

# # OneteamOnetarget

# Looking to the future

Acceleration is key and we're fully into our double mission. Creating solutions for large-scale decarbonisation through hydrogen and CO<sub>2</sub> infrastructure. As well as ensuring security of energy supply. That's how we provide continuity while speeding up towards a sustainable future, both for society and for our company.



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# The essential infrastructure partner for speeding up the energy transition



**Pascal De Buck**  
Managing Director and CEO

**Daniël Termont**  
Chairman of the Board of Directors

## 2022 was an eventful year. What implications does it have for the future?

**Pascal De Buck** It was a terrible year for the Ukrainian population, and in terms of the violence and suffering that people are enduring. We can only very much hope that this suffering will come to an end as soon as possible. The geopolitical situation has also turned the energy market upside down. The challenge is twofold: both to provide solutions for the security of supply of natural gas for Europe and to resolutely move towards large-scale decarbonisation.

## What does the way forward look like?

**Daniël Termont** The message is to speed things up. We have honed our strategy accordingly. As a company, we have both the strength and the mission to be the essential infrastructure partner for speeding up the energy transition. We are developing infrastructure for hydrogen and CO<sub>2</sub> to ensure a rapid scale-up of decarbonisation solutions. At the same time, we will continue to help society with its natural gas supply for as long as that is necessary.

**Pascal De Buck** Together with industry and our partners, we have put our foot on the accelerator. The preparation of the hydrogen and CO<sub>2</sub> infrastructure in the industrial clusters has moved forward in double quick time. Cross-border connections with France, the Netherlands and Germany for hydrogen are already being worked on. We are all set to develop the hydrogen and CO<sub>2</sub> infrastructure for the Belgian and North-West European economy.

## Why is a multi-molecule system important?

**Pascal De Buck** The robustness of a market stands or falls with its diversification. We can see that in the current geopolitical context, as we did during the pandemic. Our strength today lies in the fact that our infrastructure opens up a wide range of natural gas resources. That is something we will maintain into the future. We will do this by using hydrogen infrastructure that gives consumers access to all the options available: production locally, from our neighbouring countries, or from overseas imports. The same applies to the CO<sub>2</sub> infrastructure: we are focusing on various strategies that industry needs, with transmission for reuse and various export possibilities.

## Milestones

### Supporting security of supply 24/7

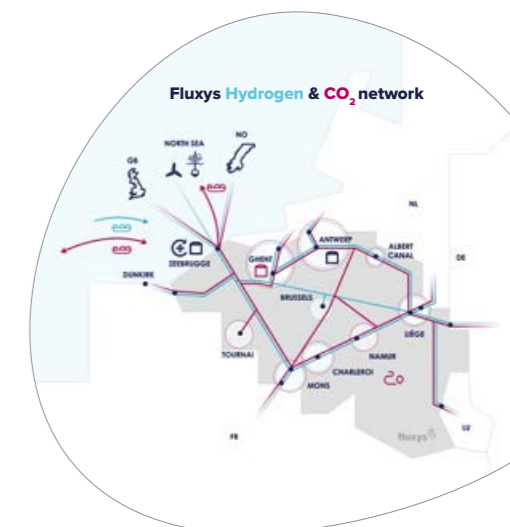
The geopolitical situation has profoundly changed the dynamics of gas markets and the direction of flows in Europe. Throughout the year, our teams across the country left no stone unturned to ensure security of supply in North-West Europe – with impressive results. As well as supplying Belgium via the Belgian network, suppliers managed to get unprecedented quantities of natural gas to the Netherlands and Germany. Flows to Germany soared to 256 TWh (from 20 TWh in 2021) and those to the Netherlands increased to 145 TWh (from 68 TWh in 2021). At the same time, the Loenhout storage

facility was filled to record levels before the winter period started. The Belgian network has thus once again confirmed its role as an energy hub for Europe, with the Zeebrugge area as an important gateway for both natural gas via pipelines and LNG via ship.

way on hydrogen and CO<sub>2</sub> pipeline and terminalling projects across Belgium's wide range of industrial clusters.

### Multi-molecule system takes shape

Achieving climate neutrality will require flows of hydrogen and CO<sub>2</sub>. Together with industry, our partners and neighbouring operators, we have accelerated our pursuit of this objective. Intensive preparations are under





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Managing Director and CEO

**Daniël Termont** *Optimal diversification also means looking ahead by adopting a future-oriented and integrated approach to the energy system. Electricity from renewable sources, carbon-neutral molecules such as hydrogen, and carbon capture and CO<sub>2</sub> reuse or export must dovetail seamlessly together. If we make our gas and electricity systems work together holistically, we will be in a strong position to efficiently and sustainably meet the huge diversity of demand for energy and raw materials.*

**Why the ambitious target of offering transmission capacity of 30 TWh of hydrogen and 30 million tonnes of CO<sub>2</sub> a year by 2030?**

**Pascal De Buck** *The climate challenge is enormous and the industry needs solutions to continue to keep its activities and employment geographically where they are. That is why we have to be ambitious. This ambition is also based on the pillars we use to create sustainable value for society and for the company.*

**Daniël Termont** *Sustainable value creation is a continuous process of gaining a growing understanding in a changing environment. In the years ahead, we plan to further develop that process by involving our stake-*

*holders in an ESG approach. That is the perspective we are starting out from.*

**This is the last annual report which you, as Chairman of the Board of Directors, will present to the Annual General Meeting. Looking back, how do you view your time as Chairman?**

**Daniël Termont** *I have had the privilege of chairing our Board meetings for the last 14 years. It has been an honour to take part in developing and implementing our strategy throughout that period. I have seen Fluxys Belgium develop into the core of our parent group Fluxys, which, through its expansion, has given additional impetus to Fluxys Belgium's business. This is the kind of development we can rightly be proud of. Although I am stepping down as chairman, I will remain a member of our governing bodies for a while. With my experience I hope to be able to continue contributing to the exciting period in which our company finds itself. I would like to extend my heartfelt thanks to all those with whom I have worked over the past years, especially CEOs Walter Peeraer and Pascal De Buck for their pleasant and fruitful collaboration. And I would like to take this opportunity to wish my successor every success.*



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Daniël Termont  
Chairman of the Board of Directors

## Desteldonk-Opwijk pipeline: natural gas today, and ready for hydrogen

Given the new supply situation in Europe, speed and adaptability are the watchwords for new infrastructure as well. We prepared thoroughly for the first phase in the construction of the Zeebrugge-Opwijk pipeline, comprising the section between Desteldonk and Opwijk. This will boost our capacity to carry natural gas inland from Zeebrugge. At the same time, the pipeline is an initial step towards speeding up the energy transition as it will be immediately available

for hydrogen transport as soon as the market is ready. We will commission the Desteldonk-Opwijk section in late 2023.

### Connect & move

Taking part in sporting activities with colleagues at lunchtime or after work is not only a pleasant



thing to do – it also fosters team spirit and boosts motivation levels. That is why we set up Connect & Move, encouraging colleagues to exercise together, put together teams and throw themselves into sporting events. As a result, 120 colleagues went for it at 16 events across Belgium! !

## How will you change the world?

Keeping up the good work and tapping into our innovative side to help build a climate-neutral society. That is the message of our multimedia campaign in which we enthusiastically pursued our search for talent. The results of this speak

for themselves, with no fewer than 81 new colleagues joining our team. Settling in quickly makes all the difference. That's why we provide a warm welcome as part of an innovative induction programme.

### Progress towards achieving our own climate neutrality

Our commitment: to be a climate-neutral company by 2035. The first milestone is to halve our greenhouse-gas emissions by 2025, compared with 2017. In 2022, we reached that milestone for methane emissions in our transmission and storage businesses. In our LNG business, three additional open-rack vaporisers currently under construction will reduce the Zeebrugge terminal's emissions.



### Cooperation Belgium-Germany stepped up further

At the Belgian-German energy summit in Zeebrugge in early 2023, the two countries agreed to further increase energy cooperation. Key element in that cooperation is to ensure a pipeline corridor to facilitate hydrogen transport between Belgium and Germany.