

**Reporting guidance document`  
Integrated Annual Report 2019 and  
Green Finance Report 2019**



## Integrated Annual Report 2019 (IAR2019)

We have included the definitions for the following KPIs included in IAR2019, listed in the order of appearance

### At a Glance

KPI	Unit	Description
Number of interconnectors	#	A transition line which crosses or spans a border between countries and which connects the national transmission systems of countries.
Total circuit length	kilometres	The length of the overhead lines and underground cabling (a circuit consists of three phases)
Number of HVDC	#	Locations where electricity is converted from AC to DC or from DC to AC.
Number of substations	#	Number of locations where electricity is transformed to another voltage level or where connections cross to transport electricity. At a minimum, there should be a circuit breaker or a power transformer present at the location and either one of these should be controlled or owned by TenneT.
Total recordable injury rate (TRIR)		Refer to 'Create a sustainable workplace' section below
Investments	EUR bio	Refer to 'Have a solid financial performance and reputation' section below
Grid availability	%	Refer to 'Ensure critical infrastructure for society' section below
Number of employees (internal and external)	#	Refer to 'Create a sustainable workplace' section below
Percentage greened of our carbon footprint	%	This is the result of the calculation 100% minus (total net carbon footprint/total gross carbon footprint)
Reputation survey		Refer to 'Solve societal solutions with stakeholders and through partnerships' section below
Return on invested capital (ROIC)	%	Refer to 'Have a solid financial performance and reputation' section below
Underlying net profit	EUR mio	Refer to 'Have a solid financial performance and reputation' section below
Underlying earnings before interest and taxes	EUR mio	Refer to 'Have a solid financial performance and reputation' section below
Diversity; percentage of male and female employees	%	Refer to 'Create a sustainable workplace' section below

### How we create value

KPI	Unit	Description
Number of interruptions	#	Refer to 'Deliver a high security of supply' section
Grid availability	kilometres	Refer to 'Deliver a high security of supply' section
Number of interconnectors	#	Refer to 'At a glance' section
Investments	EUR bio	Refer to 'Ensure critical infrastructure for society' section below
Total training costs per employee	EUR	Total costs related to the education of employees (such as costs for training and conferences) divided by the total number of internal employees
Total recordable injury rate (TRIR)		Refer to 'Create a sustainable workplace' section below
Total gross carbon footprint	Tonnes CO <sub>2</sub>	Refer to 'Ensure critical infrastructure for society' section below
Percentage greened of our carbon footprint	%	This is the result of the calculation 100% minus (total net carbon footprint/total gross carbon footprint)
Return on invested capital (ROIC)	%	Refer to 'Have a solid financial performance and reputation' section below

## Deliver a high security of supply

KPI	Unit	Description
Grid availability	%	Grid availability is the combination of the availability of the national grids. Grid availability (ASAI) is calculated as $1 - (\text{minutes lost} / \text{total minutes in one year})$ . In NL we report the SAIDI, based on interrupted customer minutes and ASIDI, based interrupted active power minutes. In GE we report the ASIDI.
Number of interruptions	#	Number of incidents that resulted in energy not transported in our grid, affecting either generators, consumers or suppliers with affected underlying consumers.
Energy not transported	MWh	Total amount of energy not transported during all relevant incidents in one year, based on interrupted active power flow and incident duration
Grid availability (offshore)	%	Based on the ASAI (Average Service Availability Index), the average availability a customer would experience. Scope: only operational systems compliant to section 2.3.2 "Leitfaden zur Ermittlung einer umlagefähigen Entschädigung bei Störung, Verzögerung oder Wartung der Netzanbindung von Offshore-Anlagen" of October 2013, i.e. OWF/ GCP operational period starts at least 4 months after end of soak test. Calculation of the KPIs are in line with IEEE1366. In other words; we report according to the regulatory scheme.

## Ensure critical infrastructure for society

KPI	Unit	Description
Investments		The annual amount realised against the budgeted amount with respect to the investments of our project portfolio.

## Ensure critical infrastructure for society

KPI	Unit	Description
Percentage of female employees	%	Total number of female employees (headcount) divided by the total number of internal employees
Percentage of newly hired females at management level	%	The number of newly hired females for positions in management positions (team manager and up) divided by the total number of management positions fulfilled in the reporting year
Percentage of female Executive and Supervisory Board members	%	Total number of female Executive and Supervisory Board members (headcount) divided by the total number of Executive and Supervisory Board members
TRIR		<p>TRIR stands for Total Recordable Incident Rate, or the number of recordable incidents per million worked hours. The TRIR is calculated as the number of TRI x one million, divided by the number of worked hours. TRI is defined as the sum of fatalities, lost work day cases, restricted work day cases and medical treatment cases. Worked hours are defined as the total number of worked hours, based on registered hours or estimated hours and include TenneT staff and contractor staff working on TenneT controlled sites. We use registered hours where possible. Where this is not, we make use of estimates.</p> <p>An example of this are our onshore contractor</p>

TRIR (continued)		hours where these hours are (Total spend x hour-material ratio) / hourly rate. The hourly rate and hour material ratio is estimated based on historical financial information
Number of internal employees	#	The number of internal employees (headcount), including interns.
Number of external employees	#	The number of external employees (headcount)

**Ensure critical infrastructure for society**

KPI	Unit	Description
Carbon footprint (gross)	Tonnes CO <sub>2</sub>	The summation of all individual contributors to our carbon footprint, without taking greening or compensation into account.
Carbon footprint (net)	Tonnes CO <sub>2</sub>	The summation of all individual contributors to our carbon footprint, with taking greening or compensation into account.
		The carbon footprint based on the grid losses, where a different conversion factor is used for NL and GE, because the grid mix is different.
Grid losses	ton CO <sub>2</sub>	Grid losses relates to energy that's lost while transporting electricity. Every 15 minutes, we compare the total amount of kWh transferred into the grid with the total transferred out, which result in the amount of energy lost. These in- and outflows are electronically measured in 15-minute timeslots at control centres using external meter readings in the grid. The accumulated data is periodically checked and reported on by an independent metering company using validated software. TenneT verifies this data with its metering systems. The completeness of the metering data is determined by a plausibility check. We report according to the regulatory scheme. Where metering is not possible, we estimate data.
SF <sub>6</sub> leakage	% and kilogrammes	The carbon footprint related to our SF <sub>6</sub> leakage, a strong contributor to greenhouse gas emissions. The amount leaked divided by the amount banked. We use the average amount of banked SF <sub>6</sub> in our assets.  The amount of SF <sub>6</sub> leaked is directly recorded by the amount of refills that occur during the year on specific components. Specific maintenance guidelines are in place on the way that these recordings should be made. These refills are reported by the service providers.
Electricity use offices	ton CO <sub>2</sub>	The carbon footprint based on the electricity use of our offices. If available, we use data from the reporting year, sometimes estimated based if not a full reporting year is available. However due to the nature of this information, there might be a time lag and then the usage is based on the previous year and will be restated next year.
Electricity use stations	ton CO <sub>2</sub>	The carbon footprint based on the electricity consumption of our stations for which TenneT has 100% ownership. The electricity use of our stations is based on the previous year and will be restated next year.

Gas consumption	ton CO2	The carbon footprint based on the gas consumption of our offices. If available, we use data from the reporting year, sometimes estimated based if not a full reporting year is available. However due to the nature of this information, there might be a time lag and then the usage is based on the previous year and will be restated next year.
Lease vehicles	ton CO2	The carbon footprint based on the amount of km travelled with lease cars.
Travel and transport	ton CO2	The carbon footprint based on the amount of kilometres travelled by car, train and plain and transport by helicopter and supply vessel.
Number of environmental incidents	#	Within our stations and lines we have technical equipment that contain oil or cooling liquids. An accidental spill is an environmental incident that impacts the environment (Loss of containments), being either air, water or land. We report the 'Loss of Primary Containments' in our additional CSR document. Incidents and are reported in our incident management system, iTask.

#### Have a solid financial performance and reputation

KPI	Unit	Description
ROIC – Return on invested capital	%	Earnings before interest and tax expressed as a percentage of the average invested capital during the year based on 'underlying' information
EBIT – Earnings before interest and tax	EUR mio	Earnings for the period before income tax expense and interest payments are deducted
Investments	EUR mio	The total actual amount compared to the budgeted amount invested in our project portfolio.

#### Solve societal challenges with stakeholders and through partnerships

KPI	Unit	Description
Reputation survey		A bi-annual survey performed by TenneT amongst stakeholders to measure TenneT's reputation.

## Green Finance Report 2019 (GFR2019)

TenneT has committed itself to report on an annual basis towards Green Bond investors, until redemption of the allocated bonds. The reporting will comprise the information included in the table below. Here we have included definitions used in providing quantitative and qualitative performance information. With this we want to report accurate and complete performance information and provide a balanced view of how projects are progressing towards our investors to track the performance of the projects in our green bond portfolio. The table below provides a list of the information included and the definitions applied, listed in order of appearance:

<b>GFR2019</b>		
<b>KPI</b>	<b>Unit</b>	<b>Description</b>
Total offshore connection capacity realised	GWh	The total amount of connected capacity related to the TenneT's realised offshore projects
Number of households impacted	#	Refer to 'Number of households with access to wind power' below
Controversies		Events like major leaks, heavy accidents, etc.
<b>Use of proceeds</b>	EUR bio	Allocation of proceeds describes how much of the Green Bond funding has been used to finance or refinance, in part or in full, new and / or existing eligible green projects
<b>Eligible green project portfolio</b>	EUR bio	Budgeted amount for the portfolio or portfolio components eligible for Green Bond financing
<b>Eligibility for green bonds</b>	%	This is the share of the total portfolio cost that is Green Bond eligible
Transported electricity	GWh	The amount electricity transported to our customers. The data is based on the same measurements as described for the grid losses.
Grid losses	% / GWh	Refer to IAR2019 table
Grid availability	%	Refer to IAR2019 table
Average interruption hours	hours	Average time a customer could not transport electricity.
Number of households with access to wind power	#	Actual capacity transmission line divided by average electricity consumption of either a German or a Dutch household considering the locations of our projects.
Lost workday cases, LTIF		LTIF is defined as the number of lost time injuries per million working hours. The LTIF is calculated as the division of the LTI x one million (#LTI x 1,000,000), by the total number of working hours. The LTI is defined as the sum of the number of work related incidents, resulting in fatalities, permanent total disabilities and lost workday cases (LWCs). LWCs are any work-related injury or illness, other than a fatal injury, which results in a person being unfit for work on any day after the day of occurrence of the occupational injury. 'Any day' includes rest days, weekend days, leave days, public holidays or days after ceasing employment. Number of work related incidents is including contractor personnel at TenneT sites. For the working hours, refer to IAR2019 table – TRIR.
SF <sub>6</sub> leakage (%)	%	Refer to IAR2019 table
CO <sub>2</sub> emissions (actual capacity)	Tonnes CO <sub>2</sub>	Actual capacity transmission line multiplied by the carbon emission per kWh for fossil based power generation.
Avoided CO <sub>2</sub> emissions per bond issue	Tonnes CO <sub>2</sub>	The avoided CO <sub>2</sub> emissions (based on a tank-to-wheel carbon emission factor) per bond issue, based on the amount spend, amount funded by green bonds and projects funded