedures to address the completeness of the provision; and
- we evaluated the appropriateness of the disclosure of the accounting policy and estimation uncertainty of these provisions.

#### *Our observations*

Our procedures did not identify material observations and we considered management's key assumptions, to be within the reasonable range of our own expectations.

### Report on the other information included in the Integrated Annual Report

The Integrated Annual Report 2025 contains other information, in addition to the [Financial Statements](#) and our auditor's report thereon.

The other information consists of:

1. the Director's Report, consisting of:
  - a. the [Executive Board Report](#); and
  - b. the [Sustainability statements](#);
2. the [Supervisory Board report](#);
3. [other information](#) as required by Part 9 of Book 2 of the Dutch Civil Code; and
4. other information included in the Integrated Annual Report.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the Financial Statements and does not contain material misstatements.
- Contains all the information regarding the Director's Report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the Financial Statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard on Auditing 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the Financial Statements.

The Executive Board is responsible for the preparation of the other information, including the Director's Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

### Report on other legal and regulatory requirements and ESEF

#### **Engagement**

We were engaged by the annual meeting of shareholders as auditor of TenneT Holding B.V. on 18 December 2019, as of the audit for the year 2020 and have operated as statutory auditor ever since that financial year.

#### **No prohibited non-audit services**

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

#### **European Single Electronic Format (ESEF)**

TenneT Holding B.V. has prepared its Integrated Annual Report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (the '**RTS on ESEF**').

In our opinion, the Integrated Annual Report, prepared in XHTML format, including the (partly) marked-up consolidated Financial Statements, as



included in the reporting package by TenneT Holding B.V. complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the Integrated Annual Report including the Financial Statements in accordance with the RTS on ESEF, whereby management combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the Integrated Annual Report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting). Our examination included amongst others:

- Obtaining an understanding of the company's financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the Integrated Annual Report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance and the XBRL extension taxonomy files has been prepared in accordance with the technical specifications as included in the RTS on ESEF;
  - examining the information related to the consolidated Financial Statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

## Description of responsibilities regarding the Financial Statements

### Responsibilities of the Executive Board and the Supervisory Board for the Financial Statements

The Executive Board is responsible for the preparation and fair presentation of the Financial Statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Executive Board is responsible for such internal control as the Executive Board determines is necessary to enable the preparation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the Financial Statements, the Executive Board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Executive Board should prepare the Financial Statements using the going concern basis of accounting unless the board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Executive Board should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the Financial Statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

### Our responsibilities for the audit of the Financial Statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error, during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements. The 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 judgment and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the Financial Statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the 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 Executive Board.
- Concluding on the appropriateness of the Executive Board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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. 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.
- Evaluating whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Rotterdam, 2 March 2026

Deloitte Accountants B.V.

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 bear the full responsibility for the auditor's report.

Signed on the original: N.H.M. van Groenendael

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 findings in internal control that we identified during our audit. In this respect we also submit 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 safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the Financial Statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.



# Company addresses

## Head office

TenneT Holding B.V., TenneT Netherlands B.V. and  
TenneT TSO B.V.

Mariëndaal Centre of Excellence

Utrechtseweg 310

6812 AR Arnhem

The Netherlands

Phone +31 (0)26 373 11 11

PO Box 718

6800 AS Arnhem

The Netherlands

[communication@tennet.eu](mailto:communication@tennet.eu)

[www.tennet.eu](http://www.tennet.eu)

## Regional offices

### The Netherlands

#### *TenneT region West*

Tielweg 28

2803 PK Gouda

The Netherlands

#### *TenneT region North*

De Stroom 2

7901 TE Hoogeveen

The Netherlands

#### *TenneT region South*

Copernicusstraat 9

6003 DE Weert

The Netherlands

### Germany

#### *Head office Germany*

TenneT TSO GmbH

Bernecker straÙe 70

95448 Bayreuth

Germany

Phone + 49 (0) 921 50740-0

#### *TenneT Lehrte*

Eisenbahnlängsweg 2a

31275 Lehrte Germany

#### *TenneT Berlin*

Representative Office

Friedrichstraße 150

10117 Berlin

Germany

### Belgium

#### *TenneT Brussels*

TenneT Holding B.V.

European Office

Rue des Deux Eglises 29

1000 Brussels

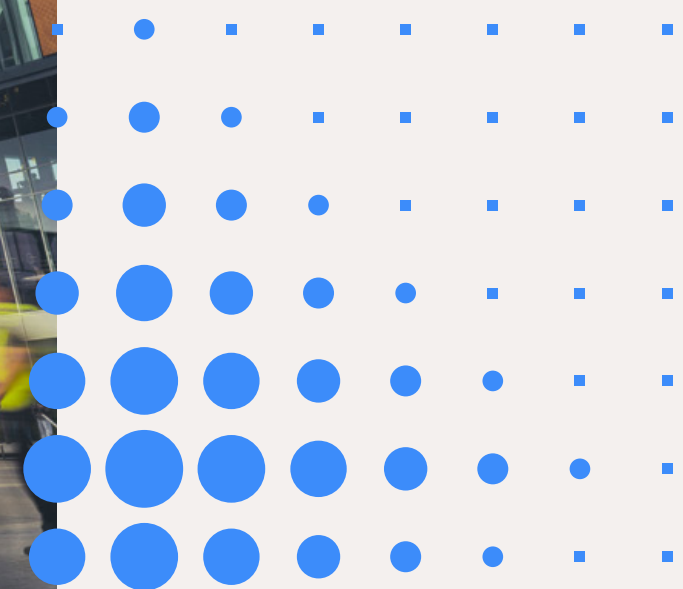
Belgium



# Supplementary information



Limited assurance report of the independent auditor on the sustainability statement	261
Limited assurance report of the independent auditor on the Green Finance reporting	264
About this report	266
Key figures: five-year summary	268
Glossary	269
Colophon	273



# Limited assurance report of the independent auditor on the sustainability statement

To: the shareholder and Supervisory Board of TenneT Holding B.V. ('**TenneT**' or the '**Company**')

## Our conclusion

We have performed a limited assurance engagement on the section '[Sustainability statements](#)' in the Integrated Annual Report, including the information incorporated in the Sustainability statements by reference and sections '[TenneT at a glance](#)' and '[Executive Board Report](#)' (excluding '[Safeguard sustainable financial performance](#)' and '[Risk Management](#)') (the '**sustainability statement**') for 2025 of TenneT, based in Arnhem the Netherlands.

Based on our procedures performed and the assurance evidence obtained, nothing has come to our attention that causes us to believe that the sustainability statement 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 double materiality assessment process carried out by the Company to identify the information reported pursuant to the ESRS.
- Compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (the '**Taxonomy Regulation**').

## Basis for our conclusion

We have performed our limited assurance engagement on the sustainability statement in accordance with Dutch law, including Dutch Standard 3810N, 'Assurance-opdrachten inzake duurzaamheidsverslaggeving' (Assurance engagements relating to sustainability reporting) which is a specified 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 in this regard are further described in the section 'Our responsibilities for the limited assurance engagement on the sustainability statement' of our report.

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

The ViO and VGBA are at least as demanding as the International code of ethics for professional accountants (including International independence standards) of the International Ethics Standards Board for Accountants.

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

## Emphases of matter

### Emphasis on the most significant uncertainties affecting the quantitative metrics and monetary amounts

We draw attention to the paragraph 'Sources of estimations and outcome uncertainty' (page 127) in the section Sustainability statements and the related 'Methodology' paragraph in the topic-specific chapters in the Sustainability statements that identify the quantitative metrics that are

subject to a level of measurement uncertainty and disclose information about the sources of measurement uncertainty and the assumptions, approximations and judgements the Company has made in measuring these in compliance with the ESRS. We note that this uncertainty is primarily the case in the ESRS E1 and E5 metrics.

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.

Our conclusion is not modified in respect of this matter.

### Limitations to the scope of our assurance engagement

In reporting forward-looking information in accordance with the ESRS, management of the Company is required to prepare the forward-looking information on the basis of 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. We do not provide assurance on the achievability of this forward-looking information.

Our conclusion is not modified in respect of this matter.



### Responsibilities of management and the Supervisory Board for the Sustainability statement

Management is responsible for the preparation of the sustainability statement in accordance with the ESRS, including the double materiality assessment process carried out by the Company as the basis for the sustainability statement and disclosure of material impacts, risks and opportunities in accordance with the ESRS. As part of the preparation of the sustainability statement, management is responsible for compliance with the reporting requirements provided for the Taxonomy Regulation.

Management 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, management is responsible for such internal control as it 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 sustainability reporting process including the double materiality assessment 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 for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance that the sustainability statement is free from material misstatements. The procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially

lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We apply the applicable quality management requirements pursuant to the 'Nadere voorschriften kwaliteitsmanagement' (regulations for quality management) and accordingly maintain 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.

Our limited assurance engagement included among others:

- 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 in order to assess the double materiality assessment process 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 the 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 economic activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), without obtaining assurance information about the implementation, or testing the operating effectiveness, of controls.
- Assessing the double materiality assessment process carried out by the Company and identifying and assessing areas of the sustainability statement, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise ('Selected Disclosures'). We designed and performed further assurance procedures aimed at assessing

that the sustainability statement is free from material misstatements responsive to this risk analysis.

- Considering whether the description of the double materiality assessment process as disclosed in the sustainability statement appears consistent with the process carried out by the Company.
- Determining the nature and extent of the procedures to be performed for the group components and locations. Decisive were the size and/or the risk profile of these components and locations.
- Performing analytical review procedures on quantitative information in the sustainability statement, including consideration of data and trends in the information submitted for consolidation at group level.
- Assessing whether the Company's methods for developing estimates are appropriate and have been consistently applied for the Selected Disclosures. We considered data and trends; however, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate management's estimates.
- Analysing, on a limited sample basis, relevant internal and external documentation available to the Company (including publicly available information or information from actors throughout its value chain) for the Selected Disclosures.
- Reading the other information in the Integrated 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 Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for each of the environmental objectives, reconcile with the underlying records of the Company, are consistent or coherent with the sustainability statement and appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical screening criteria are met; and
  - the key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy reference framework as defined in Appendix 1 Glossary of Terms of the CEOB Guidelines on limited assurance on sustainability reporting adopted



on 30 September 2024 and in compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), including the format in which the activities are presented.

- Considering the overall presentation, structure and the fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the sustainability statement, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).
- Considering, based on our limited assurance procedures and evaluation of the assurance evidence obtained, whether the sustainability statement as a whole is free from material misstatements and prepared in accordance with the ESRS.

Rotterdam, 2 March 2026

Deloitte Accountants B.V.

Signed on the original: N.H.M. van Groenendael

# Limited assurance report of the independent auditor on the Green Finance reporting

To: the shareholder and the Supervisory Board of TenneT Holding B.V. ('**TenneT**' or the '**Company**')

## Our conclusion

We have performed a limited assurance engagement on the sustainability information in the '[Green Finance reporting](#)' section of the Integrated Annual Report of TenneT Holding B.V. based in Arnhem (hereafter: 'the Green Finance Reporting').

Based on our procedures performed and the assurance evidence obtained, nothing has come to our attention that causes us to believe that the Green Finance Reporting is not, in all material respects, fairly presented in accordance with the applicable criteria.

The Green Finance Reporting comprises a description of the sustainable performance (if operational) information of the Green Investments (as described in the Green Financing Framework published December 2025) for the year ended 31 December 2025, which for German projects in scope related to Green debt issued prior to 2025, including the projects disclosed in [Appendix 1](#) of the '[Green Finance reporting](#)' section of the Integrated Annual Report of TenneT Holding B.V. and included in Appendix A of this report.

## Basis for our conclusion

We have performed our limited assurance engagement on the Green Finance Reporting in accordance with Dutch law, including Dutch Standard 3000A 'Assurance engagements other than audits or reviews of historical financial information'. This engagement is aimed to obtain limited assurance. Our responsibilities under this standard are further

described in the 'Our responsibilities for the assurance engagement on the Green Finance Reporting' section of our report.

We are independent of TenneT in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics for Professional Accountants).

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

## Applicable criteria

The reporting criteria applied for the preparation of the Green Finance Reporting as disclosed in the chapter '[About this report](#)' of the 2025 Integrated Annual Report of TenneT Holding B.V.

The Green Finance Reporting needs to be read and understood together with the reporting criteria. TenneT is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The comparability of sustainability information between entities and over time may be affected 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.

## Materiality

Based on our professional judgement we determined materiality levels for each relevant sustainability matter. When evaluating our materiality levels, we considered quantitative and qualitative aspects as well as the relevance of information for both stakeholders and the Company.

We agreed with the Supervisory Board that misstatements which are identified during the assurance engagement and which in our view must be reported on quantitative or qualitative grounds, would be reported to them.

## Limitations to the scope of our assurance engagement

The Green Finance Reporting includes prospective information such as ambitions, strategy, plans, expectations, and estimates. Prospective information relates to events and actions that have not yet occurred and may never occur. We do not provide any assurance on the assumptions and achievability of this prospective information.

The references to external sources or websites in the Green Finance Reporting are not part of the Green Finance Reporting as included in the scope of our assurance engagement. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect to these matters.



### Responsibilities of the management and the Supervisory Board for the Green Finance Reporting

Management is responsible for the preparation of the Green Finance Reporting in accordance with the applicable criteria. Management is also responsible for selecting and applying the criteria and for determining that these criteria are suitable for the legitimate information needs of stakeholders, considering applicable law and regulations related to reporting. The choices made by the management board regarding the scope of the Green Finance Reporting and the reporting policy are summarised in the section '[Green Finance reporting](#)' of the 2025 Integrated Annual Report.

Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the Green Finance Reporting that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the reporting process of TenneT Holding B.V.

### Our responsibilities for the assurance engagement on the Green Finance Reporting

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

Our assurance engagement is aimed to obtain a limited level of assurance to determine the plausibility of information. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance that is obtained when a reasonable assurance engagement is performed.

We apply the applicable quality management requirements pursuant to the 'Nadere voorschriften kwaliteitsmanagement' (regulations for quality management) and accordingly maintain 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.

Our limited assurance engagement included among others:

- Performing an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, and the characteristics of the Company.
- Evaluating the appropriateness of the criteria applied, their consistent application and related disclosures in the Green Finance Reporting. This includes the evaluation the reasonableness of estimates made by management.
- Obtaining through inquiries a general understanding of the internal control environment, the reporting processes, the information systems and the Company's risk assessment process relevant to the preparation of the Green Finance Reporting, without obtaining assurance information about the implementation or testing the operating effectiveness of controls.
- Identifying areas of the Green Finance Reporting where misleading or unbalanced information or a material misstatement, whether due to fraud or error, is likely to arise. Designing and performing further assurance procedures aimed at determining the plausibility of the Green Finance Reporting responsive to this risk analysis. These procedures consisted among others of:
  - obtaining inquiries from management at corporate and business level responsible for the sustainability strategy, policy and results;
  - obtaining inquiries from relevant staff responsible for providing the information for, carrying out internal procedures on, and consolidating the data in the Green Finance Reporting;
  - obtaining assurance evidence that the Green Finance Reporting reconciles with underlying records of the company;
  - reviewing, on a limited test basis, relevant internal and external documentation;
  - considering the data and trends in the information submitted for consolidation at corporate level.
- Reconciling the relevant financial information with the financial statements.

- Reading the information in the Company's Integrated Annual Report 2025, which is not included in the scope of this assurance engagement, to identify material inconsistencies, if any, with the Green Finance Reporting.
- Considering the overall presentation and balanced content of the Green Finance Reporting.
- Considering whether the Green Finance Reporting as a whole, including the sustainability matters and disclosures, is clearly and adequately disclosed in accordance with applicable criteria.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the assurance engagement and significant findings that we identify during our assurance engagement.

Rotterdam, 2 March 2026

Deloitte Accountants B.V.

Signed on the original: N.H.M. van Groenendael

### Appendix A: Projects in scope of the Green Finance Reporting 2025

BalWin4	Wahle - Mecklar
DoIWin1	BorWin3
HelWin2	DoIWin5
Emden/Ost – Conneforde	SylWin1
SuedLink	Ostbayernring
BorWin1	Westküstenleitung
DoIWin2	Borwin5
LanWin1	DoIWin6
Ganderkesee – St.Hülfe	Onshore
SuedOstLink	Ostküstenleitung
BorWin2	BorWin6
DoIWin3	HelWin1
LanWin2	Conneforde – Cloppenburg – Merzen
Mittelachse	Stade – Landesbergen



# About this report

## Scope of this report

The scope of this integrated report is TenneT Holding B.V. and the subsidiaries in which it has a controlling interest. The information presented in these sustainability statements extends beyond our own organisational boundaries and includes relevant elements from our upstream and downstream value chain. The scope of the information incorporated from the value chain information varies and depends on the nature of the topic. When aspects of our value chain have been considered, this has been indicated.

A complete overview of all the consolidated entities in this Integrated Annual Report is disclosed in note [30](#) of the consolidated financial statements.

'We', 'TenneT', 'TenneT Holding', 'the Group', 'the company' or similar expressions are used in this report as a synonym for TenneT Holding B.V. and its subsidiaries.

Our reporting policy in the event of acquisitions or divestments is disclosed in notes [1](#) and [7](#) of the consolidated financial statements. For non-financial performance we report acquisitions and divestments from the day of purchase or when an entity is sold respectively. We recognise that in the event of acquisitions, reporting improvements may be required which may result in data gaps or estimates. In 2025, there were no significant acquisitions or divestments impacting our non-financial reporting.

Parts of this report contain forward-looking information. These parts may include unqualified statements on future operating results, government measures, the impact of other regulatory measures on the activities of TenneT as a whole, TenneT's shares and those of its subsidiaries and joint-ventures in existing and new markets, industrial and macroeconomic trends and TenneT's performance in these. Such statements are preceded

or followed by or contain words such as 'believes', 'expects', 'anticipates' or similar expressions. These forward-looking statements are based on current assumptions concerning future activities and are subject to known and unknown factors, and other uncertainties, many of which are beyond TenneT's control, so that future actual results may differ significantly from these statements.

This integrated report covers the full year 2025, i.e. 1 January 2025 to 31 December 2025. TenneT's Integrated Annual Report 2025 was published on 9 March 2026.

## Reporting principles

The financial information in this report was prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and complies with Part 9 of Book 2 of the Dutch Civil Code. Our non-financial qualitative and quantitative information was prepared in accordance with the disclosure requirements of the European Sustainability Reporting Standards (ESRS) pursuant of the EU Corporate Sustainability Reporting Directive (CSRD), supplemented with the GRI G4 Electric Utilities Sector Disclosures and own reporting criteria developed by TenneT for entity-specific disclosures like, for example, TenneT's avoided emissions. In accordance with ESRS 1, we have incorporated the required disclosures as outlined by the EU Taxonomy Regulation (Article 8 of Regulation (EU) 2020/852 and associated delegated acts).

For our Green Finance Reporting, we have designed a Green Financing Framework which is aligned with the core components and key recommendations of the Green Bond Principles (GBP) as issued by ICMA, Green Loan Principles (GLP). It also incorporates key elements of the European Green Bond Standard Regulation where relevant and feasible. We have also published a European Green Bond Factsheet. To ensure our green bond-funded projects meet the proper criteria. We have asked ISS-Corporate, a leading rating agency in the field of sustainability, to

perform a second party opinion to assess our framework and European Green Bond Factsheet. In this assessment, ISS-Corporate whether we meet the Green Bond Principles for our green bond funded portfolio and its sustainability quality and performance. Reporting on the use of our proceeds and performance information of our projects Eligible Green Investments is a part of the Green Bond Principles and therefore we publish our Green Finance Reporting on an annual basis. ISS-Corporate issued positive independent opinions on the sustainable quality of the projects Eligible Green Investments related to our green debt.

The definitions and principles used with respect to this report are disclosed in the 'Reporting guidance document 2025', which is based on our Green Financing Framework. Both documents are made available on [Our Website](#)

In accordance with the policy on state-owned companies (Nota Deelnemingenbeleid Rijksoverheid 2022), TenneT complies with the Dutch Corporate Governance Code, as laid down in the Corporate Governance section of this report. As required per this policy, TenneT also signed the Diversity Charter in 2021 and embraces the principles of the Tax Governance Code.

We have used the International Integrated Reporting Framework of the IFRS Foundation as a basis for the Executive Board report. Furthermore, this report is also part of our progress and how we implement the 10 principles of the United Nations Global Compact (UNGC). We have endorsed these principles since 2015, not just to underline our own commitment, but also to drive CSR performance in the value chain. The UNGC principles are the basis of our TenneT Supplier Code of Conduct and mandatory for all suppliers. New suppliers who do not meet our standards during supplier visits, are disqualified from our tender procedures. The way communication on the progress related to the



UNGC has changed in 2022 and as of 2023 this will be shared via the UNGC website.

In 2015, the United Nations launched the Sustainable Development Goals (SDGs). These goals are accepted worldwide as driving sustainability. The section in our Integrated Annual Report [Our contribution to the SDGs](#) describes our impact and the contribution we make to the SDGs that are most relevant to our business.

### Stakeholders and materiality

In accordance with the applied reporting principles, this integrated report covers topics considered material to our organisation. TenneT uses the materiality principle to determine which subjects/impacts to include in the integrated report related to which activities (also with respect to our value chain) to take into account. Our corporate website ([www.tennet.eu](http://www.tennet.eu)) includes additional information which was not considered material for integrated reporting purposes. How we defined the material topics and the results of this assessment can be found in the [Double materiality assessment](#) section. The fact that we report on selected topics does not mean we do not manage aspects that are not considered material to our business. Our activities and CSR policy are broader and are not limited to the outcome of the materiality analysis. For more detailed information, go to the CSR section of our [website](#).

### Data collection process

The reported data is obtained from financial and non-financial data management systems in our own operations, such as SAP for financial and HR data, Mecoms for our electricity transport data, and Zenya for our incident reporting, i.e. safety data. The key non-financial qualitative and quantitative data is included in the regular planning and control cycles and reported internally at least once a quarter by the Business Guidance

department which performs a check on the quality and reliability of the data. TenneT's Executive Board and senior management contribute to the context of the report and the quantitative data.

The definitions and calculations used are disclosed in the abbreviations and definitions section of this Integrated Annual Report and in the CSR section of our corporate website. The definitions and calculations used were re-assessed based on such things as process improvements, further alignment within the group and the materiality analysis. As a result, certain originally reported comparative figures were re-classified to conform to the current year's presentation. The data for this report was measured, and where no data was available, it was estimated. An example of this is the outflow of materials. Due to the nature and maturity level of non-financial data, we acknowledge that it is a journey to fully align this with the level of financial systems and processes. Therefore, improvements can be made over time with the aim to provide our stakeholders better and more relevant information.

All financial information in this Integrated Annual Report is reported in millions of euro, unless stated otherwise. As a result, small rounding differences may occur.

Throughout the report, different units of measurement are used in describing our operation.

### External assurance

The financial statements included in this report are subject to an independent external audit and TenneT's non-financial reporting is subject to a limited assurance review. These were both conducted by our external auditor, Deloitte Accountants B.V. We have requested Deloitte to review the chapters 'Executive Board report', 'Sustainability statements' and by

'incorporation by reference' the sections or Integrated Annual Report 2025 as listed in the respective table in the [Appendices of the Sustainability statements](#) in accordance with ESRS as required by the CSRD and audit the financial statements in accordance with IFRS as adopted by the EU and Part 9 of Book 2 of the Dutch Civil Code.

### Other information

TenneT Holding B.V. and its subsidiaries are a leading electricity transmission system operator with activities in the Netherlands and a large part of Germany. In the Netherlands, our activities are conducted by TenneT TSO B.V. and its subsidiaries. In Germany, our activities are performed by TenneT GmbH & Co. KG and its subsidiaries.

The Dutch state owns the entire issued share capital of TenneT Holding B.V. Furthermore, TenneT Holding B.V. has issued hybrid securities which are deeply subordinated and are accounted for as part of equity attributable to equity holders of the Company. The registered office of TenneT Holding B.V. is located at Utrechtseweg 310, Arnhem, the Netherlands, with its statutory seat in Arnhem and a registration with the Dutch Commercial Register under number 09083317.

Power units	Energy units	Weight units	Voltage
<ul style="list-style-type: none"> <li>Power is energy per unit of time</li> <li>Power output is measured in watts (W)</li> <li>1 kW (kilowatt) = 1,000 W</li> <li>1 MW (megawatt) = 1,000 kW</li> <li>1 GW (gigawatt) = 1,000,000 kW</li> </ul>	<ul style="list-style-type: none"> <li>Energy is power multiplied by time</li> <li>1 kWh (kilowatt hour) = 1 kW in one hour</li> <li>1 MWh (megawatt hour) = 1,000 kWh</li> <li>1 GWh (gigawatt hour) = 1,000,000 kWh</li> <li>1 TWh (terawatt hour) = 1,000,000,000 kWh</li> </ul>	<ul style="list-style-type: none"> <li>ktonnes (kilotonnes) = 1,000 metric tonnes</li> <li>Mt or Mtonnes (megatonnes) = 1,000,000 metric tonnes</li> </ul>	<ul style="list-style-type: none"> <li>1 kV (kilovolt) = 1,000 volts (V)</li> </ul>

## Key figures: five-year summary

	2025	2024	2023	2022	2021
<b>Based on underlying figures</b>					
<b>Building the electricity grid of tomorrow</b>					
Investments (EUR million)	14,819	10,637	7,730	4,493	3,969
# connections realised <sup>1</sup>	53	40	-	-	-
# connection requests <sup>1</sup>	1,104	728	-	-	-
Circuit length (kilometres) <sup>1</sup>	508	245	-	-	-
Stations built <sup>1</sup>	5	-	-	-	-
Newly installed GW offshore	2.5	0.0	2.3	-	1.4
<b>Utilise the grid to empower society</b>					
Grid availability (onshore)	99.99977%	99.99988%	99.99993%	99.99963%	99.99999%
Grid availability (offshore)	96.85%	97.09%	97.90%	94.08%	94.09%
<b>Deliver more grid capacity together for our customers and to serve society</b>					
Number of initiatives with other stakeholders that helped build the grid faster or utilised the grid better	25	30	27	11	13
Reputation score NL <sup>2</sup>	7.4	-	-	-	-
Reputation score DE <sup>2</sup>	8.0	-	-	-	-
<b>Create a safe and inspiring workplace</b>					
TRIR	4.1	4.0	4.5	4.9	5.8
Absentee rate NL	4.1	3.6	3.9	3.7	3.1
Absentee rate DE	3.0	3.3	3.4	4.1	2.6
Percentage of female inflow of total inflow	32%	32%	32%	33%	31%
Percentage of non-Dutch non-German inflow	11%	11%	11%	9%	-
<b>Transition to a brighter energy future within social and planetary boundaries</b>					
Reduction of carbon footprint compared to base year 2019 (Scope 1 and scope 2 market-based emissions) <sup>1</sup>	92%	89%	20%	-	-
Percentage of non-virgin materials procured	1.2%	2.4%	-	-	-
Percentage of recoverable waste	97%	98%	75-90%	75-90%	75-90%
Share of significant suppliers with an Ecovadis scorecard <sup>1</sup>	4.2%	-	-	-	-
<b>Safeguard sustainable financial performance</b>					
Underlying EBIT (EUR million)	2,746	1,745	1,817	1,210	834
Adjusted FFO/Net debt	6.6%	8.2%	11.6%	11.1%	10.5%
ROIC	6.5%	5.5%	5.8%	4.9%	4.2%

<sup>1</sup> New metrics we report as of 2024 or 2025. As data is more difficult to obtain for the previous years, it is not included.

<sup>2</sup> New key figure, information not available for previous years

# Glossary

## AC - Alternating Current

In alternating current (AC), the flow of electricity periodically reverses direction. By contrast in direct current (DC), electricity only flows in one direction. AC is used to transmit electricity over relatively shorter distances and DC for longer distances.

## ACM – Autoriteit Consument & Markt

Dutch national regulatory authority.

## Adjusted FFO – Adjusted funds from operations

Adjusted FFO equals FFO minus capitalised interest on assets under construction minus interest on provisions minus 50% of hybrid securities interest.

## Adjusted ROIC – Adjusted return on invested capital

Adjusted ROIC is calculated as adjusted operating result (operating result plus other interest received minus capitalised interest on assets under construction) divided by average invested capital.

## Baukostenzuschuss

A Baukostenzuschuss is a one-time financial contribution made to cover part of the costs for constructing, expanding, or adapting infrastructure, often required when connecting a property to public utilities such as electricity, gas, water, or telecommunications.

## BNetzA – Bundesnetzagentur für Elektrizität, Gas, Telekommunikation, Post und Eisenbahnen

German national regulatory authority.

## BritNed

The 260 km-long high-voltage direct current BritNed cable has a capacity of 1,000 MW and connects the Dutch and British electricity grids.

## BRP - Balance Responsible Parties

A Balance Responsible Party (BRP) is responsible for maintaining the balance between electricity demand and supply within its own portfolio in the energy market. A BRP can be a producer, a large consumer, an energy supplier, or an energy trader.

## BSP - Balancing Service Providers

Balancing Service Providers (BSPs) are market participants that offer flexibility services — such as reserves, demand response, or generation adjustments — to Transmission System Operators (TSOs) to keep the electricity system balanced in real time.

## CapEx – Capital expenditures

Capital expenditures refers to the funds TenneT spends to acquire, upgrade, or maintain long-term physical assets such as property, buildings, equipment, or technology.

## CBAM – Carbon Border Adjustment Mechanism

CBAM (Carbon Border Adjustment Mechanism) is the European Union's tool to put a fair price on carbon emissions embedded in imported goods, ensuring that foreign producers face the same climate costs as EU companies. It targets carbon-intensive products such as steel, cement, aluminum, fertilisers, electricity, and hydrogen, and is being phased in from 2023 to 2025 before full implementation in 2026.

## CGU – Cash Generating Unit

A cash generating unit is the smallest group of assets that independently generates cash flow and whose cash flow is largely independent of the cash flows generated by other assets.

## COBRACable

Since 2019 the Danish and Dutch high-voltage grid are interconnected via a high-voltage direct current submarine cable, the COBRACable. The interconnector has a capacity of 700 MW and is around 325 kilometres long.

## DBO - Defined Benefit Obligation

A defined benefit obligation pension plan is a type of pension plan in which an employer/sponsor promises a specified pension payment, lump-sum or combination thereof on retirement that is predetermined by a formula based on the employee's earnings history, tenure of service and age, rather than depending directly on individual investment returns.

## DC - Direct Current

In direct current (DC), the flow of electricity is only in one direction. In alternating current (AC), the electricity flows periodically reverses direction. DC is used to transmit electricity over relatively longer distances and AC over shorter ones.

## DLR – Dynamic Line Rating

Dynamic Line Rating (DLR) is a technology that adjusts the real-time capacity of power transmission lines based on actual environmental conditions, allowing utilities to safely transmit more electricity without building new infrastructure.

## DSO – Distribution System Operator

A regional electricity distribution company, that is connected with end-users and is responsible for providing (1) power distribution services, by constructing and maintaining a robust high-voltage grid, and (2) facilitating a smooth functioning, liquid and stable electricity market.

## EBIT – Earnings Before Interest and Tax

Earnings for the period before income tax expense and interest payments are deducted. EBIT equals operating profit.

## EEG – Erneuerbare-Energien-Gesetz

German Renewable Energy Act, designed to govern the preferred supply of electricity from renewable sources into the grid with guaranteed, fixed minimum producer prices. It is intended to serve and protect the climate and is one of several statutory provisions aimed at reducing Germany's dependence on fossil fuels such as oil, natural gas or coal, and nuclear power.



### EIB – European Investment Bank

The European Investment Bank is one of the key financial institutions of the EU. It is the only bank owned by and representing the interests of the EU member states, providing financing for sustainable investment projects that contribute to furthering EU policy objectives.

### EIR – Effective Interest Rate

The effective interest rate is the interest rate on a loan or financial product restated from the nominal interest rate and expressed as the equivalent interest rate if compound interest was payable annually in arrears.

### Emergency Regulation

The EU Emergency Regulation provides a framework for Transmission System Operators (TSOs) to safeguard electricity supply during crises, ensuring rapid coordination, system restoration, and resilience across borders.

### EMTN – Euro Medium-Term Note

A flexible medium-term debt instrument that is issued directly to the market with different maturities and is offered continuously rather than all at once like a bond issue.

### ENTSO-E

ENTSO-E (European Network of Transmission System Operators for Electricity) is the association representing 40 electricity transmission system operators (TSOs) from 36 European countries, working together to ensure the reliable operation, planning, and development of Europe's interconnected power system.

### F-gas Regulation

The EU F-gas Regulation (Regulation (EU) 2024/573 on fluorinated greenhouse gases) sets strict rules to phase down and eventually eliminate the use of fluorinated gases, such as SF<sub>6</sub>, in electrical equipment. From a Transmission System Operator (TSO) perspective, this regulation directly impacts grid infrastructure planning and maintenance, as SF<sub>6</sub> has traditionally been used as an insulating gas in high-voltage switchgear.

### FFO – Funds from operations

FFO equals underlying net result for the year plus depreciations, amortisation and impairments plus other gains losses.

### GHG – Greenhouse Gas emissions

Greenhouse Gas (GHG) emissions are the release of specific gases into the atmosphere that trap heat and drive global warming and climate change. Under the Kyoto Protocol, six key gases are defined as GHGs: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF<sub>6</sub>).

### GoO - Guarantee of Origin

A Guarantee of Origin (GoO) is a digital certificate that serves as proof that the energy carrier in question has a sustainable origin. The certificate includes information about the energy source, the production installation and the production date and place.

### Green (Hybrid) Bonds

The proceeds of the green bonds are used to finance, refinance and/or invest in projects relating to the transmission of renewable electricity from offshore wind power plants into the onshore electricity grid using direct current technology or alternating current technology. Green hybrid bonds are perpetual bonds without an end-date.

### GWP – Global Warming Potential

Global Warming Potential (GWP) is a metric used to compare the climate impact of different greenhouse gases relative to carbon dioxide (CO<sub>2</sub>).

### HGRT – Holding des Gestionnaires de Réseaux de Transport d'Électricité S.A.S.

Holding des Gestionnaires de Réseaux de Transport d'Électricité S.A.S. is a holding company of EPEX SPOT power exchange.

### HVDC - High Voltage Direct Current

A high-voltage, direct current system can transmit bulk electricity over longer distances than an alternating current system and with lower grid losses. As such, HVDC is used for linking offshore wind farms to the onshore grid and for our Interconnectors NorNed to Norway, BritNed to the UK and COBRACable to Denmark and NordLink to Norway.

### IAS – International Accounting Standards

International Accounting Standards (IAS) are older accounting standards issued by the International Accounting Standards Board (IASB), an independent international standard-setting body based in London. The IAS were replaced in 2001 by International Financial Reporting Standards (IFRS).

### IASB – International Accounting Standards Board

The International Accounting Standards Board is the independent accounting standard-setting body of the IFRS Foundation, which is the successor to the International Accounting Standards Committee.

### IFRS Accounting Standards – International Financial Reporting Standards

The internationally prescribed and recognised reporting guidelines and accounting standards as endorsed by the European Union (EU).

### IPs - Investment Plans TenneT Netherlands

The Investment Plans ('Investerings Plan') sets out and substantiates TenneT's planned investments in the Dutch high-voltage grid for the period 2026–2040 to ensure security of electricity supply and support the development of an integrated and sustainable North–West European electricity market. It outlines the required onshore and offshore infrastructure expansions, including the Net op Zee programme, which enables the connection of offshore wind farms in line with the national offshore wind development framework. The Onshore and Offshore Investment Plans are available on TenneT's website

### KWK-G – Kraft-Wärme-Kopplungs-Gesetz

The German Combined Heat and Power Act.



### LionLink

Together with National Grid Ventures, we are building a new electricity connection with a capacity of 2 GW between the Netherlands and the UK. LionLink is a hybrid interconnector. This means it uses multiple technologies to connect energy networks between two countries or regions. In this case, it includes subsea cables and offshore platform Nederwiek 3 as part of the link.

### Marktregeln für die Durchführung der Bilanzkreisabrechnung Strom (MaBiS)

MaBiS is the legally binding regulatory framework issued by the German Federal Network Agency (BNetzA). It defines the market rules for electricity balancing group settlement and regulates how metering and settlement-relevant data must be exchanged and processed between TSOs, DSOs, suppliers, BRPs and other market actors. MaBiS sets the mandatory procedures, time series formats, and communication standards for balancing group accounting.

### Moody's

Moody's Investors Service provides credit ratings, research, and risk analysis.

### NEP - Network Development Plan TenneT Germany

The Network Development Plan (Netzentwicklungsplan, NEP) is the central planning instrument that outlines how the German extra-high voltage grid must be expanded and structured to ensure a secure and climate-neutral electricity supply. It is drafted by the four German transmission system operators—50Hertz, Amprion, TenneT and TransnetBW—based on a scenario framework approved by the Federal Network Agency (BNetzA). Following public consultation and regulatory review, the NDP forms the basis for the grid expansion measures that are later anchored in the Federal Requirements Plan Act. The latest version of 2025 can be found on the Netzentwicklungsplan website.

### Net Debt

Gross debt minus cash and cash equivalents at free disposal plus lease liabilities plus net employee defined benefit obligation plus 50% of hybrid securities.

### NOKA – DC Nordseekabel GmbH & Co. KG

NOKA is jointly owned by TenneT and German development bank KfW. It is responsible for financing and building the German part of the NordLink cable.

### NordLink

TenneT has jointly developed the NordLink interconnector with its project partners, the Norwegian TSO Statnett and German development bank KfW. With an overall transmission capacity of 1,400 MW, the subsea cable run between Tonstad in the South of Norway and Wilster in Northern Germany.

### NorNed

The Dutch and Norwegian electricity grids have been interconnected by the NorNed cable since 2008. The NorNed cable is 580 km long and has a capacity of 700 MW, making TenneT and our Norwegian counterpart Statnett the joint owners of the world's longest high-voltage subsea direct current link.

### OpEx – Operational Expenditures

Operational expenditures (OpEx) are the ongoing costs TenneT incurs to run its day-to-day operations, we refer to note 2 of the financial statements for an elaboration on the types of OpEx for TenneT.

### PBL – Planbureau voor de Leefomgeving

The Planbureau voor de Leefomgeving (Netherlands Environmental Assessment Agency) is a Dutch government institute that conducts independent research and policy analysis on the environment, nature, and spatial planning.

### Pillar Two

Pillar Two is a tax law adopted by the European Union (and also adopted in national legislation) effective as of 1 January 2024, and aims to ensure that income of large groups with a turnover of more than a certain threshold is taxed at an appropriate rate. In short, it ensures a minimum effective tax rate ('ETR') of 15% for the whole group. In case the ETR of a group in any jurisdiction is below the minimum rate of 15%, the rules require that a top-up tax is to be levied.

### RCF - Revolving Credit Facility

A revolving credit facility is a flexible loan arrangement that allows a borrower to draw, repay, and re-borrow funds up to a pre-approved limit, similar to how a credit card works.

### RED III – Renewable Energy Directive III

RED III (Renewable Energy Directive III) sets higher EU targets for renewable energy and streamlines permitting, directly impacting Transmission System Operators (TSOs) by requiring faster grid integration of renewables and stronger cross-border coordination.

### S&P – Standard & Poors

Standard & Poors provides credit ratings, research, and risk analysis.

### SBTi – Science Based Targets initiative

The Science Based Targets initiative (SBTi) is a global climate action organisation that helps companies set greenhouse gas (GHG) reduction targets in line with climate science and the Paris Agreement goals.

### TDTR – Time-Dependent Transmission Rights

TDTR is one of the variants of alternative transport rights to better utilise off-peak hours. These contracts give affiliates the right to transport for a fixed number of hours per year, at least 85% of the time. During the remaining 15%, TenneT can impose a (partial) restriction, for example in the event of expected peak moments. These restrictions will be communicated at least one day in advance.



### **TSO Innovation Alliance**

The TSO Innovation Alliance is a collaboration program uniting eight European Transmission System Operators to accelerate innovation for a more resilient and efficient electricity grid.

### **TSO – Transmission System Operator**

A transmission system operator transports electricity at national or regional level from producers to distributors. A TSO is responsible for providing (1) power transmission services, by constructing and maintaining a robust high-voltage grid, (2) system services, by maintaining the balance between supply and demand of electricity 24/7 and (3) facilitating a smooth functioning, liquid and stable electricity market.

### **Verband der Elektrotechnik, Elektronik und Informationstechnik e.V. (VDE)**

VDE is a major German technical-scientific association responsible for developing electrical engineering standards, technical regulations, and safety rules. It plays a key role in standardisation across the energy sector, including frameworks relevant for cooperation between TSOs and DSOs.



# Colophon

## TenneT Holding B.V.

### Visiting address

Utrechtseweg 310, 6812 AR, Arnhem, the Netherlands

T: +31 (0)26 – 37 31 111

### Concept & Design

CF Report, Amsterdam

### Copy

Stampa Communications, Amsterdam

### Photography - cover

Egon Lamers

### Photography - Executive Board and corporate images

Hans-Peter van Velthoven

### Visuals & CI Design

Zichtbaar, Arnhem

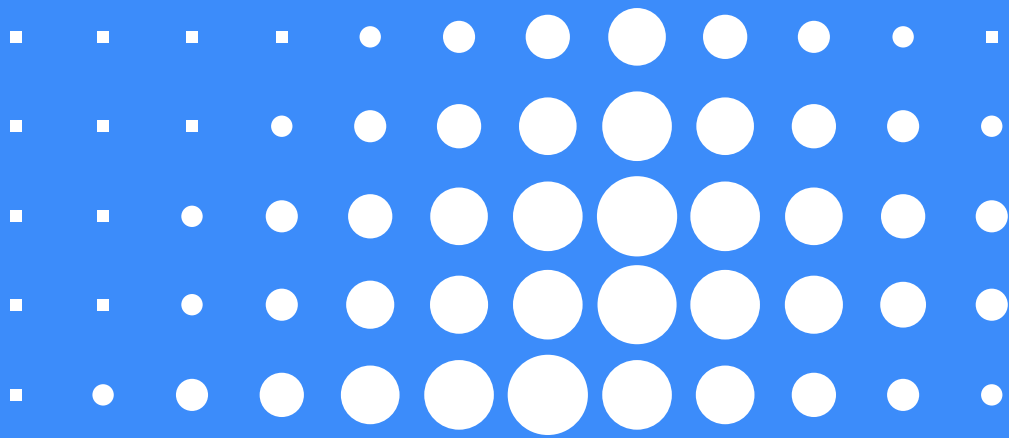
### Corporate Communications Department

T: +31 (0)26 – 37 32 600

E: [communication@tennet.eu](mailto:communication@tennet.eu)

We look forward to receiving your feedback on this report.

Please send an email.



TenneT is a leading European grid operator. We are committed to providing a secure and reliable supply of electricity 24 hours a day, 365 days a year, while helping to drive the energy transition in our pursuit of a brighter energy future – more sustainable, reliable and affordable. In our role as cross-border Transmission System Operator (TSO) we design, build, maintain and operate over 26,000 kilometres of high-voltage electricity grid in the Netherlands and large parts of Germany, and facilitate the European energy market through our 17 interconnectors to neighbouring countries. We are one of the largest investors in national and international onshore and offshore electricity grids, with an underlying revenue of EUR 9.1 billion and a total underlying asset value of EUR 69 billion. Every day our 10,800 people are highly motivated to ensure that the supply and demand of electricity is balanced and always available for over 43 million people.

Lighting the way ahead together.

TenneT Holding B.V.  
Utrechtseweg 310, 6812 AR, Arnhem, the Netherlands  
P.O. Box 718, 6800 AS Arnhem, the Netherlands

Telephone: +31 (0)26 – 37 31 111  
E-mail: [communication@tennet.eu](mailto:communication@tennet.eu)  
Website: [www.tennet.eu](http://www.tennet.eu)

© TenneT – March 2026