Sustainability Charter

First Progress Report

GD4S

Gas Distributors
For Sustainability

About this document
The following Report analyses the progress made by GD4S' members against the commitments published in their first Sustainability Charter. It is part of the original commitment to periodically assess the state of play of GD4S members' activities in relation to ESG factors.

Disclaimer
The assessment report used the available data collected per specific area (E-S-G). The results and the scores given to the performances in each Commitment, Sub-commitment and sub-sub commitment are directly linked with the data provided and collected by each GD4S member. When it comes to enaon EDA (former EDA Thess) data, when available, the information refers to FY 2021, while for the other GD4S members, the data taken into consideration refer to FY2022.

For more information, please contact:
Armand Camboulives
EU Policy Officer
Email: armand.camboulives@gd4s.eu
Mobile: +32 471 95 53 39

Where to find us:
Renewable Energy House,
Rue d'Arlon 63-67,
Brussels

Contents

Introduction to the project

As the representative association of the leading gas distributor in France, Greece, Italy, Ireland, Spain, Portugal, the Netherlands and Romania, GD4S represents almost 35 million customers in Europe (more than 30% of the European market). Gas distributors are responsible for operating the gas distribution network, ensuring its maintenance, and its development. We are responsible for safely distributing natural and renewable gas to consumers.

Our Vision:

We envision a European gas network powered by clean, efficient, and readily available gas, contributing to a greener and more sustainable environment for all.

Our Mission:

As the unified voice of gas distributors, we are dedicated to:

1. **Promoting Safety and Compliance:** We prioritize the safety of our operations and adhere to the highest industry standards, ensuring the well-being of our communities and environments.

2. **Advocating for Sustainable Energy Solutions:** We actively support the transition towards renewable and low-carbon technologies, working towards a more environmentally-friendly energy landscape.

3. **Fostering Innovation and Technological Advancements:** We encourage research and development in the gas sector, aiming to unlock new potentials for energy efficiency and sustainability.

4. **Collaborating with Stakeholders:** We facilitate meaningful dialogues between industry stakeholders, policymakers, and the public, to foster a dynamic and inclusive energy ecosystem.

5. **We strive to make gas accessible to all**, while maintaining competitive pricing that benefits consumers and businesses alike.

Our Values:

Our actions are guided by a set of core values:

Integrity: We conduct our operations with utmost honesty and transparency, earning the trust of our members, partners, and the community.

Innovation: We embrace change and actively seek out innovative solutions to address the evolving needs of the energy sector.

Environmental Stewardship: We are committed to minimizing our environmental footprint and actively contribute to a more sustainable planet.

Collaboration: We believe in the power of collaboration, working together with industry players, regulators, and the public to achieve common goals.

Safety: We prioritize the safety of our operations, ensuring the well-being of our employees, stakeholders, and the communities we serve.

With a dedicated team and a strong network of members, we continue to drive the gas industry forward, contributing to a more sustainable, efficient, and resilient energy future for all members.

Executive Summary

Written jointly by our members, and developed with the assistance of CSR Europe, our first **GD4S Sustainability Charter** was published in **2022** to define the**collective approach to sustainability of the GD4S member companies**. The Charter, that was signed and endorsed by all members, presented our shared commitments across the **three sustainability pillars** of **Environmental, Social and Governance**, all of which are aligned with the United Nations' Sustainable Development Goals (SDGs).Since the publication of the last edition of this report, new members (namely **Enexis**, **Stedin** and **Alliander**) have joined GD4S and endorse the principles outlined in the previous charter.

Our member companies defined **long-term collective goals**, setting a **nine-year roadmap** to achieve them. Prioritising certain activities, the Charter reflected the nature of our operations and our role in driving forward the energy transition and sustainability discourse at a European level.

Timeline	2022 →	2023 →	2024 →	2025→	2031
	Publication of the Sustainability Charter	GD4S member companies collaborate to develop first Progress Report	Disclosure of the first Progress Report and new stakeholder dialogue	Second Progress Report and new stakeholder dialogue	Publication of an updated Sustainability Charter

Embarking on the first step of this journey, we are **delighted to present our** first Progress Report. The experiences collected show our dedication and the data analysed reveals a positive outlook for the companies, indicating a good level of progress and a promising starting point. Currently, **70% engagement** has been observed **comprehensively across all areas**, indicating a robust commitment from the companies involved and continuous engagement.[1]

Within the three sustainability pillars E-S-G, so far, the area of social commitments is where members show more maturity in terms of engagement and actions towards reaching the Charter's commitments.

○ GD4S current engagement ○ Future action

○ Environment ○ Social ○ Governance
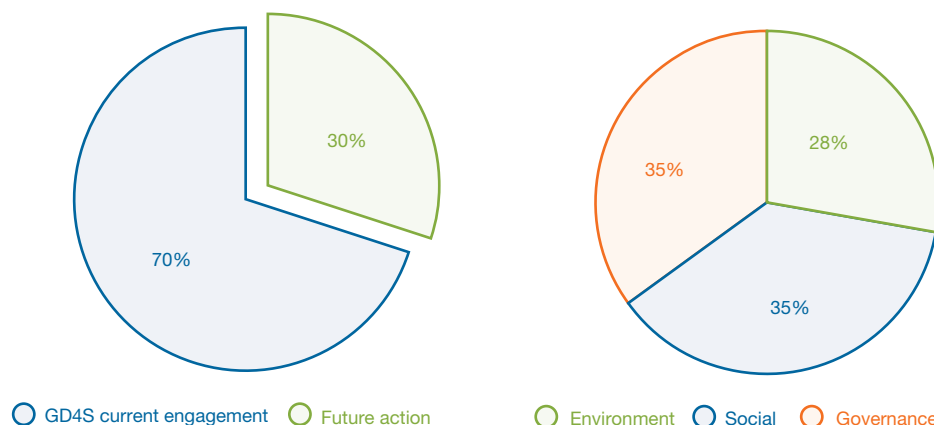
1   This result corresponds to the total average of all scores from the three pillars (environmental, social and governance). See methodology section below.
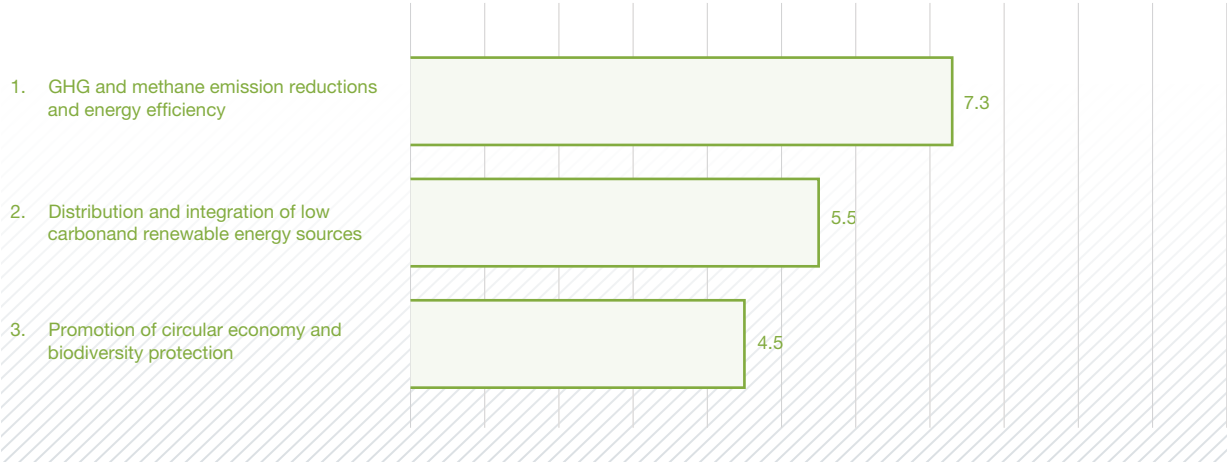
With respect to each sustainability pillar (E-S-G), the graphs below provide a snapshot of how many GD4S members are actively working to address and contribute to the Charter's commitments per area.[2]

To read the graphs, please note that:

- The commitments per sustainability area (E-S-G) are indicated on the vertical axis.
- The horizontal axis from (1 to 10) represent the number of GD4S members, equalling a total of 10 companies.
- The scoring next to each commitment represents the average number of companies active and having data and actions related to that specific commitment, the calculation also including the sub-commitments.

Environmental Commitments

Number of average companies involved

1. GHG and methane emission reductions and energy efficiency — 7.3
2. Distribution and integration of low carbonand renewable energy sources — 5.5
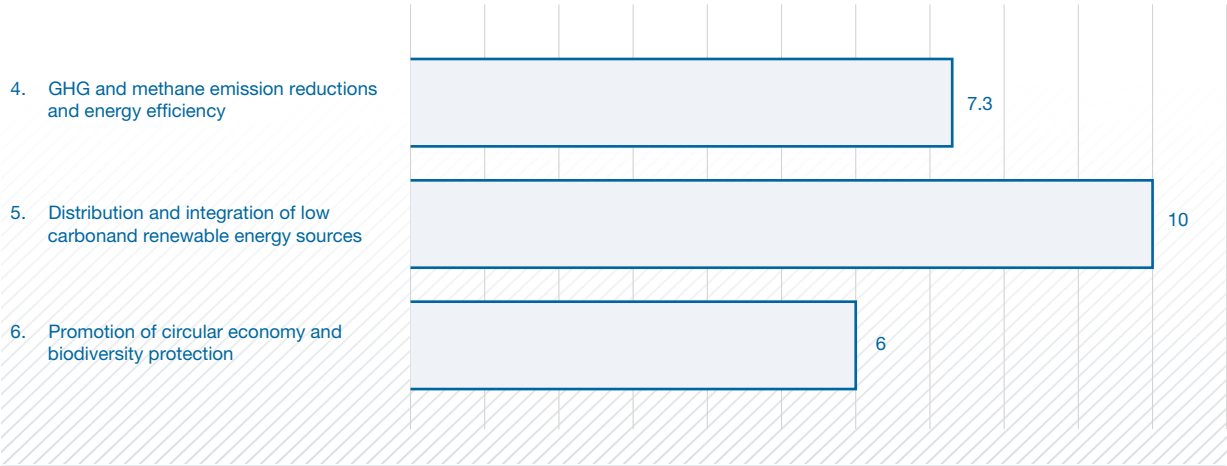3. Promotion of circular economy and biodiversity protection — 4.5

On the environmental pillar while efforts by member companies in Green House Gases (GHG) and methane emissions reductions and energy efficiency are clearly visible and constitute the highest scoring amongst the environmental commitments, areas such as Promotion of circular economy and biodiversity protection emerge as focal points of attention for future attention as well as actions for members to achieve objectives in that area.

---

2   Information on sub-commitment are further elucidated in the next sections of the report
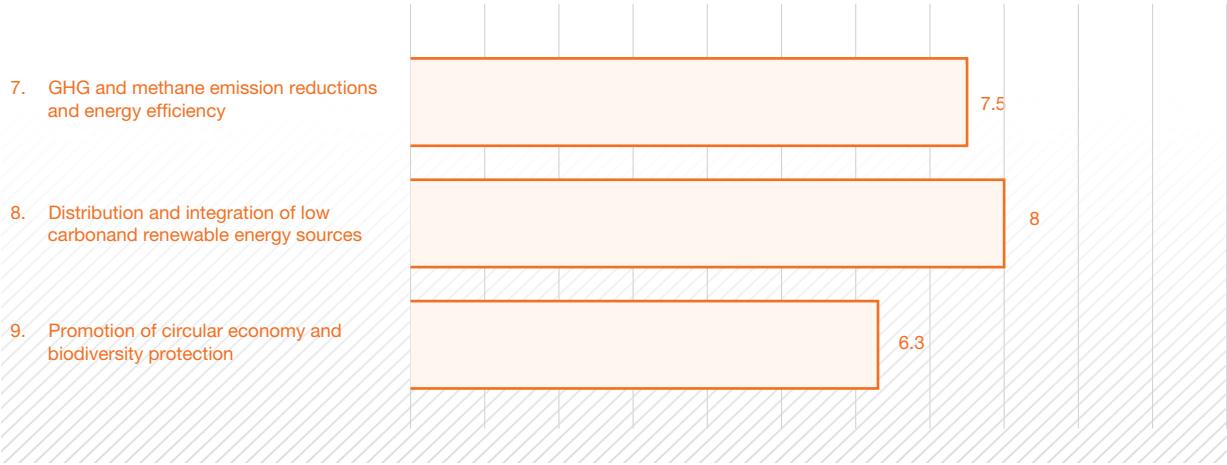
Executive Summary

Social Commitments

Number of average companies involved

4. GHG and methane emission reductions and energy efficiency	7.3
5. Distribution and integration of low carbonand renewable energy sources	10
6. Promotion of circular economy and biodiversity protection	6

In the social pillar, where scoring is the highest among the three commitments areas, GD4S members have been excelling in the provision of quality service and safe supply of gas to customers, reaching the target collectively.

Governance Commitments

Number of average companies involved

7. GHG and methane emission reductions and energy efficiency	7.5
8. Distribution and integration of low carbonand renewable energy sources	8
9. Promotion of circular economy and biodiversity protection	6.3

In the governance area, a culture of transparency prevails, with companies consistently disclosing their performance metrics in an open and consistent manner.
This first progress report not only shows real accomplishments but also guides us for future improvements. It highlights our strong dedication to sustainable development, paving the way for ongoing progress and collaboration as an association.

GD4S's Commitments in the wider Global and European Policy Framework

The sustainability charter of GD4S, rooted in established European Ambitions and Global commitments, now faces potential influences from recent developments at the European level.

In addition to the established European Ambitions and Global commitments outlined in GD4S' sustainability charter (p. 9), recent developments at the European level have the potential to influence both the charter and the sustainability practices of GD4S members. These developments, part of the European Green Deal, include the approval of two directives focusing on corporate sustainability and transparency throughout the entire value chain. These directives aim to drive industry transformation and encourage businesses to embrace sustainable practices, facilitating a shift towards a greener and more sustainable economy.

Specifically, the Corporate Sustainability Reporting Directive (CSRD), the European Sustainability Reporting Standards (ESRS), and the Corporate Sustainability Due Diligence Directive (CSDDD) are interconnected in promoting sustainable business practices. While the CSRD and European Standards concentrate on integrating financial and sustainable information in reporting, the CSDDD emphasises due diligence processes within a company's operations and its value chain.

In addition to the broad European initiatives highlighted earlier, it's important to note several sector-specific ongoing initiatives that could impact the operations of our members in the future and therefore will be taken into account for the next phase of the Sustainability Charter.

Some of the notable ones include:

- The EC proposal on Methane emissions in the Energy Sector aims to create a new legal structure that guarantees the highest level of measurement, reporting, and verification (MRV) of methane emissions within the EU's oil, gas, and coal sectors.
- The revised Renewable Energy Directive establishes a minimum target of 42.5% renewable energy by 2030,binding at EU level with an aspiration to reach 45%.

Given this renewed landscape and the new wave of additional qualitative and quantitative information required of companies, we are not only evaluating the efforts of our members but also presenting a forward-looking analysis. This analysis encompasses potential actions that could be implemented, taking into account the current scenario.

Progress Report

Methodology

GD4S's first Progress Report has been developed by collecting relevant data from GD4S members according to the already published Sustainability Charter. The assessment report, founded on data gathered across the Environmental, Social and Governance (ESG) pillars, aims to delineate GD4S's progress against its previous commitments.

The forthcoming sections will exhibit commitments outlined in the Sustainability Charter, accompanied by both a concise graphical representation and an exhaustive tabular depiction, showcasing the status of GD4S members' sustainability performance concerning each commitment. In addition, these tables will also spotlight exemplary practices among GD4S members to aid peers in implementing similar approaches and ensuring a harmonised adherence to the Sustainability Charter. In addition, GD4S, with the assistance of CSR Europe, has underscored strategic future actions that may assist GD4S members in fulfilling their specific commitments.

Utilizing the data furnished by GD4S members, the subsequent analysis examines each ESG area comprehensively. For every ESG area the tables below give the level of maturity of GD4S in relation to each specific Sub-topic and give practical examples of implementation as well as suggestions for possible future actions to be taken in order to comply with the agreed commitment and even go beyond the expectations.

Given the differences in the data provided, along with missing data on specific topics, achieving comparability among diverse companies' practices has posed challenges. To enhance the document's clarity and usability for readers, disclaimers will elucidate the data's context within each area.

How to read the graphs:

If we take the environmental commitments as an example: to get a score of 7.3 in "GHG and methane emissions reduction and energy efficiency", we took the average of the number of companies having data and actions related to (1) carbon footprint emissions and reduction (2) reductions in methane emissions and network damage (3) energy efficiency savings.

To get the final average per pillar (environmental, social, governance), we then summed up the different scores per commitment. In the case of environmental commitments, we calculated the average of the scores on (1) GHG and methane emissions reduction and energy efficiency (7.3), (2) distribution and integration of low carbon and renewable energy sources (5.5) and (3) promotion of circular economy and biodiversity protection (4.5). It amounts to 5.8, which corresponds to 28% in the pie chart (p.7).
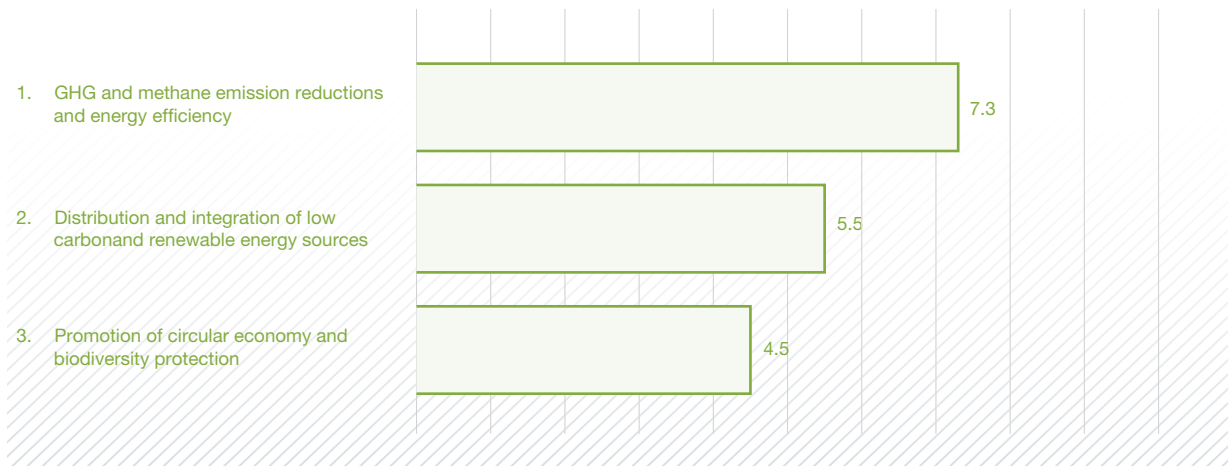
Environmental Commitments

The Environmental pillar of the Sustainability Charter foresees three main commitments and seven sub-commitments, as indicated in the figure below.

Environmental commitments		GD4S member companies are committed to measure and report on:
1	**Reduce greenhouse gas and methane emissions in our operations and improve energy efficiency**	• Our companies' carbon footprint emissions and reduction • Reductions in methane emissions and network damage • Our companies' energy efficiency savings across our operations
2	**Contribute to the energy transition through the distribution and integration of low carbon and renewable energy sources in our grids**	• The increasing volumes of renewable gases in our network • Research and development programmes on renewable gases
3	**Promote the circular economy and protect biodiversity**	• The proportion of waste reduced and valorised • Our actions taken to protect biodiversity

The graphs below provide a snapshot of how many GD4S's members are actively working to address and contribute to the Charter's commitments in the Environmental Pillar.[3]

Number of average companies involved

1. GHG and methane emission reductions and energy efficiency	7.3
2. Distribution and integration of low carbonand renewable energy sources	5.5
3. Promotion of circular economy and biodiversity protection	4.5

The following table focuses on the current situation when it comes to the specific sub-commitments.[4]

3   To read the graphs, please note that:
   • The commitments per sustainability area (E-S-G) are indicated on the vertical axis.
   • The horizontal axis from 1 to 10) represent the number of GD4S members, equalling a total of 10 companies.
   • The scoring next to each commitment represents the average number of companies active and having data and actions related to that specific commitment, the calculation including also the sub-commitments.
4   DISCLAIMER: The results are reflecting the data available among all GD4S members with the exception of enaon EDA (former Eda Thess).

1

GD4S members commit to reduce greenhouse gas and methane emissions in our operations, and improve energy efficiency

1.1 Our companies' carbon footprint emissions and reduction

Commitment

In our operations' emissions (for example transport, fuel gas, fleets, purchases, buildings consumption) we will identify the direct and indirect sources of GHG emissions, set interim reduction targets and disclose how we are addressing these with the aim of showing continuous improvement.

State of the Play

- 7 out of 10 companies disclose information about GHG emissions.
- Of these, 4 have identified direct (scope 1), indirect (scope 2 and 3) GHG emission sources. Emissions sources include mobile sources such as fleet vehicles and commuting, fixed sources such as administrative buildings (consumption of electricity and heating purchased), leaks in equipment (air conditioning), UAG's boilers, natural gas (network losses and fugitive emissions).
- 2 companies disclose information on the actions taken to reduce emissions, such as the acquisition of EVs to replace diesel passenger cars, the implementation of OGMP2 methodology, the use of hydrogen and green gas, the imposition of stricter standards for CO and nitrogen emissions from lease cars. Thermal isolation of buildings with a high level of CO_2 emissions and replacement of non-performing thermal power plants are also considered, as well as the installation of photovoltaic panels.
- Only one company clearly presents the emission reduction achieved, giving data on the initial emission count compared to the reduced one and setting quantitative targets for 2030. The company also commits to using 100% NGV/BioNGV for its vehicles fleet, setting precise targets on waste reduction and recovery.

Future Actions

- **We will set quantitative targets on emissions reduction and provide information on the initial emission count compared to the reduced amount, specifying baseline years.**
- **We will set interim targets for progress monitoring.**
- **We will homogenously disclose information about emissions sources for scope 1, 2 and 3.**
- **We will explicitly mention corporate's commitments in alignment with the Paris Agreement.**

Best Practices

- **Distrigaz Sud Retele** replaced the company's diesel vehicles with electric ones and modernized and replaced aged network. The use of inflatable pipes plugs for intervention works in gas pressure to reduce the interruption area (reduced and medium pressure - 4 bar) is also amongst the measures taken.
- **Floene Energias**, in 2022, had a market-based emission factor equivalent to 0, since the acquired electricity became 100% renewable. Floene also started a campaign for co-funding the replacement of boilers for end consumers that are more efficient and less polluting.
- **Italgas** has set targets related to Scope 1+2 GHG emissions up to 2028 and 2030 (respectively - 34% and - 42%), aiming at carbon neutrality within 2050. Thanks to effective and prompt gas leakage repair management, achieved also through the usage of Picarro's cutting-edge technology for leakages identification and energy efficiency initiatives, in 2022 Italgas achieved a reduction of 18.5% of Scope 1+2 GHG emissions with respect to 2020 values.

Commitment

We will highlight methane emissions and the volume of network damage on our grids, with shared indicators to reflect the results of our collective efforts to reduce them.

State of the Play

- 6 out of 10 companies highlight methane emissions.
- 5 companies disclose information on the actions taken to reduce emissions and the volume of network damage on the grids, such as the purchase of 100% renewable energy, the renewal of the distribution network, reduction of leaks in the network and reduction of network occurrences due to damage by third parties. The modernization and replacement of aged network is also envisaged, as well as educating employees about the environmental impact of methane emissions.
- Only one company identifies the sources of methane emissions.
- Only one company sets a quantitative target for 2030 on methane emissions reduction, exceeding the interim target in 2022 (compared to the previous year).

Future Actions

- **We will set quantitative targets on emissions reduction and provide information on the initial emission count compared to the reduced amount, specifying baseline years.**
- **We will set interim targets for progress monitoring.**
- **We will homogenise the calculation method for methane emissions within the group, aligning on the metrics to be used.**
- **We will establish the base units in order to allow the comparison between all members.**
- **We will provide quantitative information on the volume of network damage on the grids.**
- **We will provide quantitative information on the volume of gas transported through the pipelines.**
- **We will provide quantitative information on the volume of gas/methane leakages in the network.**

Best Practices

- **GRDF** has set up a plan to consolidate its reporting in 2021, in accordance with the OGMP 2.0 standards and setting out a strategy for achieving the best possible levels of methane emissions quantification and reporting of methane emissions by 2023. It defines a target for reducing its emissions by 2025. Additionally, in 2022, the company was awarded the Gold Standard for the second consecutive year. Among the operational actions taken, some are particularly relevant such as preventing damage to installations, reducing gas flow shutdown times, renewing existing networks and replacing the oldest regulators, as well as equipping existing connections with shut-off devices. An initiative to reduce the carbon footprint of purchasing was also implemented, with a survey of 130 suppliers in order to obtain the elements allowing the re-counting of purchasing-related GHG emissions. This was followed by a more in-depth survey of 10 suppliers on possible action levers. The project is continuing, with the aim of supporting 50 suppliers by 2025. Besides, in 2022, GRDF has assessed its GHG emissions reduction trajectory against the ACT (Assessing low Carbon Transition) benchmark and continuously educates employees. The results show that GRDF's strategy is headed towards a low-carbon impact model.
- **Stedin** plans to replace all brittle gas pipelines to ensure the safety and sustainability of the gas grid by 2028. 212 km of brittle pipelines were replaced in 2023. Approximately 73% of brittle pipelines have already been replaced in the previous years and the company checks all grey cast iron and asbestos cement gas pipelines for potential leaks every year.
- **Nedgia** obtained in 2022, for the second year in a row, a «Gold Standard» rating from OGMP for methane emissions management.
- **Italgas** develops several initiatives for reducing fugitive methane emissions, for the benefit of both the environment and network security. Leakages research and detection activity is carried out through an innovative approach, based on Picarro Inc.'s CRDS (Cavity Ring-Down Spectroscopy) method that allows to identify not only leaks on aerial parts, but also on underground parts of distribution plants, including utility derivations. Also, the development and gradual adoption of the Smart Maintenance GIS4WARD platform, for Italgas networks asset management, optimizes the maintenance activity on the network.

1.3 Our companies' energy efficiency savings across our operations

Commitment

We will highlight our operations' energy efficiency gains in various aspects and identify transferable best practices.

State of the Play

- 5 out of 10 companies disclose information on the energy consumption, energy intensity and on the reduction of energy consumption.
- Only one company specifies the exact amount of total consumption avoided and measured in TJ (with values consumption reductions are based on the year 2019 as a baseline).
- 3 companies mention the sources of energy consumption within their organisation.
- 4 companies provide information on the measures taken to increase energy efficiency and reduce energy consumption, such as insulation and heating system and ventilation system upgrades, PV solar panel installation, renovation of specific sites, management interventions and optimization of the use of civil buildings and preheating plants. Installation of smart meters, replacement of lighting with LED bulbs, purchase of green electricity as well as supporting clients with fuel oil-to-gas conversions and sensitizing households to energy efficiency.

Future Actions

- **We will provide detailed quantitative information on the amount of energy consumed and saved compared to previous data.**
- **We will specify the sources of energy consumption.**
- **We will specify the actions taken to reduce energy consumption.**

Best Practices

- **Distrigaz Sud Retele** focused on the acquisition of green electricity and on the installation of photovoltaic panels for the use of solar energy for electricity production.
- **Italgas** took several relevant measures to improve energy efficiency and savings, such as management interventions and optimization of the use of preheating plants and the installation of smart meters and the network conversion from LPG to natural gas. This allowed to achieve in 2022 a decrease of 20.3% regarding net energy consumption with respect to 2020 values.

2 ───────────────────────────────

GD4S members commit to contribute to the energy transition through the distribution and integration of low carbon and renewable energy sources in our grids

2.1 The increasing volumes of renewable gases on our network

Commitment

We will disclose the number of new connection points for biomethane and hydrogen, the evolution of renewablegas volumes flowing through our networks and the reduced distribution of low carbon or fossil gas.

State of the Play

- 6 out of 10 companies disclose information on the distribution or integration of low carbon or renewable energy sources in their operations.
- Only 2 companies mention new connection points for biomethane and hydrogen.
- 4 companies refer to the evolution of renewable gas volumes flowing through their networks. Of these, only one company sets a clear quantitative target; only one company shows clearly the evolution path providing data and comparing those to the two previous years.
- One company provides more detailed information on programmed green gas development initiatives.

Future Actions

- **We will provide clear information on the number of new connection points for biomethane and hydrogen.**
- **We will set clear quantitative targets on the desired volume of renewable gas to be included in companies' networks, providing comparable data of previous years to portray the evolution in the amount of renewable gas in such networks.**
- **We will provide information on the reduction of fossil gas distribution, with quantitative data and baseline years for comparison.**

Best Practices

- **Enexis** leads a project to make 33 homes in the village of Wagenborgen natural gas-free, partly by using hydrogen. The 1970s houses will be equipped with a hybrid heat pump and a hydrogen boiler to heat the homes. The existing gas pipelines for hydrogen and connecting the homes are adapted to the hydrogen distribution network. In 2023, the first homes were connected to hydrogen.

- 41 GWh of renewable gas was transported on **Gas Networks Ireland network** in 2022, an almost eight fold increase over the 5GWh transported in 2021 and a significant improvement on the 1 GWh transported in 2020. Gas Networks is currently in the process of developing a Central Grid Injection Facility to help meet its 2030 targets.

2.2 Our research & development programmes on renewable gases

Commitment

We will provide communication regarding our Research and Development programmes which are accelerating the uptake of renewable gases in terms of production and uses, developed by our members and/or collectively at GD4S level.

Future Actions

- **We will provide harmonised information on the research and development programmes initiated and the dedicated funding.**

State of the Play

- 7 out of 10 companies provide communication regarding research and development programmes envisaged to accelerate the uptake of renewable gases.

- 2 companies explicitly mention the amount and nature of funds allocated to research and development projects and one company aligns with a governmental target on the quantity of biomethane to be included in national gas networks.

- 5 companies provide detailed information on the scope of such research and innovation projects, including pilots for the injection of green hydrogen into the gas grid, activities focused on adapting assets to the distribution of 100% hydrogen, initiatives to deliver high capacity fast fill CNG stations and a single renewable gas network injection points. Projects focused on transport, home heating and renewable gas are also mentioned.

Best Practices

- **Italgas** engages in a number of relevant research and development initiatives. One example is the Partnership with Polytechnic University of Turin, signed in July 2020, with the aim of developing joint research, innovation and training activities to support the energy transition, sustainable mobility and circular economy. The collaboration includes research projects on general themes (digital innovation, the optimisation of energy consumption, improvement of network efficiency and recovery of resources). These actions will be aimed at developing innovative technologies for feeding renewable gases into existing networks, developing "Power-to-Gas" systems to recover surplus energy production. Other examples are the relaunch of the historic technical and metrological analysis laboratory of Asti, Piedmont, and the creation of the laboratory in Sestu in Sardinia, near the Power to Gas pilot project, which will take on the role of centres of excellence of analysis and tests of new gases.

- **Floene Energias** took several initiatives to accelerate the introduction of renewable gases into the network, such as ensuring the technical conditions for the reception of renewable gases, including green hydrogen. This is done supporting producers in evaluating potential, business cases, and connecting to the network; and developing pilot projects to leverage a learning effect and demonstrate the role of the distribution infrastructure. Some relevant projects include pilot projects with renewable gases, namely the injection of green hydrogen into the gas grid. This is the first project in Portugal of green hydrogen (H2) injection into the gas distribution grid. This two-year pilot project allows to acquire direct knowledge about the distribution of hydrogen/natural gas mixtures.

3

GD4S members commit to promoting the circular economy and protecting biodiversity

3.1 The proportion of waste reduced and valorised

Commitment

We will disclose the results of our efforts in terms of waste management, reduction, and recycling in our operations, both for hazardous and non-hazardous waste.

State of the Play

- 8 out of 10 companies disclose information on the proportion of waste reduced and valorised.
- Of these, 6 companies provide information on the amount of waste sent for recovery and on the amount of waster for disposal.
- 3 companies provide distinctive figures on the amount of hazardous and non-hazardous waste.
- One company provides further waste classification categories (e.g. office waste such as paper; industrial waste such as metal, wood, plastic, soil).
- One company provides detailed information on the amount of recycled material and on the reduction of CO emissions by redeploying network components with a raw materials passport.

Future Actions

- **We will provide harmonised and detailed information on the amount of waste reduced and valorised, categorizing it in hazardous and non-hazardous and providing further classifications if possible.**

Best Practices

- **Alliander's** strategy is focused on making the best use of what already exists and reuse. Redeployment contributes to both the energy transition and the raw materials transition. By redeploying network components from the voltage and gas domains, the company fulfills tasks and reduces costs at the same time. Reuse also allows to postpone new investments and reduces the company's reliance on the supplier market. In 2022, costs were reduced by €11 million by reusing materials and overhauling network components. In addition, CO emissions were reduced by 780 tons by redeploying network components with a raw materials passport. To ensure that as many components as possible are returned for use in refurbishment projects, the company opened recycling stations at several logistics and operational support sites.

- **Enexis** knows that work inevitably generates waste, and it is the company's responsibility to collect, separate, and process it effectively. Currently, they separate waste into 98 streams, which are then processed at a high standard. Ultimately, they achieved a recycling rate of 93% for the company's waste last year. In 2023, the company initiated the project "Safe Handling of Residual Materials and Hazardous Substances" at six recycling centers, focusing on safety in the recycling centers and proper sorting of waste. Since April 2023, they have been collaborating with a new waste processor, Remondis. Together with this company, the aim is to achieve a recycling rate of at least 96% and potentially increase it further.

3.2. Our actions to protect biodiversity

Commitment

As a first step before setting goals, we will analyse our current impact on biodiversity, and we will disclose the individual actions taken relating to biodiversity and the programmes in which GD4S member companies are involved.

State of the Play

- 8 out of 10 companies disclose their level of engagement in projects and actions to protect biodiversity, which include signing government charters, planting trees and building ponds, managing sites with special attention to the wildlife, avoiding deforestation. Ensuring the restoration and maintaining the balance of the ecosystem based on the principles of pollution prevention and emission reduction and in line with international standards, as well as pursuing the sustainable management of natural resources and the efficient use of energy required to carry out business activities, are measures equally implemented.

- One company does not consider biodiversity as a material topic yet; one company has no protected sites nor specific biodiversity actions.

- One company envisages assessments to determine sensitive natural areas for all new projects.

- One company mentions a specific biodiversity action plan in place and biodiversity monitoring tools.

- One company is committed to assessing environmental protection issues and to the responsible management of the significant environmental impacts associated with its activities.

- One company includes environmental criteria for assessing work by contractors and increasing the delivery of biodiversity enhancements at their sites. A survey through internal metrics allowed to establish the current biodiversity score and potential for improvement.

Future Actions

- **We will better report on biodiversity programmes and metrics.**

Best Practices

- **Gas Networks Ireland** has a strongbiodiversity action plan that includes environmental criteria for assessing work by the contractors and increasing the delivery of biodiversity enhancements at their sites.

- **Alliander** works in the scope of a Dutch coalition of infrastructure companies, which sees opportunities to use the land they own and manage for large-scale nature recovery. The Ecological Main Structure - Infrastructure started in 2020. This led to the start of a pilot in 2022, in which the companies involved are investigating the extent to which it is possible to implement biodiversity measures at facilities or design them in a nature-inclusive way.
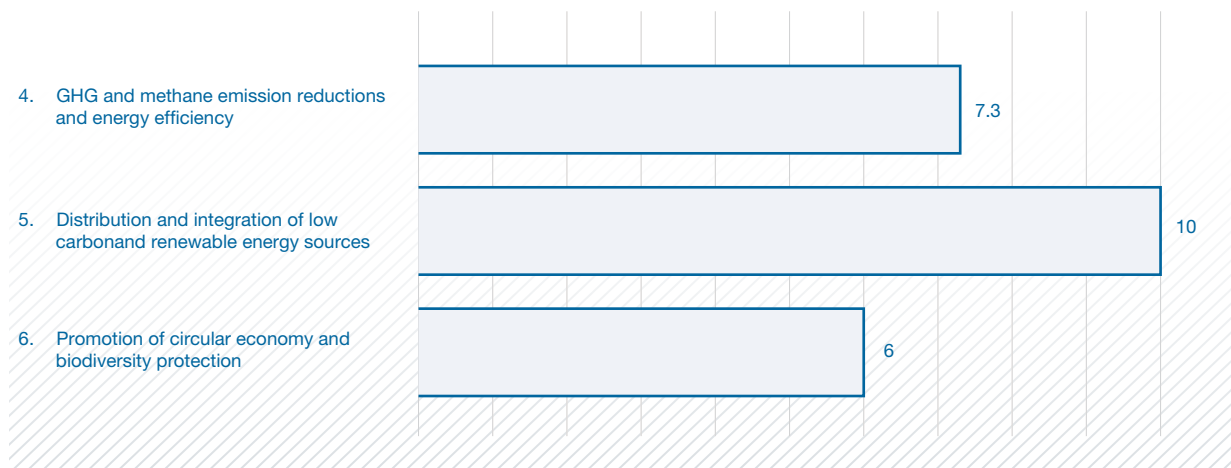
Social Commitments

The Social pillar of the Sustainability Charter foresees three main commitments and nine sub-commitments, as indicated in the figure below.

Social commitments		GD4S member companies are committed to measure and report on:
4	**Promote a corporate culture that fosters equal and fair treatment of our workers and their continuous development in a safe workplace**	• The diversity in our workforce • The actions taken to upskill our workforce • The actions taken to promote safety in the workplace
5	**Provide quality service and a safe supply of gas that meets the needs of our customers**	• Our actions to keep our networks safe • Our actions to help our customers manage their energy consumption • Our actions taken to provide a quality consumer experience
6	**Strive to impact society positively in the territories where we operate**	• Our actions to raise awareness about energy and develop educational programmes • Our actions taken to create positive benefits in the territories where we operate • Our actions to embed sustainable procurement processes

The graphs below provide a snapshot of how many GD4S's members are actively working to address and contribute to the Charter's commitments in the Social Pillar.[5]

Number of average companies involved

4. GHG and methane emission reductions and energy efficiency — 7.3

5. Distribution and integration of low carbonand renewable energy sources — 10

6. Promotion of circular economy and biodiversity protection — 6

The following table focuses on the current situation when it comes to the specific sub-commitments.[6]

---

5   To read the graphs, please note that:
   • The commitments per sustainability area (E-S-G) are indicated on the vertical axis.
   • The horizontal axis from 1 to 10) represent the number of GD4S members, equalling a total of 10 companies.
   • The scoring next to each commitment represents the average number of companies active and having data and actions related to that specific commitment, the calculation including also the sub-commitments.
6   DISCLAIMER: The results are reflecting the data available among all GD4S members for FY 2022. The data provided by enaon EDA (former EDA Thess) enaon EDA (former Eda Thess) are referring to FY 2021, prior to their acquisition by Italgas.

Progress Report

4

GD4S members commit to promoting a corporate culture that fosters equal and fair treatment of our workers, and their continuous development in a safe workplace.

4.1 The diversity in our workforce

Commitment

Based on a recurring analysis and assessment, we will disclose the status of our workforce diversity and the efforts to diversify our organisations further, based on shared assessment tools. The analysis may include, amongst other criteria, the percentage of women in management and technical positions, diversity in executive and managerial positions, as well as the number of people with disabilities.

State of the Play

- Member companies report an average of 25% women in workforce and an average of 27% women in governance bodies.
- Regarding the breakdown by age, it can be said that 11% of employees are <30 years old; 52% of employees are 30-50 years old and 37% of employees are >50 years old.
- 9 out of 10 companies gather data in relation to gender D&I in workforce and top management.
- 8 out of 10 also gather KPIs in relation to age.

Future Actions

- **We will commit in further improving our gender D&I performance, aligning with the EU targets. Improvements in performance will be tracked and disclosed regularly.**
- **We will provide clear information on Disability Metrics and remuneration.**

Best Practices

- **Gas Networks Ireland** reported the gender pay gap.
- **Alliander** implemented master classes for inclusive leadership and development programmes.

4.2 The actions taken to upskill our workforce

Commitment

We will put in place assessment tools to analyse our efforts to advance employee skills development. We will also report on key metrics, such as the training hours per employee, our employees' satisfaction, the percentage of people trained each year, and the percentage of people included in talent transformation programmes.

State of the Play

- 5 out of 10 companies have gathered data in relation to the number of training hours per employee.
- The average result of such companies is 22 hours of training per employee.

Future Actions

- **In line with the commitment in the Charter, our companies will continue their work on training, gathering information on the effectiveness of training initiatives and employee's satisfaction.**

Best Practices

- **Enexis** has implemented programs for upgrading employee skills and transition assistance programs, building an internal academy for technicians, engineers and foremen, motivating all employees to continue to develop in their careers in addition to obligatory modules to follow. The company also offers hundreds of professional training and personal development programs.
- **Distrigaz Sud Retele** collaborates on middle school programs on plumbing and gas installations.

Progress Report

4.3 The actions taken to promote safety in the workplace

Commitment

We will disclose Health and Safety objectives and key metrics such as the Lost Time Injury Frequency Rate (Occupational Safety and Health Administration (OSHA) criteria), the severity rate of accidents with staff lost time (OSHA criterion), and the absenteeism rate due to common contingency.

State of the Play

- The average LTIF (Lost Time Injury Frequency Index) index is 1.20.
- 8 out of 10 companies have gathered information on this KPI.

Future Actions

- **For the next progress report, our companies commit to work on gathering data concerning H&S training and absenteeism.**

Best Practices

- **Floene Energias** has implemented a certified safety management system and is promoting accident investigation and root cause analysis. Safety and health visits are a regular practice in Floene's facilities and operations to assess compliance with the company's safety procedures. All construction and network maintenance contracts are audited several times during execution to ensure frequent monitoring of the work and promote the implementation of improvements and corrections.
- **GRDF** is developing a network of volunteer firefighters and focusing on first aid.
- **Nedgia** reached its 0 accident target for in-house personnel in 2022.

5

GD4S members commit to provide quality service and a safe supply of gas that meets the needs of our customers

5.1 Our actions to keep our networks safe

Commitment

We will communicate about key actions taken to keep our network safe. Some of our actions will focus on the use of digitalisation to improve the maintenance of our infrastructures or the speed of reaction for intervention (i.e. response times).

State of the Play

- 9 out of 10 companies disclose information on prevention activities.
- 10 out of 10 companies disclose information on maintenance activities.
- Only 1 company has gathered the number of interventions taken.

Best Practices

- To improve the quality and security performance of the service, as well as to increase the efficiency of the distribution system, **Italgas** continues to invest significantly in the digitization of its network and process infrastructures, with unique technology and artificial intelligence. The new natural gas distribution networks have been equipped with multi-ducts and related accessories prepared for the insertion of optic fiber cables for the mass transmission of data recorded by the Digital Reduction Units, by the network and smart meters installed at the re-delivery points to users and by the sensors installed at the terminal points of the network. The multi-ducts are positioned at the same time as the pipes and within the same excavation. The new distribution networks are also equipped with Rfid markers (markers with passive, battery-free antennae containing an electronic chip, which can be identified by means of common radio-frequency locators), which are also placed inside the excavation in order to allow the traceability and localization of the pipelines directly from the road surface without the need for invasive underground work and consequent interference with the road network.
- **Alliander** has implemented a replacement programme for grey cast-iron and asbestos cement gas pipes.

Progress Report

5.2 Our actions to help our customers manage their energy

Commitment
We will disclose key actions carried out to help customers make more informed choices about their energy consumption. This may include digitalisation processes which will help them better understand their energy consumption through the use of smart devices.

State of the Play
- All companies have disclosed initiatives for customers awareness.

Future Actions
- **No future actions to be taken as our members comply with the target in a homogeneous way.**

Best Practices
- **enaon EDA (former Eda Thess)** conducts campaigns and focuses on external communication on how to reduce energy consumption.
- **GRDF** focuses on providing smart meters to customers, enabling them to manage their domestic gas consumption better.

5.3 Our actions taken to provide a quality consumer experience

Commitment

Our actions will be directed towards making our customer service accessible to those with different needs, such as blind or deaf persons, people who do not speak the language or who cannot read. We will also present our actions to effectively address any complaints arising.

State of the Play

- All companies have implemented online platform for sharing concerns and complaints
- 4 companies have implemented surveys to improve customers' experience

Future Actions

- **We will better report on and disclose the number of calls and complaints received.**
- **We will better implement and report on activities to improve accessibility.**
- **We will better focus on the monitoring of customers' satisfaction.**

Best Practices

- **Alliander** focuses on a Customer convenience NES Score.
- **Italgas** implemented ClickToGas, a self-inspection method.
- **Nedgia** has launched an innovative mobility solution that improves customer service and digitisation of all operations in the territory. It is a mobility tool with a unique design, allowing for multioperation work and giving both the customer and collaborating companies a comprehensive solution that improves the effectiveness and excellence of the service.

6

GD4S members commit to strive to impact society positively in the territories where we operate

6.1 Our actions to raise awareness about energy and the development of educational programmes

Commitment

We will release our actions aimed at sharing our knowledge of potential new energy sources and how they can be made accessible to customers. We will also disclose the number of initiatives carried out and the number of students reached.

Future Actions

- **We will better report on the number of initiatives developed.**
- **We will better report on the total number of people benefiting from such initiatives.**

State of the Play

- 7 out of 10 companies disclose some information related to actions to raise awareness about energy.
- Among these, 9 educational initiatives at the local level can be identified.

Best Practices

- **Gas Networks Ireland** is sponsoring and delivering number of impactful education initiatives, where employees of the company engage with local schools and community groups promoting STEM, biodiversity and community responsibility.
- **Floene Energias** developed a roadmap for the introduction of renewable gases in industry, the "Industrias de Futuro" project. The aim was to identify the needs of the industrial sector, providing technical-scientific content and training actions to simplify the transition to more sustainable and efficient solutions. With a wide range of partners, Floene shared technological knowledge about the incorporation of renewable gases in the industrial sector, developing a wide range of activities, including conferences, workshops, advanced training courses, energy surveys, and energetic diagnosis. Floene also developed a program aimed at materializing its purpose - promoting sustainable communities -called,"Comunidades de Futuro". This project unfolds in two phases: first by creating awareness regarding renewable gases and their economic, social and educationalimpact on local communities and the opportunities that the energy transition brings; and secondly by developing actions among educational areas to promoteenergy literacy and training on renewable gases.

6.2 Our actions taken to create positive benefits in the territories

Commitment

We will report on our actions to contribute to the sustainable development of new energy sources and highlight the positive impacts on the territories in which we operate. We will disclose the number of initiatives carried out and the contribution made to key stakeholders, as well as the economic benefits for local suppliers.

Future Actions

- **We will better report on the number of initiatives developed.**
- **We will better report on the economic value for suppliers.**

State of the Play

- The average of the direct economic value generated corresponds to 1648 million €.
- 7 out of 10 companies disclose information on the economic value generated.

Best Practices

- **Alliander** focuses on implementing teaching packages for primary schools.
- In June 2022, **GRDF** launched a call for projects called "Territoires engagés gaz vert", with the aim of promoting and increasing the commitment of territories to green gas This call for projects, aimed at local authorities or energy associations within the scope of GRDF concessions, is designed to identify territories pioneering the production of renewable gas and its various uses in a local loop. 31 territories (communes, public establishments for inter-municipal cooperation, "départements" and regions) responded to the call, and 13 winners were rewarded.

Progress Report

6.3 Our actions to embed sustainable procurement processes

Commitment
We will disclose the individual actions taken towards the development of a sustainable procurement policy. GD4S member companies will highlight actions with key indicators such as the percentage of green purchases and the percentage of CSR criteria incorporated into tenders.

State of the Play
- 4 out of 10 companies disclosed information on scoring suppliers against environmental criteria, for a total average of 63%.
- 3 out of 10 companies disclose information on scoring suppliers against social criteria, for a total average of 100%.

Future Actions
- **We will better report on the number of new suppliers that were screened using environmental and social criteria (yes/no question).**
- **We will better report on the percentage of green purchases and the percentage of CSR criteria incorporated into tenders.**

Best Practices
- **Alliander** has implemented a Socially Responsible Procurement Policy.
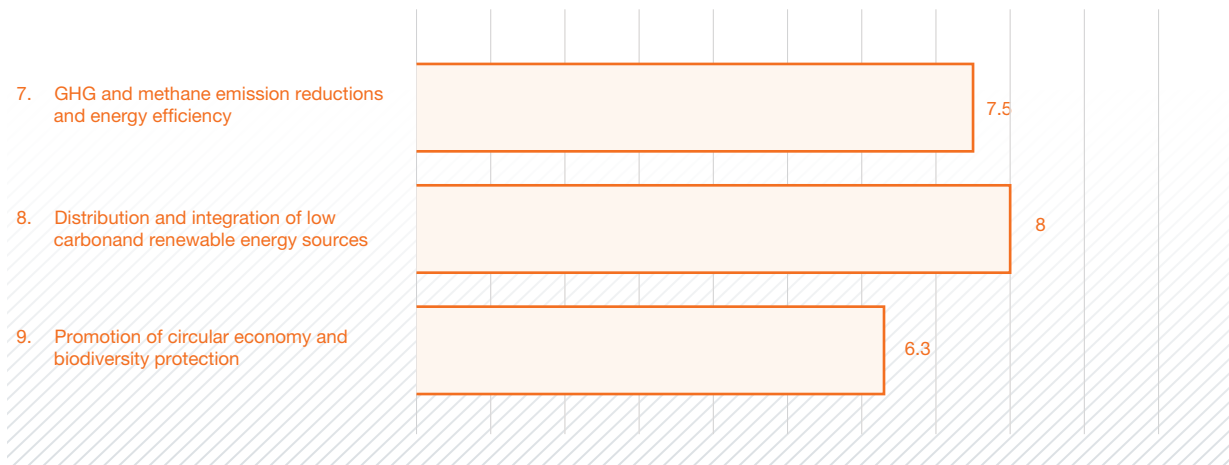- **Nedgia** has implemented a Global Suppliers Platform.

Governance Commitments

The Governance pillar of the Sustainability Charter foresees three main commitments and seven sub-commitments, as indicated in the figure below.

Governance commitments		GD4S member companies are committed to measure and report on:
7	**Practise fair and transparent advocacy and prevent corruption**	• Our lobbying activities • Our internal processes to prevent corruption and promote ethical practices
8	**Disclose performance transparently**	• Our sustainability performance • Our economic contributions to society
9	**Enhance dialogue with stakeholders**	• Our stakeholder engagement frameworks • The development of our stakeholder engagement plans • Our regular materiality assessments

The graphs below provide a snapshot of how many GD4S's members are actively working to address and contribute to the Charter's commitments in the Governance Pillar.[7]

Number of average companies involved

7. GHG and methane emission reductions and energy efficiency — 7.5

8. Distribution and integration of low carbonand renewable energy sources — 8

9. Promotion of circular economy and biodiversity protection — 6.3

The following tables focus on the current situation when it comes to the specific sub-commitments.[8]

---

7   To read the graphs, please note that:
  • The commitments per sustainability area (E-S-G) are indicated on the vertical axis.
  • The horizontal axis from 1 to 10) represent the number of GD4S members, equalling a total of 10 companies.
  • The scoring next to each commitment represents the average number of companies active and having data and actions related to that specific commitment, the calculation including also the sub-commitments.
8   DISCLAIMER: The results are reflecting the data available among all GD4S members for FY 2022. The data provided by enaon EDA (former Eda Thess) are referring to FY 2021, prior to their acquisition by Italgas.

7 ───────────────────────────────

GD4S members commit to strive to impact society positively in the territories where we operate

7.1 Our lobbying activities

Commitment
We will disclose all relevant meetings held with European institutions and all resources used for European advocacy.

State of the Play
- All members of GD4S are reporting on their lobbying activities at the EU level.
- The majority of them are focusing on the means through which they do lobby, meaning the associations at the EU level they are part of rather than the activities they put in place and the resources they allocate.
- Although only 5 members out of 10 are registered on the transparency register of the European Union, all the members appear on the Transparency register as members of GD4S.

Future Actions
- **We will focus on the disclosure of relevant meetings with the European institutions rather than the means through which the companies put in place lobbying activities. At this stage only the companies' performances were taken into account. It would be useful for the future progress report to analyse also the relevant meetings held by GD4S as representative of its members.**
- **We will focus on the resources used for advocacy activity to be considered.**
- **We will promote the registration into the European Transparency Register of all members.**

Best Practices
- **Floene** lobbying activities have been framed in two main paths: via the European sectorial associations in which they participate and via direct contact as a company with representatives of EU institutions. Floene is listed on the European Transparency Register and follows the rules of EU transparency register's Code of Conduct as well as its own ethics and compliance code.
- **Gas Networks Ireland** is registered on the lobbying register maintained by the Standards in Public Office Commission and all mandated submissions are made in accordance with the requirements of the Regulation of Lobbying Act 2015.

7.2 Our internal processes to prevent corruption and promote ethical practices

Commitment
We will highlight the approach designed to prevent corruption and promote ethical practices and how we cascade these practices to our suppliers.

Future Actions
- **We will promote ethical practices with a focus on the means through which the members are planning to do it.**
- **We will implement ethical practices trainings both for own workforce and also for suppliers. The organization of such trainings also at a GD4S group level could help promote ethical practices.**
- **We will focus more on what are the actions targeting suppliers in terms of relevant efforts to cascade practices to support them in the implementation of such measures.**

State of the Play
- Although every GD4S member has a Code of Ethics/ Conduct or other polices and processes in place to prevent corruption and foster ethical business practices, only5 out of 10 members are disclosingthe number of staff who have completed training on ethical practices (e.g. anti-fraud, bribery, corruption and protected disclosures)

Best Practices
- **enaon EDA (former EDA Thess)** Control mechanisms, procedures and the Whistleblowing Committee (Anti-Bribery & Anti-corruption); Implementation of an anticorruption awareness program including actions such as: Information activities and training actions addressed to the personnel and third parties – stakeholders in a regular basis, disclosure of the Code of Ethics and the procedures related to corruption when recruiting new Company employees, Posting of the Anti-corruption Policy on the corporate website and the working spaces, Keeping of the Anti-Corruption and anti-Bribery Management System on a common platform accessed by the Company's staff, communication channels and Helpdesk via email available for the Company's staff and third parties.
- **DGSR** Upholding ethics principles and preventing associated risks are integrated in the internal control program INCOME, applicable throughout the ENGIE Group. All training materials covers the following topics: ethics and compliance framework, duty of vigilance, fraud and corruption (bribery), ethical risks, conflicts of interests, gifts and hospitality, whistleblowing system, data privacy. Ethics trainings are mandatory once every three years. 87% Senior Managers trained and 78% employees trained on ethical aspects. Also, ethics principles must be applied in relation with all partners, especially customers, investors, suppliers, contractors, including intermediaries and consultants, and NGO's. In order to improve this extensive area of ethics, regular internal and external audits are performed.

8

Disclose performance transparently

8.1 Our sustainability performance

Commitment

We will define common disclosure standards, upon which our members will report annually via their company, corporate or sustainability report.

Future Actions

- **We will indicate a clear definition of which common disclosure standards members should follow, and the timeline of reporting, to help both the harmonization of the collection of data and the coherence of the overall strategy.**

- **We will foster the alignment of the sustainability performances with the UN SDGs and, next to the GRI standards, start to consider the European Sustainability Reporting Standards when it comes to disclosing non-financial information.**

State of the Play

- All GD4S members are disclosing sustainability information in their corporate reports according to international reporting standards (most companies produce it on an annual basis). Among them, only 3 out of 10 members stated that they regularly publish a sustainability report.

Best Practices

- **Gas Networks Ireland** reports on its sustainability performance based on alignment with the Global Reporting Initiative (GRI) standard. Gas Networks Ireland also reports on its performance against the Gas Networks Ireland's sustainability strategy that is aligned with the UN's Sustainable Development Goals. Gas Networks Ireland publishes sustainability performance data in its annual sustainability report.

- **GRDF** Sustainability performance is measured through data collection that correspond to GRI & CSRD indicators. The data is collected on a monthly basis from the data owners - respective units of the company.

8.2 Our economic contributions to society

Commitment

We will disclose the monetary impact of our business activities – such as our revenues, taxes paid at national level and our investment policy on sustainability initiatives. In addition, we will seek to make visible the link between our sustainability and financial performance.

State of the Play

- 6 out of 10 members are disclosing the direct economic value generated and distributed.

Future Actions

- **We will better align on the information regarding the monetary impact of the business activities.**
- **We will take inspiration form the Double Materiality approach (financial and impact materiality) included and suggested by the CSRD & ESRS to better identify the link between sustainability and financial performance.**
- **We will foster the disclosure of data related to the financial support distributed to communities and other relevant stakeholders.**

Best Practices

- **Gas Networks Ireland** supported 31 communities and provided over €210,000 of financial support to local groups within those communities. 1 in 6 Gas Networks Ireland employees participated in volunteer programmes equating to 52,972 social impact hours over the course of the year.
- **Italgas** In 2022, the value generated by the Group was € 2.327,3 million (+3.6% on 2021), divided up between Italy, € 2,271.8 million and Greece, € 55.5 million. Of this, € 612.4 million have been kept in the company and € 1,714.9 million have been distributed to stakeholders. Specifically, of the total value distributed, 50.7% went to suppliers (€ 869.0 million), 16.3% to employees (€ 278.9 million), more than 15.7% to the shareholders (€ 269.8 million), approximately 13.6% to the Public Administration Authorities (€ 233.1 million) and 3.6% to lenders (€ 61.9 million). € 2.2 million was allocated to the community.

9

Enhance dialogue with stakeholders

9.1 Disclosed stakeholder engagement frameworks

Commitment

We will disclose our stakeholder engagement frameworks. We will share best practice examples of the range of stakeholders that each organization works with and indicate key areas of focus.

Future Actions

- **We will better align on the information regarding the monetary impact of the business activities.**
- **We will take inspiration form the Double Materiality approach (financial and impact materiality) included and suggested by the CSRD & ESRS to better identify the link between sustainability and financial performance.**
- **We will foster the disclosure of data related to the financial support distributed to communities and other relevant stakeholders.**

State of the Play

- All members of GD4S have a stakeholder engagement framework in place.

Best Practices

- **Enexis** Our stakeholder classification has been revised based an internal assessment, analysis of the stakeholder classification of other infrastructure companies and the interests of stakeholders and/or Enexis. The stakeholder overview provides a general outline of how we are in contact with our stakeholders and what (based on the material themes) are the most important discussion points.
- **Italgas** presented its Sustainable Value Creation Plan to stakeholders and used this occasion as a stakeholder engagement moment, collecting feedback from dozens of different stakeholders invited to the event through 4 different roundtables; such feedback was then used as inputs for materiality analysis.

9.2 A focus on the development of our stakeholder engagement plan

Commitment
We understand the mutual benefits of dynamic engagement with all our stakeholders. We will continue to develop our stakeholder engagement plan and will disclose key engagement initiatives and progress.

State of the Play
- This commitment needs further attention and better disclosure about key engagement initiatives and progresses.

Future Actions
- **The information above refers to the entity level. An approach at a GD4S level regarding the stakeholder engagement could help develop meaningful engagement by developing a stakeholder strategy plan at the group level.**
- **GD4S will act as a facilitator to monitor progresses on stakeholder engagement initiatives.**

Best Practices
- **Alliander** convened a stakeholder panel to review its annual report. We are pleased to have been given this opportunity to use our expertise and backgrounds to provide feedback on the draft annual report at an early stage, which we believe will enable Alliander to gear the report more closely to the wishes and needs of the stakeholders and society in general.

Progress Report

9.3 Publication of our regular materiality assessments

Commitment

We understand the importance of maintaining regular contact with our stakeholders regarding sustainability topics. We will disclose the results of our materiality assessments within GD4S company reports and collective materiality assessments in progress reports.

State of the Play

- 9 out of 10 members carry out materiality assessments regularly (yearly, or more than once in a year or less than once a year).
- The majority of GD4S members disclose the list of material topics that represent the sustainability issues that matter most to the company and its stakeholders.

Future Actions

- **We will harmonize the way the materiality assessment is put in place among the members to avoid discrepancies related to different methodologies when it comes to identify material topics.**
- **We will prepare the ground for collective materiality assessments for future progress reports.**

Best Practices

- **Floene** A double materiality approach was used (financial and impact materiality) through a stakeholder consultation in accordance with the requirements of the AA1000 Stakeholders Engagement Standard. Target audience: stakeholders groups including shareholders/ investors; employees; clients; suppliers; partners; official entities/ local communities; financial sector; associations. This process was essential to define the sustainability positioning and the Sustainability Agenda of Floene, ensuring alignment between the strategic objectives of the gas/renewable gases distribution operation and the expectations and needs of stakeholders.
- **Alliander** takes a structured approach to deciding what topics should be covered by the annual report as a minimum. Assessment of the material topics and the impacts of these topics on the economy, the environment and people (including human rights) forms the basis for the integrated annual report and takes place at an early stage of the reporting process. The materiality test depends on a dual assessment: on the one hand, various stakeholder groups assess the relevance of different topics and, on the other hand, we make an assessment of what the impact of these topics is on the company and on the wider world.

Additional information regarding sustainable procurement

6 out of 10 members mention that they have formal procedures when it comes to sustainable procurement processes. However, only four of them have disclosed what their key actions when it comes to procurement processes.

The main examples provided show that companies have established a comprehensive risk management strategy within their supply chain operations, focusing on assessing and evaluating service providers while maintaining sustainability standards during the supplier qualification process.

Some companies have integrated environmental and sustainability criteria into procurement, requiring regular sustainability performance reports from major contractors. Contracts prioritizing sustainability, offering incentives for high performers and adjusting terms for underperformers, with recent tenders emphasizing stringent requirements like waste reduction and carbon management. Moreover, some of these companies are in the process of crafting a Sustainable Procurement Governance Framework and Supplier Charter to standardize ESG practices and promote collaboration in sustainable procurement. Additionally, they have developed accessible toolkits for suppliers to actively contribute to their CSR goals.

General conclusion and next steps

In conclusion, GD4S members are at an important step in their journey to be more environmentally friendly. The listed points give a clear plan for what the next steps and areas for improvement are.

In relation to the **environmental commitments**, setting **clear and quantifiable targets for emissions reduction** is imperative, accompanied by **transparent reporting** on the initial emission count versus the reduced amount, with specified baseline years. The establishment of interim targets will facilitate effective progress monitoring, ensuring a continuous and accountable approach towards emission reduction goals. **Homogeneous disclosure of emissions sources** across scopes 1, 2, and 3 is essential for a comprehensive understanding of the environmental impact. Explicitly aligning corporate commitments with the **Paris Agreement** underscores the companies' dedication to global sustainability goals. Standardizing the calculation method for methane emissions within the group is crucial, ensuring **uniformity in metrics and methodologies**. **Quantitative information on network damage, gas transportation volumes, and gas and methane leakages** is vital for assessing the environmental impact of operations. Transparency regarding energy consumption, savings, and sources, coupled with actions taken to reduce energy consumption, will showcase the group's dedication to **energy efficiency**. The establishment of new connection points for biomethane and hydrogen, accompanied by clear quantitative targets for renewable gas inclusion in company networks, reflects a commitment to transitioning towards cleaner energy sources. Providing data on the reduced distribution of low carbon or fossil gas, with baseline years for comparison, further demonstrates the group's commitment to a sustainable energy future. **Harmonizing information** on research and development programs and their dedicated funding showcases a unified approach to innovation. Finally, aligning the analysis of biodiversity impact with international standards and tools demonstrates a commitment to ecological preservation.

In relation to the **social commitments**, companies aim to **enhance gender Diversity and Inclusion (D&I) performance** in alignment with EU targets is a commendable step towards fostering equality. Regular tracking and disclosure of improvements in performance will not only showcase dedication but also provide transparency in achieving these goals. Furthermore, the commitment to providing clear information on **Disability Metrics and remuneration** demonstrates a comprehensive approach to inclusivity. Continuing work on training, along with assessing the effectiveness of initiatives and employee satisfaction, is a proactive measure in line with the Charter commitment. The forthcoming focus on **gathering data concerning Health and Safety (H&S)**, **training and absenteeism** for the next progress report is indicative of a holistic approach to employee well-being. To better serve stakeholders, increased transparency in reporting the number of calls and complaints received, as well as improved efforts to enhance accessibility, will contribute to a more open and responsive corporate culture. Heightened attention to **monitoring customers' satisfaction** underscores the commitment to delivering quality services. Furthermore, a commitment to **better reporting on the number of initiatives developed** and the total number of people benefiting from such initiatives reflects a dedication to social impact. The focus on **economic value for suppliers**, along with screening new suppliers using environmental and social criteria, demonstrates a commitment to responsible sourcing practices.

In relation to the **governance commitments**, GD4S members should focus on better **disclosing relevant meetings with European institutions** and the resources used for advocacy activities. Additionally, promoting **registration in the European transparency register** for all members and implementing training on ethical practices for both their own workforce and suppliers would be beneficial. GD4S' members should also prioritize actions **targeting suppliers** to ensure the implementation of ethical measures. Moreover it is important to establish **clear common disclosure standards and reporting timelines** to harmonize data collection and ensure coherence in the overall strategy. Aligning sustainability performances with the **UN Sustainable Development Goals**, considering the **European Sustainability Reporting Standards**, and better disclosing the **monetary impact of business activities** are crucial steps. Incorporating the **Double Materiality approach** and disclosing financial support distributed to **communities and stakeholders** will further enhance sustainable practices. Developing a **comprehensive stakeholder engagement plan** at both entity and GD4S group levels will facilitate meaningful exchanges throughout the network and facilitate monitoring process. Harmonizing materiality assessment methodologies among members and preparing for collective assessments in future progress reports will help ensure consistency and accuracy.

Building on the information of this first progress report we will now starting with the implementation of a new stakeholder dialogue as foreseen in the Sustainability Chapter.

Furthermore, a Second Progress Report is expected to be released in 2025 with the organization of an additional stakeholder dialogue, while the revision and the publication of an updated Sustainability Charter is expected to happen in 2031.

For further information, please contact:
contact@gd4s.eu

Phone: +32 471 9553 39
Rue d'Arlon, 63
1000 Bruxelles

twitter: @GD4S_eu
website: gd4s.eu

transparency register number 382692732615-35