



Annual report 2024

Every drop sustainable

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2024 at a glance

Foreword by the Chair of the Board

My drinking water promise

A year ago, I started as Chair of the Board (CEO) of Vitens. During my induction period, I was introduced to many aspects of our wonderful trade. I visited production sites, walked with many colleagues from field service and customer service, and talked to both customers and executives. These experiences gave me a good picture of Vitens and the drinking water industry. In addition, these visits made me realise the enormous value of our work. Drinking water is essential for everyone's health, prosperity and well-being, and I am proud to contribute to this.

Resilient

We were facing with multiple challenges over the past year. For example, Vitens had prepared for a dry summer with high consumption (peak consumption). However, it turned out to be a wet spring and a mild summer. After three major and impactful boiling advisories (advice to boil tap water) during spring, we then had to issue another such advisory for more than 70,000 connections in Apeldoorn in autumn. This was an unprecedented situation with a major impact. I care deeply about this, as do my colleagues. We made every effort in operations to minimise the impact on residents. As an organisation, we showed resilience in day-to-day operations, creating and delivering drinking water. It makes me proud to see how all teams work together and provide solutions in such situations. In satisfaction surveys, we see that this is also appreciated by our customers.

With this first year behind us, I want to make five promises. Promises to you as a customer, water partner, other stakeholder and colleague. I intend to fulfil these promises together with my new fellow board member Daniëlle van Rieven. She started as CFO in February 2025. We will work with colleagues in the coming years to:

- 1. Appreciate our customers even more.** In my view, a good customer is not only someone who pays their bills, but also someone who understands the importance of drinking water and is conscious of it.
- 2. Be and remain an attractive employer for sufficient skilled workers.** Almost 1,800 people work on your drinking water every day. Without all these Vitens employees, drinking water has no value. Over the past year, I have seen how hard they work. This gives me confidence, but also makes me aware that we cannot manage without all these professionals. And for all the challenges we have, they are indispensable. We need to have enough inspired professionals now and in the future to fulfil all our promises.
- 3. Provide high-quality drinking water at a fair price.** This is our core mission and key promise. And so it may be the easiest promise I *have to* make but the hardest promise I *can* make. This promise requires a huge commitment from our almost 1,800 colleagues every day, together with and for our water partners, other stakeholders and customers. And yet I make this promise to you with confidence.
- 4. Save more drinking water together.** Water is scarce and precious. Together with our customers, we want to save more through the conscious use of drinking water.

5. Be a productive and development-oriented organisation. We continue to work on improvements to operate efficiently, effectively and resiliently. One way we do this is by organising ourselves smartly. But also by collaborating with our water partners. Provinces, water boards and municipalities play a crucial role to continue supplying drinking water. This also applies to cooperation with other water companies. Together, we can meet the challenges of today and tomorrow.

The past year has shown me how essential our role is in society. It is not without reason that I make five promises to you. Access to drinking water may seem like a matter of course, but behind the tap is a world of cooperation, expertise and dedication. This makes our work not only challenging, but also meaningful.

The future brings great challenges, but also opportunities to become even more resilient in business operations. Together with our colleagues, customers and partners, we are building a Vitens that is ready for generations to come.

Thank you for your trust in Vitens. This trust is our greatest motivation to make a difference every day. As drinking water is indispensable, and that is what we work for with heart and soul. Today and tomorrow.

Above all, continue to enjoy our beautiful product: drinking water.

Tjeerd Roozendaal
Chair of the Board (CEO) Vitens



2024 Key figures and results of Vitens

93
active
manufacturing
companies

Work area
■ Vitens



Waterwin-gebied

Around
48.000



343,4
million m³ of drinking
water supplied to customers

141 kilotonnes
CO₂ emission



Sustainable generated electricity
5,6 GWh



A white, curved flag with the word "Viten's" written in a stylized blue font. The flag is positioned in the foreground, slightly to the left of the center.

Viten's



1 Who we are and what we do

1.1 Our profile

Vitens extracts, purifies and delivers more than 343 billion litres of drinking water to around 6 million customers every year. These customers include both individuals and companies, spread across five provinces and some municipalities in Drenthe and North Holland. Our primary task is to ensure reliable drinking water: 24 hours a day, 365 days a year. Now and in the future.

1.2 This is how we make drinking water

Extracting water from groundwater sources

Most of the drinking water Vitens makes comes from groundwater wells that are tens to hundreds of metres deep. We pump this groundwater into 105 water catchment areas. We manage these areas as sustainably as possible. This is how we encourage nature development and biodiversity.

Purification by natural filter and in production plants

Groundwater once seeped into the soil as rainwater or from rivers. This process can take hundreds of years. During that journey, the soil has already purified much of the water. We therefore refer to the soil as 'filter zero'.

After pumping the water, we transport it to one of our 93 production plants for treatment. The purification process is slightly different everywhere, because the composition of the groundwater at the sites is different. Basically, each production site goes through three purification steps: filtration, aeration and post-filtration. It removes natural substances such as lime, iron and manganese and any contaminants from the water. Some of these residues are reused.

Via pipeline network with constant pressure to the customer

We pump drinking water from our production sites into the water supply network: a network of 48,000 kilometres of pipes. The water first enters the main transport lines, after which it is delivered to our customers via the smaller distribution and connection lines.

1.3 Employees

At Vitens, almost 1,800 dedicated employees work every day to deliver clean and sufficient drinking water to our customers. They are the heart of the organisation.

The composition of the workforce

Vitens has almost 1,800 employees with an average age of 46. All employees work in the Netherlands. In the table below, we show the composition of Vitens employees in figures.

	2024	man	woman	2023	man	woman
# employees	1762	71%	29%	1.635	72%	28%
% full-time employees	69%	87%	13%	70%	87%	13%
% part-time employees	31%	38%	62%	30%	37%	63%
% of employees on permanent contracts	87%	71%	29%	90%	72%	28%
% of employees on fixed-term contracts	13%	70%	30%	10%	68%	32%
#/% employees under CLA	1761	71%	29%	1.634	72%	28%
# of temporary employees	292	50%	50%	293	40%	60%

1.4 Ambition and strategy

Reliable drinking water is essential for our health and well-being. However, drinking water is under increasing pressure from a variety of factors. For example: population growth, economic growth, weather extremes due to climate change, but also the ever-increasing pollution affecting the quality of sources.

Vitens' ambition is great: to be a sustainable drinking water company, socially embedded, with a positive impact on people and nature. We aim for a sustainable drinking water system, developed through cocreation with our environment. This ambition is elaborated in our strategy 'Every drop sustainable' and translated into five strategic goals:

1. Adequate and clean sources

Vitens' job is to ensure sufficient and clean wells from which we are allowed and able to extract water. In recent years, the required extraction and production capacity, both in the short and long term, has been under serious pressure. The same applies to source quality. We therefore actively cooperate with shareholders, political-administrative partners, market players and other stakeholders. For example, for new extraction permits, extension of existing permits and protecting source quality. We also try to influence drinking water demand by encouraging sustainable water use among our customers. Currently, Vitens mainly makes drinking water from groundwater, but we are looking at long-term alternatives. For instance, we are exploring various options for surface water, bank filtrate and reuse of treated sewage via infiltration. A sustainable source is always the starting point.

2. Resilient infrastructure

To provide water 24 hours a day, now and in the future, resilient infrastructure is essential. Our vision for its development is set out in what we call the target structure. In the short and medium term, this means maintaining and, where necessary, improving or expanding existing infrastructure. For the longer term, we are working on developing a robust and flexible infrastructure, with commitment to larger (clusters of) extractions and larger production sites. We call this strategic hearts. These are areas where there is potentially a relatively large amount of water to be extracted, with a relatively small impact on nature and many opportunities for social added value. In the long(er) term, this creates scope to reduce or close non-future-proof extractions. Subsequently, we work on exploration and design of a different kind of transport infrastructure, appropriate to the envisaged smaller number of extractions in the long term. This provides more flexibility during peak loads and outages.

3. Reliable drinking water operation

Vitens is committed to the continuous supply of reliable drinking water to its customers. For optimal operations, we are working hard to implement and develop a digital, intelligent infrastructure and innovation. Disruptions in the quality or supply of drinking water due to, for example, pipe breaks and cyber attacks, we naturally try to prevent. If these situations do occur, we minimise the impact.

4. Positive impact on people

Vitens contributes to public health by providing reliable drinking water. By doing so, we make a positive impact on our customers. We cannot extract, purify and supply drinking water without our almost 1,800 employees. For these and potential new employees, Vitens wants to be a good and attractive employer. In our water catchment areas, we deal with fellow area users, such as farmers and nature organisations. With them, we actively seek cooperation.

5. Positive impact on nature

With its drinking water supply, Vitens is part of a circular ecosystem. Water extraction affects this system. Vitens wants to make a positive contribution to nature. That is why we invest in a sustainable water system, where spatial planning follows the water system. This ensures sufficient water is available for various functions, including agriculture and nature. We are also committed to sustainable operations by reducing our CO₂ emissions, reusing waste streams and promoting biodiversity in our water catchment areas, among other things. Finally, we encourage sustainable water use among our customers. After all, the most sustainable drop is the one that is not produced.

1.5 Value creation model

Vitens wants to make a positive impact on people and nature with its ambition and associated activities. The value creation model illustrates where our activities have the most positive and negative impact. This model looks beyond financial results. It assesses impact on six different capitals: financial, produced, intellectual, social, human and natural.

The value creation model reveals what our organisation extracts from society, such as groundwater, what we do with it and the value we add. For example, issues such as employment and public health.

This is discussed in more detail in the annual report under '[Our impact on society in euros](#)'.

input

We rely on valuable resources...

economic impact

financial

Vitens' shareholders are 92 municipalities and five provinces. Capital position, revenues, investments and capital/loan liability are described in the financial statements. € 239 million investment in underground and overhead activities.

produced

With 93 production plants, we will have produced 362 million m3 of drinking water by 2024. We also purchased 6.2 million m3 of drinking water. We have a pipeline network of about 48,000 km.

impact on people

intellectual

By 2024, Vitens has invested in innovation, circularity, robust data interconnection and digitalisation of services.

human

With 1,762 employees, we have a diverse organisation in which flexible and safe working is our priority. Output management gives employees more responsibility.

social and relationships

We are socially engaged through our international activities and education programmes. We work together and seek dialogue with our stakeholders to act together in protecting our groundwater.

impact on nature

natural

For our operations, we need 166 GWh of energy. We manage around 2,661 hectares of extraction areas in a sustainable manner. By 2024, we have extracted 372 million m3 of raw water here.

businessmodel

...with our business model..



24/7

reliable
drinking water
for now and later



strategic targets

- Adequate and clean sources
- Resilient infrastructure
- Reliable drinking water operation
- Positive impact on people
- Positive impact on nature

output

...to drive results.

sufficient and clean resources

4 clusters with sufficient 'Total reserves'

6 clusters with positive 'Operational difference'

Average drinking water consumption per person per day in litres: **119,5**

-1,80% -1.80% savings in business use vs. 2016-2019

Pollution index for short term **85**

Pollution index for long term **380**



resilient infrastructure

€ Solvency: **29,8%**



Net result: **€ 34,5 miljoen**

Gross investments: **€ 286 miljoen**



reliable drinking water operation

343,4 million m3 of drinking water supplied

Substandard Supply Minutes: **14:45**

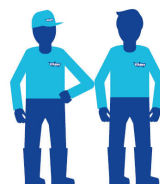
Water quality index: **0,017**

6 ICT prio 1 emergencies

0 ICT prio 1 cybersecurity



positive impact on people



Engagement score: **7,4**

Absenteeism: **4,9%**

LTIF: **3,9**

positive impact on nature

CO₂ emissions: **141** kilotonnes CO₂-eq.

CO₂ emissions per m3 produced

water (kg/m³): **0,38**

5,6 GWh of sustainably generated energy



impact

"This is how we create value for our stakeholders and environment..."

customers

By providing affordable and reliable tap water to customers 24/7:

- We contribute to their health
- We make their lives more comfortable
- We contribute to the economy

Through good information and customised service:

- We make managing water issues as easy as possible
- We help customers make their lives more sustainable

environment

Water supply has great social value, but also a downside for people and nature. We work to make the water cycle more sustainable and minimise the impact of our operations by:

- Renewable energy generation
- Sustainable site management
- Limiting inconvenience to works
- Sustainable procurement policy, recycling residual flows and circular economy partnerships

employees

We contribute to employee well-being through:

- Development opportunities
- Income
- Good work/life balance

shareholders

Shareholders can count on us to:

- Be a constructive partner in spatial planning
- Contribute to the well-being of their citizens
- Help them with their groundwater protection tasks
- Pay dividends if possible

...and contribute to global goals.

sustainable development goals



Clean drinking water and good sanitation have our primary focus. (6.1, 6.3, 6.4, 6.5 and 6.6.)



We contribute to fair work and economic growth (8.8)



We invest in innovation and a sustainable infrastructure. (9.1 and 9.4.)



We ensure sustainable management and efficient use of natural resources. (12.2.)



We take urgent action to combat climate change and its impact. (13.2.)



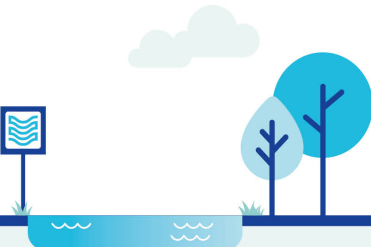




2 The value we create

Through its ambition and associated activities, Vitens wants to create value for its environment, employees, customers and shareholders. We do this by focusing on the five strategic goals mentioned earlier.

In this chapter, we report on these goals using nine material themes. These are (sustainability) themes where Vitens has the most impact, based on input from our internal and external partners. For each material theme, we chart our performance and the initiatives that contributed to it in 2024. We also take a look at the future. How do we ensure that we continue and, if necessary, improve our performance in 2025 and beyond?



A sustainable drinking water company, socially embedded, with a positive impact on people and nature

Strategic goals	Sufficient and clean sources			Resilient infrastructure	Reliable drinking water operation			Positive impact on people	Positive impact on nature
									
Material themes	• Water scarcity	• Responsible water use	• Protection of groundwater resources	• Financial health	• Supply security of drinking water	• Quality of drinking water	• Digitalisation and data safety	• Attractive employer	• Climate impact
Subthemes	• Total reserves • Operational difference	• Average drinking water consumption per person per day in litres • Business use savings vs. 2016-2019	• Pollution index	• Solvency • Investment and financing task • WACC regulation • Return to shareholders • Drinking water tariff	• Substandard supply minutes	• Water quality index • ILT reports	• ICT Prio 1 emergencies • ICT Prio 1 cybersecurity emergencies • Digitalisation	• Engagement score • Absenteeism and vitality • Safety • Diversity, inclusion and equal treatment	• CO ₂ -equivalent (emission of greenhouse gases) • Circular economy and waste flows • Encouraging sustainable water use • Living environment and biodiversity • Sustainable water system

2.1 Adequate and clean sources

As a drinking water company, Vitens is tasked with ensuring sufficient drinking water now and in the future. To this end, we are committed to maintaining and expanding extraction permits, increasing our extraction capacity, responsible water use and source protection.

The key results

- Our goal of having sufficient extraction permits in four of the 10 clusters by 2024 has been achieved.
- We also achieved our goal for sufficient production and distribution capacity; in six clusters this is in place.
- Households are becoming more water conscious. The goal of consuming an average of 127.5 litres of drinking water per person per day was more than met: average consumption was 119.5 litres.
- Among business customers, the targeted savings on drinking water fell short of the goal: only 1.8% savings were achieved instead of 4.2%.
- No deteriorations are visible in the quality of sources.

2.1.1 Water scarcity

Rising demand for water, due to climate change and population growth, among other factors, is making water an increasingly scarce resource. Moreover, the Netherlands has traditionally been set up to drain water as quickly as possible. This is detrimental to groundwater levels and thus to nature, agriculture and drinking water companies such as Vitens. In short: the water system is under increasing pressure. It is therefore necessary to look at this differently.

Due to increasing demand, Vitens needs more permits in the short term to extract (ground) water to make drinking water. Only through cooperation with our water partners can these permits be realised. Complex, lengthy permit procedures and competing interests in the living environment are major bottlenecks in having permits available on time. Difficult integration into the living environment is often the cause of this. However, the exact bottlenecks vary by region. Other, cross-regional, obstacles include increasing scarcity of manpower and resources, nitrogen regulations and grid congestion.

For the long(er) term, beyond 2030, Vitens is working with stakeholders to create a robust system with drinking water extractions that have the least possible impact on nature and the environment (the strategic hearts). For this, we are also looking at alternative sources to make drinking water from. By focusing on the intake of surface water, riparian groundwater and shallow groundwater in addition to deep groundwater, we increase our available source capacity and thus make us more resilient to vulnerabilities due to weather extremes (such as prolonged drought). This is how we develop a future-proof and sustainable water system. This is a process over decades. Therefore, we are still committed to extracting additional groundwater in the coming years, but in the most sustainable way possible.

Finally, not only water harvesting needs to be different. It is also important that (business) customers use drinking water responsibly. In short: sustainable drinking water extraction concerns the entire chain.

Total reserves

Sufficient reserves are important to meet water demand now and in the future. The 'Total Reserves' KPI indicates how many of our total 10 clusters have sufficient extraction permits. Sufficient means we have enough permit space in a cluster to meet current drinking water demand, plus 10% additional permit space for infrastructure expansion.

Results

	Target 2024	Result 2024	Result 2023
Number of clusters with sufficient Total Reserves	4	2	2

Explanation

Our goal has been achieved. We have sufficient total reserves in the following clusters: Overijssel-Noord, Utrecht-Zuid, Gelderland-Oost and Friesland. However, the Friesland cluster has the caveat that the permit in Luxwoude is not yet irrevocable and there are outstanding appeals.

Despite this, there remains a major challenge to get the reserves in the remaining clusters up to standard, which is necessary to ensure sufficient water supply in the future. In addition, the commitment to conservation and preservation of current extractions also requires our continued attention.

2024 initiatives

- By 2024, work was in full swing on the already ongoing programmes to obtain additional water extraction permits.
 - Frequent research has been conducted for the different programmes. For instance, both Fikkersdries and Schalkwijk have started the environmental impact assessment (EIA) procedure, where the Notice of Scope and Detail (NRD) has been made available for inspection.
 - Exploratory drilling has been carried out in Gelderse Valley and fieldwork has started for Salland Diep in anticipation of supporting a permit application and possible EIA procedure.
 - The permit application for expansion of extraction at Epe has been submitted to Gelderland province.
- To find support for drinking water extraction and include the surrounding area in Vitens' plans, residents' evenings were organised regularly to include the area in developments.
- In consultation with the provinces relevant to Vitens and selected water boards, work continued on the development and implementation of the drinking water strategies. In line with the strategies, the Availability of Drinking Water Sources 2023-2030 action programme was written in cooperation between the provinces, the state and Vitens. The action programme shows both regional and national actions to be implemented and corresponding responsibilities to ensure that drinking water supply is in order by 2030.
- As in 2023, explorations continued for alternative sources of drinking water other than groundwater.
 - In 2024, cooperation with market players continued for the design a new drinking water concept in the IJssel Valley (living lab). Within this drinking water concept of the future, we want to use multiple sources of drinking water, apply modular construction techniques and shorten the realisation time compared to regular lead times. For this purpose, treatment tests were carried out near Zwolle last year. The aim is to be able to produce water with a capacity of 5 million m³/year here by 2028. In order to deliver this full volume of water to our customers, new transport infrastructure needs to be built and it will not be ready until later. This means that production and supply will be increased in stages to 5 million m³/year.

- Also in other regions, Vitens explored opportunities to extract water from sources other than groundwater, including in the Ketelmeer, the Upper IJssel and in the Gooi in cooperation with Waternet and PWN in the Gooi.



1 Figure: Vitens cluster arrangement

Operational difference

The operating difference is the annualised difference between the necessary production requirement and the currently available treatment capacity. The 'Operational Difference' key performance indicator (KPI) indicates how many of our total 10 clusters have a positive operational difference. A positive operational differential means at least 10% operational spare capacity on top of drinking water demand. By making better use of the production and distribution capacity of existing sites or building new sites, operational capacity can be increased.

A positive operating differential is important to be able to respond flexibly to changes in drinking water demand. If a cluster has a negative operating difference, we may have to reduce water pressure during peak demand (e.g. in dry and hot periods) to continue supplying our customers with drinking water.

Results

	Target 2024	Result 2024	Result 2023
Number of clusters with a positive Operating Difference	3	5	2

Explanation

The goal was comfortably met. Besides the two clusters that had a sufficient positive operational difference in 2024, namely Gelderland-Oost and Flevoland, Gelderland-Zuid, Gelderland-Noord, Utrecht-Zuid and Friesland are now also in order. For Gelderland-Zuid, this is directly traceable to increasing the production capacity of Fikkersdries within the current permit. For the remaining clusters, this was achieved by slightly adjusting the water forecast downwards. Although the annual forecast adjustments result in small fluctuations, the upward trend in forecasts remains virtually unchanged. This means that in the coming years, initiatives to increase production capacity in all clusters will continue to be needed to meet the goal.

2024 initiatives

- At the Lochem production site (Gelderland-Oost), production capacity was temporarily increased within the limits of the current permit. In addition, a project to completely revamp the site and use its full capacity has been launched.
- Production capacity in Overijssel has been expanded in Deventer within the current permit by modifying the treatment plant.

Outlook

- Production capacity in Utrecht is being expanded. This is offset by the closure of the Doorn production site due to the vulnerability of this extraction. In addition, production capacity at Bilthoven will be expanded.
- Production capacity in Overijssel will be increased by expanding the treatment plants in Vechterweerd and Diepenveen.
- Production capacity in Gelderland is being expanded. Optimisation of the Fikkersdries extraction fields ensures that the current permit becomes fully deployable.

2.1.2 Responsible water use

To meet drinking water demand now and in the future, Vitens is committed to increasing supply as well as reducing demand. We cooperate in the implementation of the Dutch National Drinking Water Conservation Plan. This sets out the goals for 2035: 100 litres per person per day and 20% savings in businesses (vs. 2016-2019).

We do this by carrying out customer campaigns, providing saving tips, developing and applying behavioural interventions, researching with stakeholders the potential for water-friendly homes and encouraging our business customers to take measures for saving, recycling and alternative sources, among others. We also review applications for wholesale connections for appropriate use of drinking water and take a critical look at our own water use.

Domestic use

Results

	Target 2024	Result 2024	Result 2023
Average drinking water consumption per person per day in litres	127.5	119,5	N.D.

Explanation

After several summers with long periods of drought and heat, the summers of 2023 and 2024 were less hot and (significantly) less dry. This largely explains the sharper drop in drinking water consumption, particularly due to less use of the outdoor tap. However, based on the 2024 result, which represents the average of the past four years, we cannot conclude that there is a structural downward trend.

2024 initiatives

- On social media, we ran several campaigns, such as "Doucheffnormal" (shower normally) on TikTok (nearly 4 million views). We have highlighted drinking water conservation at several events, such as at the Bevrijdingsfestival Overijssel festival, several introduction weeks for students, the Twentse Waterweken and the Zwarte Cross festival.

- Vitens savings kit: savings package based on a pilot together with KWR, Dunea and PWN. The kit includes a leaflet, a shower timer and toilet stickers. 10,000 packages will be distributed, including through energy coaches and via promotion on social media and in the customer newsletter.
- Based on the 2023 behavioural study, an intervention was deployed to encourage families with young children in Twente to use the washing machine eco-programme. A pilot aimed at influencing showering behaviour is also being conducted together with Waternet and Waterbedrijf Groningen.

Business use

Results

	Target 2024	Result 2024	Result 2023
Business use savings vs. 2016-2019	-4.20%	-0.08%	N.D.

Explanation

Despite our efforts, we are lagging behind our goal. This is partly because our projects are still under development, but mainly because goal realisation depends heavily on steering policies from the government. In mid-2024, the Dutch national drinking water conservation plan was presented to the House of Representatives. Implementing this, to which we are cooperating, is crucial to achieving the intended reduction in business use.

2024 initiatives

- Based on research, two sectors have been identified for targeting in 2024, namely Education and Hotels & Recreation. An intervention has been tested at six colleges and universities and, due to its success, the plan for 2025 is to scale this up further. For the Hotels & Recreation sector, a study on promising interventions was launched together with WML and MKB NL. Preparations for a drinking water conservation project in the tourism sector have also started with partners as part of the Wadden Islands regional deal.
- Price incentive for large business customers: shareholders agreed to a higher tariff for customers with a usage of more than 100,000 m³, where 95% or more is for non-domestic use. This is prompted by the large investment task for drinking water supply, but it also contributes to an additional incentive for companies to invest in drinking water conservation.

2.1.3 Protection of groundwater sources

Groundwater is our primary resource. Protecting groundwater sources is therefore an important issue for Vitens. The quality of our sources is under increasing pressure. We face increasing pollution, including from emerging substances such as PFAS. Pesticide residues and nutrients also threaten our sources. In addition, the emergence of soil energy systems, such as geothermal and thermal storage systems (CHP), poses a risk due to the possibility of contamination.

Pollution index

The Pollution Index gives an indication of the degree of contamination of groundwater sources. The index indicates the difference between the current situation and source values (target values used by Vitens for raw water). This KPI is intended to show long-term trends and serves as an aid in discussions with governments to, for example, reach administrative agreements on groundwater protection and enforcement.

The index shows how many of which substances are present in raw water or spring water. The higher the index, the higher the number of undesirable substances and/or their concentrations. The substances are divided into four groups: macroparameters (nitrate, sulphate, hardness), pesticides, pharmaceuticals and other industrial substances. These substances are measured at each of our extraction sites. A result of 0 means there is no exceedance of the source value for that substance. A result of 100 means the highest degree of overshoot. For each extraction site, we add up the exceedances of all substances. We then take the average of all extraction sites. This is the Pollution Index.

The significance of the index lies mainly in being able to track the trend from year to year. Together with partners and competent authorities, we ask questions such as 'Are we on the right track?' and 'Is extra attention needed for certain sources, substances or developments?'

Besides the level of contamination at total level, we also get a lot of value from monitoring exceedances at source and substance group level. If new exceedances of substances are observed, this could be reason to enter into discussions with the province or other partners, with the aim of finding out where the exceedance is coming from and what can be done to prevent further pollution from the source.

We use two levels of ambition in striving for a clean source: a short-term ambition and a long-term ambition, each with its own list of source values. We therefore calculate two pollution indices:

- VI-KT (short-term)
In the VI-KT, we look at substances and substance groups found in our raw water. If they are at a concentration above the short-term source value, this contamination is urgent to address. Short-term source values are in line with drinking water standards applicable to produced drinking water, taking into account only removal by simple treatment.
- VI-LT (long-term)
In the VI-LT, we look at the same substances and substance groups as in the VI-KT, only here we use a more stringent target value, namely 10 times lower than the short-term one. This allows us to see which substances or substance groups could potentially become a problem in the long term (2050).

Early Warning

Besides measuring substances in groundwater sources, we also look at substances found in the shallow subsurface. Based on these Early Warning measurements, we can see which substances are potentially entering the sources. By having a picture of this now, we can take measures early and we may also see results from these measures within a few years.

Results

	Target 2024	Result 2024	Result 2023
VI-KT (short-term)	No increase compared to 2023	85	90
	Target 2024	Result 2024	Result 2023
VI-LT (long-term)	377	380	388

Explanation

The goal was met and the pollution index decreased slightly compared to last year, mainly due to a decrease in industrial substances.

Correction

When checking the source data used, it was found that a limited number of chemical analysis results had been incorrectly incorporated into the calculation model. This concerned only the data used in 2023 to determine the short-term pollution index. The error has since been corrected. The table below shows the value reported in 2023 and the adjusted value, used in the 2024 annual report.

	Reported in 2023	Corrected for 2023	Difference
VI-KT (short-term)	97	90	-7

2024 initiatives

- We have ongoing discussions with partners in our supply area about contaminants and activities that threaten the quality of our sources. Through talks, working visits, national meetings and participation in various initiatives, we promote the placing of this topic on the agenda, raise awareness about impact of certain substances on the living environment and generate more attention to the need for measures to improve water quality. In 2024, specific attention was given to:
 - In the province of Overijssel, much attention and energy has been devoted to developing possible protection measures based on the area dossiers. These measures include limiting pesticide use, reducing discharges, additional sewage treatment and stricter licensing and enforcement. This process took place under the direction of the province, in cooperation with the water boards and Vitens. The programme of measures is expected to be signed in 2025.
 - In the province of Gelderland, many efforts have been made to limit the use of pesticides. For example, there is a ban on growing flower bulbs in groundwater catchment areas.
 - In the province of Utrecht, we contributed to and advised on the Wees wijs met water, bescherm je bron! programme (be wise with water, protect your well). The aim of this programme is to make residents, businesses and institutions in the province alert to drinking water sources, how we can best protect them and what role different parties have in keeping water clean.
 - We held talks with farmers on what they need to contribute to better water quality around water catchment sites, for example by reducing pesticide or manure use. We also contributed financially to pilots of innovative machines that, using cameras, control weeds very precisely. This leads to a significant reduction in the use of pesticides.
 - We have participated in several initiatives to help protect our habitat and groundwater sources and raise awareness, such as the 'Drinkable rivers' movement.
- To make contaminants transparent and provide concrete action perspectives, we offer techniques and tools.
 - We advocate wider use of the pollution index. In 2024, it was presented to, among others, the Dutch Food and Consumer Product Safety Authority, NVWA and the Dutch Inspectorate for the Environment and Transport (ILT). With the tool, they can make companies aware of contaminants in water and encourage them to discharge fewer unwanted substances.
 - We provide data from the Vitens monitoring network for the national groundwater atlas for pesticides. The Board For The Authorisation Of Plant Protection Products (Ctcb) uses this data when (re)assessing plant protection products on the Dutch market. If the concentrations are too high in too many places, this can lead to the withdrawal of a drug's authorisation or adjustments in user instructions.
- We participated in investigations on the origin and behaviour in soil of PFAS and investigations on drug waste dumping to identify the origin of substances and prevent further contamination.

2.2 Resilient infrastructure

To provide sufficient and quality drinking water in the future, we need to invest heavily in our infrastructure in the coming years, partly to meet challenges such as climate change and rising water demand. To fund these investments, it is crucial that we are and remain financially sound. Only then can we continue to invest with financing on attractive terms, such as loans with favourable interest rates.

The key results

- Our solvency is 29.8%.
- Our equity has been maximally strengthened as a result of achieving budgeted results.
- We invested €286 million in our infrastructure.
- From 2025 to 2027, we will have the opportunity to realise slightly higher returns due to the temporarily higher WACC. Structural adjustment of the WACC remains necessary.

2.2.1 Financial health

Solvency (equity to debt ratio) is an important measure for assessing financial health. The higher the solvency, the healthier Vitens' financial position. To realise the intended investments, we need to strengthen our equity. An addition from net income contributes to this.

Results

	Target 2024	Result 2024	Result 2023
Solvency	Minimum 30%, 35% (target)	30%	30,3%
Net result in millions of €	28.0	€ 34.5 mln	€ 27.2 mln
Operating result	€ 61.4 mln	€ 72.9 mln	€ 61.0 mln

Explanation

Our solvency is slightly below our goal of at least 30%. We aim for higher solvency (35%), but this is not currently feasible. This is mainly due to the fact that our maximum net income (profit) is limited by legal regulation and the rising investment level.

We managed to achieve the target equity in 2024. The operating result is even above budget, mainly due to lower staff costs as a result of vacancies not being filled or being filled later. These savings are partly offset by higher contractor costs due to inflation, higher hiring costs and lower water sales.

2024 initiatives

- Based partly on the discussions we, together with our shareholders and the drinking water industry, have had with the Dutch Ministry of Infrastructure and Water Management in recent years, the minister has decided to increase the scope for making returns in the short term (2025-2027). This gives us the opportunity to build more equity.
- Efforts to achieve an amendment to the Dutch Drinking Water Act to enable structurally more efficiency continue.

- Business customers, to whom we supply other water, with the largest consumption of drinking water in the production process, will pay a higher tariff.
- The investment plan has been further optimised and made of higher quality.

Outlook

- We are delving further into alternative forms of financing.
- The tariffs for wholesale customers will be increased in stages over the next few years.

Investment and financing task

The size of our gross investment requirement grows substantially over the next 10 years. As a result of rising investment levels, our interest-bearing debt is rising. In 2024, we raised €175 million in new loans. We invested around €286 million in 2024.

Shareholders' dividend

The proposal is to pay no dividend to our shareholders for the financial year 2024. All the equity we can build up is needed for our investment task in the coming years.

Drinking water tariff

For 2024, the rate, excluding taxes, has been increased by 13.7% (2023: 16,4%). The standing charge has been kept as low as possible so that water saving is rewarded as much as possible. The rate is also expected to rise in the coming years due to inflation and our investment challenge.

2.3 Reliable drinking water operation

Vitens is committed to optimal (digital) operations. We do our best to prevent disruptions in the supply or quality of drinking water or to minimise their impact. We are also committed to measures to ensure the digital security of our organisation and operation to the best of our ability.

The key results

- In total, Vitens supplied 343.4 million cubic metres of drinking water in 2024.
- We had 14:45 undersupply minutes.
- Water quality meets the defined standards.
- We made 48 ILT reports of exceedances that we were affected by.
- We had 0 ICT Prio1 cybersecurity emergencies and 6 ICT Prio1 emergencies.

2.3.1 Supply security of drinking water

Vitens wants to deliver reliable drinking water to its customers and meet increasing demand. Especially in hot and dry periods, this is sometimes a challenge. In 2024, there was no extremely dry period and thus no peak moments of exceptionally high water demand. Climate change does cause weather extremes with high rainfall at times. Despite this, there were no substantial supply problems and we largely stayed within the annual permits. Maintenance and breakdowns can also cause problems. To minimise inconvenience, we try to keep the time customers are without water as short as possible.

Undersupply minutes

The number of undersupply minutes (OLM) is an annual average of the number of minutes customers are without water, both scheduled (maintenance works) and unplanned (breakdowns and emergencies). The lower the number of OLM, the better Vitens meets its security of supply of drinking water.

Result

	Target 2024	Result 2024	Result 2023
Number of substandard supply minutes	<18 minutes	14:45 minutes	12:28 minutes

Explanation

The goal was met, but the number of undersupply minutes is higher than last year. The fluctuations in the OLM are mainly due to unplanned major incidents. Last year, for instance, a leak on a transport pipe due to excavation damage in Zeist had a significant effect on the number of substandard delivery minutes.

2024 initiatives

- At the Spannenburg production site, the project was completed to significantly increase security of supply. The site has been made more resilient to fluctuations in grid voltage, preventing outages due to voltage dips.

2.3.2 Quality of drinking water

Excellent water quality is a high priority for Vitens because of the health, satisfaction and trust of our customers. That is why we invest in maintenance, replacement and innovation to ensure the reliability of our assets and continuously monitor our water quality, both in real time with sensors and through sampling. As a result, Vitens supplies hundreds of millions of litres of clean drinking water every year. Nevertheless, it may happen that drinking water (temporarily) does not meet our requirements, for instance due to bacteriological contamination. This could lead, for example, to a boiling advisory. If a quality incident occurs, an evaluation follows, after which we take measures to prevent recurrence at the same or another site.

Water quality index

To ensure the quality of our drinking water, we use the Water Quality Index (WQI). This index represents with a single number the extent to which the outgoing clean water from production sites meets the applicable legal standards. The WQI is calculated based on standards from the Dutch Drinking Water Decree. These standards specify the concentrations at which certain parameters may be present in drinking water.

Results

	Doelstelling 2024	Resultaat 2024	Resultaat 2023
Waterkwaliteitsindex	≤ 0,019	0,017	0,017

2024 initiatives

- Extraction wells have been preventively elevated so that intrusion of surface water is less likely to enter the extraction well.
- A sector-wide agreement has been drawn up in which agreements have been made on distances between heat networks/urban heating and drinking water pipes in various situations.
- We started a pilot for advanced oxidation to break down an unwanted, pollutant (vinyl chloride).
- A pilot study was conducted on the application of graphene oxide membranes for colour removal.
- A softening plant has been commissioned at the Culemborg production plant, providing customers with softer water.
- In cooperation with research institutes, we are investigating the removal and degradation of PFAS during drinking water treatment.

ILT reports

If the legal standard is exceeded, Vitens notifies the Inspectorate for the Environment and Transport (ILT). The KPI ILT reports are reports of exceedances that we, as a drinking water company, have influence over and which, in principle, could have been prevented.

Results

	Doelstelling 2024	Resultaat 2024	Resultaat 2023
ILT-meldingen	<37	48	41

Explanation

The goal was not met, partly due to the technical condition of the assets combined with extreme weather conditions, the method of sprinkling and insufficient supervision of contractors. Large-scale boiling advisories were issued for the Ellecom, Goor, Apeldoorn and Dinxperlo production sites due to microbiological contamination. This kind of boiling advisory, and especially the one in Apeldoorn with 70,000 households, had a major impact. Hard work was done to lift them as soon as possible and minimise the impact. Boiling advisories are always evaluated so that we continue to improve.

Outlook

- A task force has been set up aimed at more intensive maintenance, smarter handling of ageing assets in terms of inspection or policy.
- Establishing and optimising measurement protocols for faster detection of exceedances.
- We continue to comprehensively and frequently evaluate quality incidents and water quality performance to make quick adjustments.
- Providing and continuing to repeat the 'Working hygienically' training session for our colleagues and employees of contractors carrying out work on the distribution network and production sites.

2.3.3 Digitalisation and data security

Vitens manages a vital infrastructure of drinking water supply for the Netherlands. An increasing part of this infrastructure is digitally driven. Digital security incidents pose a major threat to the 24/7 supply of reliable drinking water. That is why we prioritise the security of our systems, data, production sites, offices and (customer) data.

Data security

The increasing digitalisation of our operations and organisation requires ever better protection against cybercriminals and cyberattacks. As a designated essential service (AED), Vitens follows the guidelines from the Dutch Network and Information Systems Security Act. To make our organisation resilient to new threats and vulnerabilities around cybersecurity, we need to bring in the necessary resources. The focus on this issue therefore remains undiminished within Vitens. Continuous checks are carried out to identify vulnerabilities and implement improvements in processes.

Emergencies

Cybersecurity concerns the security of Vitens' electronic data, systems, networks, computers, mobile devices and servers. To report on and manage the risk of malicious attacks, we measure two KPIs:

- ICT Prio1 emergencies

ICT Prio1 emergencies involve accidental disruptions, for example due to technical problems. A disruption counts as a Prio 1 emergency when it affects a primary business process, such as the production, distribution or invoicing of drinking water, and at least 50 users are affected.

- ICT Prio1 cybersecurity emergencies

ICT Prio 1 cybersecurity emergencies involve deliberate and malicious disruptions, such as sabotage by a hacker. Such a cybersecurity emergency poses a threat to, for example, the availability or confidentiality of information or services provided for drinking water supply.

Results

	Target 2024	Result 2024	Result 2023
ICT Prio1 emergencies	<10	6	9
ICT Prio1 cybersecurity emergencies	0	0	0

Explanation

We achieved our goal. There were no ICT Prio1 cybersecurity emergencies and a total of six ICT Prio1 emergencies recorded. These disruptions impacted a primary business process and affected at least 50 users.

2024 initiatives

- An external audit to PA security standard was conducted in 2024, based on the Dutch Network and Information Systems Security Act. The audit found that Vitens has demonstrably good digital resilience in place.
- In view of the new cybersecurity law (NIS2), which Vitens needs to comply with by 2025, an initial scan was carried out. This showed that Vitens was already 93% compliant, based on the documents available at the time.
- A team of specialists has been set up to provide first aid for specific digital security problems. This team continuously monitors compliance with the policy and is ready to intervene immediately in case of emergencies.

- Ongoing training in dealing with cyber incidents remains a priority.
- Active awareness around digital security, physical security, safe working, environment and privacy has received extra attention. This is communicated in an integral way, culminating in the annual Vitens Safe Week, in which these themes are given extra emphasis.

Digitalisation

Digitalisation and automation contribute to better quality and security of supply of drinking water and the ease, reliability and sustainability with which we can carry out our operations. It also makes for more efficient communication with and to our customers, such as communicating water levels or handling complaints.

2024 initiatives

- The tender to replace our process automation to one uniform and secure standard has been successfully completed. The new standard is being tested at the Ceintuurbaan production facility (Deventer) and is expected to come into use in 2025.
- Uniform area steering has been further rolled out. This improves the predictability of water demand, leading to fewer manual interventions, lower energy consumption, less wear and tear and higher water quality.
- Digital Twin Distribution (DTD) of our production and distribution infrastructure has been made available in an increasing number of sites. This digital replica of our infrastructure allows us to carry out simulations and calculate scenarios, allowing us to optimise processes and make better-informed decisions, for instance in the event of maintenance or disruptions. In addition, digital twins play an important role in securing knowledge so that it does not just stay in the heads of employees.
- The last SAP projects have been completed, completing the full automation of operations and allowing the old SAP platform to be phased out. However, further optimisation initiatives need to be undertaken.
- AI is increasingly being integrated into our daily operations. For example, an AI tool has been developed that automatically reads photos of meter readings, allowing customers to report their meter reading with a photo.

2.4 Positive impact on people

To fulfil our task as a drinking water company, we desperately need all our nearly 1,800 employees. This is why we value being an attractive employer, safety in the workplace and an inclusive and diverse organisation.

The key results

- The engagement score (7.4) is equal to the benchmark.
- Absenteeism is 4.85%.
- There were 12 accidents involving absenteeism.

2.4.1 Attractive employer

Vitens wants to be an innovative and socially committed employer, where people work in a healthy and safe manner. We aim for employees to feel good about themselves, be productive and continue to develop. Being a good and attractive employer helps to retain employees and attract the right people. Continued tightness in the labour market in 2024 made it another challenge to retain people and recruit new employees. The continued tightness is only expected to worsen in the coming years and calls for other measures such as productivity increases.

Engagement

Engagement is about the extent to which employees are inspired by and energised by their work. It also relates to their positive relationship with Vitens. Enthusiastic employees experience their work as meaningful and rewarding, are proud of their jobs and feel at home within Vitens. They will be extra committed to the organisation because they enjoy their work and the organisation so much.

Engagement is expressed by the engagement score. This is measured in the employee survey. All permanent employees were asked to complete the survey. The response rate was 66% (1150 employees).

Results

	Target 2024	Result 2024	Result 2023
Engagement score	≥ 7.4 (benchmark)	74	70

Explanation

Vitens scores equal to the benchmark and better compared to 2023. Scores improved in almost all areas. This can be sought in the fact that the organisation followed up on actions resulting from the 2023 employee satisfaction survey. The 'trust in management' component has the largest increase compared to the previous measurement.

2024 initiatives

- Culture and leadership received focused attention. Several team development programmes have been launched and a tender has been prepared to launch a leadership programme with an external party in 2025.
- Vitens started a programmes with the Dutch Vitality Expertise Centre to develop a shared vision of being an attractive employer. Engagement and enthusiasm are also included in this.
- We have been actively engaged in improving the health and vitality of employees.

Absenteeism and vitality

Vitens strives for a working environment in which employees are sustainably employable. The challenges are greater than ever. Trends such as an ageing population, increasing labour shortages, hybrid working and increasing pressure on work-life balance require active and targeted management of these challenges around vitality and sustainable employability. Vitens wants to strengthen health culture and vitality, as vitality is an important aspect of both personal well-being and work performance and represents the resilience to face challenges and stay actively engaged. Absenteeism receives structural attention to prevent and reduce absenteeism.

Results

	Target 2024	Result 2024	Result 2023
Sick leave	4,75%	4.85%	5,00%

Explanation

The absenteeism rate is 4.85%. While this is an improvement on last year, it is not enough to meet the goal. We saw satisfactory reporting frequency of 0.9. This means that, on average, an employee reported sick 0.9 times in 2024. There was also a decrease in the absence duration of long-term sick people (>7 weeks).

2024 initiatives

- A plan of action on vitality and sustainable employability has been made for 2025-2026. The vitality and sustainable employability plan will be implemented over the next few years.
- There was a pilot with an absence coordinator in 2024: a specialist who supports all (case) managers and employees with absence issues and is also responsible for the further development of our absence policy and process. This pilot will be completed in 2025.
- The absence policy, process and tools to manage absence preventively and effectively have been further developed, such as with a new e-learning and a new absence dashboard.
- There has been a campaign by Loyalis to take out disability insurance without medical underwriting in case of disability.

Outlook

- Interventions to increase employee vitality are tailored to specific needs of employees and organisational units. There is also a distinction between ampliative approach (boosting job satisfaction and energy), preventive approach (preventing absenteeism) and curative approach (providing recovery support).
- From 2025, employees will be able to choose health solutions through the health insurer's 'healthy business platform'. This allows employees to access and, among other things, through the Employability Budget, increase their sustainable employability through commitment to health advice.
- We will make a choice about structurally setting up the absence coordinator.
- In 2025, we are paying attention to end dates of contracts, such as those of occupational health & safety provision and self-insurance in line with WGA (Dutch Return to Work Scheme for the Partially Disabled) and the Dutch Sickness Act.

Safety

Working safely is essential at Vitens. We attach great importance to safety awareness and safe actions of our employees, which is crucial for occupational safety. We noted in 2023 that our security level and awareness needs a boost. That is why the Security Attack Plan was drawn up and implemented. With this, Vitens aims to become an accident-free organisation.

Our health and safety management system is ISO 45001 certified and we integrate safety into all our processes. Regular training and instruction on safe working practices are standard. Safety ambassadors are also committed to a safe working environment, which led to several safety reports. We also ensure risk-driven working within the work processes. By analysing the specific safety risks in each department, we take targeted measures to reduce or prevent risks.

LTIF: Lost Time Injury Frequency

Lost Time Injury Frequency is a measure used to measure the number of working days lost due to injury. It is a key indicator of the safety performance of an organisation or industry. The LTIF is expressed as the number of lost-time accidents per 1 million hours worked by permanent and hired employees (excluding subcontractors). The lower the LTIF level, the better safety performance is generally considered.

Results

	Target 2024	Result 2024	Result 2023
LTIF	0	3.9	1,0

Explanation

Despite the additional safety efforts, the number of lost-time accidents rose to 12 in 2024, compared to four in 2023. This has led to a significant increase in the LTIF. Most accidents involve pinch, bump, cut, fall and trip incidents. There is no clear explanation for the increase in accidents.

2024 initiatives

- Work has started on Safety Culture Ladder certification where Vitens started partly on step 2. After 2024, Vitens plans to certify organisation-wide in line with the Safety Culture Ladder.
- We have increased our capacity internally and participate in external consultations. Safety ambassadors related to safety science have been trained and the number of safety officers has been increased. A number of safety training sessions have also been improved and are being carried out more often. In addition, cooperation with external partners such as WWB, Vewin and CROW has been strengthened.
- Introducing a new mobile safety inspection application.

Outlook

- All managers, directors and the Executive Board are trained on safety behaviour and awareness.
- Departmental safety (multi-)year plans are strengthened.
- We focus on updating security policy topics that have been prioritised.

Diversity, inclusion and equal treatment

Vitens employees should feel at home with our organisation regardless of gender, orientation and cultural and/or ethnic background. We also want the organisation to be a good reflection of society. Promoting diversity, inclusiveness and equal treatment therefore has attention within Vitens.

In addition, we want to be able to reach and attract all available talent in the (scarce) labour market. In this context, we also pay attention to attracting people with a distance to the labour market. This is also in line with the cabinet and employers' jobs agreement on creating jobs for people with physical or mental disabilities. At Vitens, we have 'Harrie-helpt' training sessions (Harrie is short for the Dutch words for helpful, alert, realistic, calm, instructive and honest). An employee is then trained over two days to become the ideal colleague of someone distant from the labour market.

Vitens is also a recognised referent. This means that we are authorised to hire non-European knowledge migrants and carry out the application and procedure of these ourselves.

2024 initiatives

- Through a tender process, two parties were found to support and facilitate Vitens in attracting and working with people with a distance to the labour market.
- The research question for the gender pay gap survey has been formulated, and the survey will be conducted in 2025.
- The vision of Diversity and Inclusion is shared within Vitens; we believe in the power of differences.
- Diversity and inclusion is included as a regular part of the employee satisfaction survey. This allows us to analyse employees' experiences and work on improvements from there.
- There has been a pilot for swapping a public holiday to an alternative public holiday. In 2025, we also offer that possibility and recommend that it be included in the new collective agreement.

Outlook

- Organise inspiration sessions for valuing differences and focusing more on the skills of employees with a distance to the labour market.
- Vitens is part of a joint working group on diversity & inclusion from the WWb. We are working with other water companies to write our collective agreement more inclusively. An inclusion statement will be part of this.

2.5 Positive impact on nature

The production of drinking water has an impact on nature and the environment. We try to minimise this negative impact.

The key results

- Vitens emitted 141 kilotonnes of CO₂-eq.
- Several initiatives have been launched in the field of circular economy, including initiatives aimed at the high-quality reuse of our residues.
- Several initiatives have been launched in the field of nature development and biodiversity
- New steps have been taken towards a sustainable water system, including within the Panorama Waterland concept.

2.5.1 Climate impact

Climate change is becoming increasingly visible. In 2024, there was no extremely dry period and thus no peak moments of exceptionally high water demand. Climate change does cause weather extremes with high rainfall at times. Vitens is therefore working on adaptive measures to deal with these weather extremes. Together with stakeholders, we are working on a sustainable water system. At the same time, Vitens wants to limit its impact on the climate. This is done by focusing on reducing greenhouse gas emissions, high-quality reuse of residual flows and by including sustainability criteria in tenders.

Greenhouse gas emissions

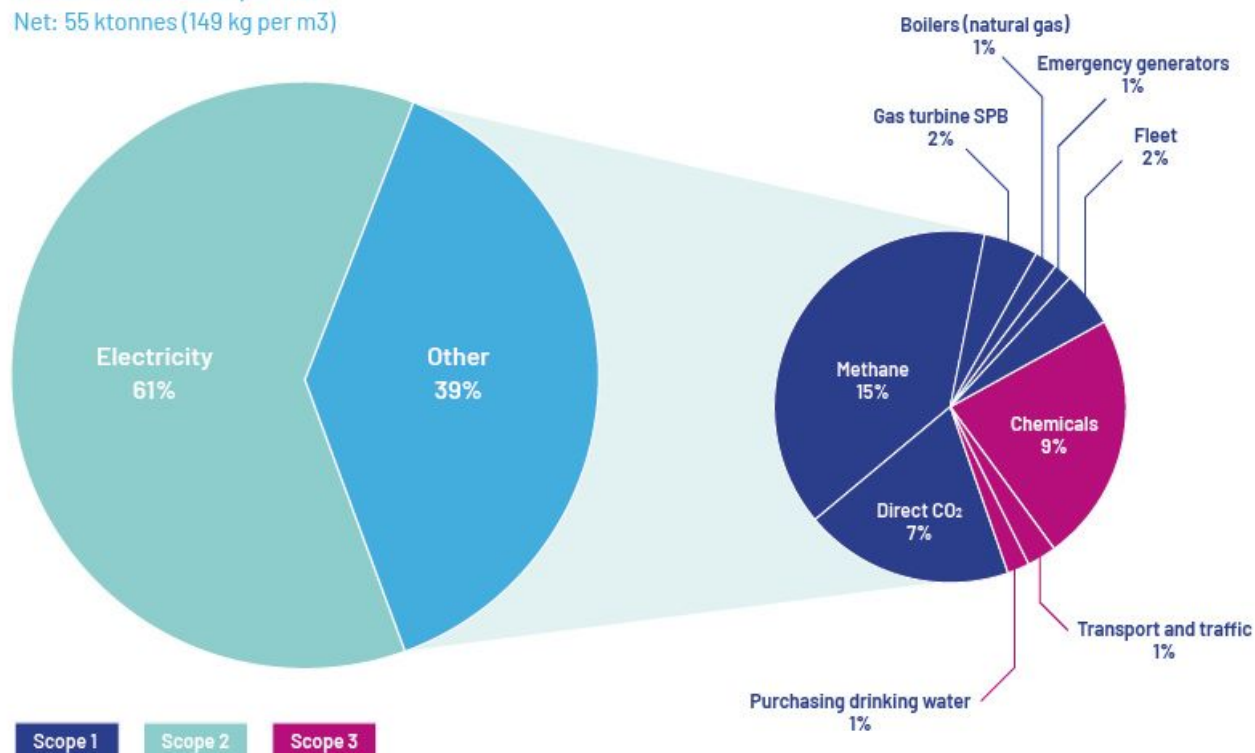
By reducing greenhouse gas emissions, Vitens wants to contribute to combating climate change. We measure our emissions using carbon dioxide equivalent (CO₂-eq). This is a unit of measurement that converts various greenhouse gases into the greenhouse effect of 1 kg of CO₂. Our ambition in this area is derived from the 2019 Dutch Climate Act. This means we set ourselves the goal of reducing our emissions by 49% by 2030, and 90% by 2050 (scope 1, 2 and 3). This amounts to an absolute emissions goal of 100kton by 2030 and 10kton by 2050.

The table shows that 61% of our emissions are related to electricity consumption to extract, purify and distribute water (scope 2). In addition, about 28% is related to direct emissions of greenhouse gases (scope 1) released during the production process (mostly because they are in the raw water we pump up, and then released during aeration). Scope 3, calculated according to the Dutch Drinking Water Code Of Practice, consists of emissions not emitted by Vitens itself, but elsewhere in the chain. An example is the emissions required to produce chemicals that Vitens needs in its treatment process.

Vitens CO₂-eq emissions 2024 (ktonnes)

Gross: 141 kt (0.382 kf per m³)

Net: 55 ktonnes (149 kg per m³)



Results

	Target 2024	Result 2024	Result 2023
CO ₂ -eq	123.9 kilotonnes	141 kilotonnes	124 kilotonnes

Explanation

Failure to meet this goal is mainly due to this year's increased emission factor (2024) used to convert our electricity consumption to CO₂ emissions. This increase results in additional emissions of over 13 ktonnes. The reason for the increase is that this emission factor is based on power sector emission data from 2022, when the energy crisis broke out and coal-fired plants were temporarily allowed to run at full power again. It is a temporary effect. The emission factor is expected to decrease again in the coming years due to greening of the Dutch energy system. In addition, increased methane emissions contributed to additional emissions, due to less efficient methane handling, which required more frequent blowdowns.

2024 initiatives

- The pilot into application and operational impact of membrane technology in methane capture in 2023 was followed up in 2024 with a new pilot at Spannenburg where potential efficiencies in subsequent treatment steps were investigated as part of the design of future new construction.
- In 2024, we started rolling out solar panels on roofs of our manufacturing plants to increase our own generation.

Outlook

- We will complete the recalibrated energy and emissions policy in 2025.
- New energy contract (concluded in 2024) comes into force, allowing us to supply our entire electricity needs with electricity from Dutch wind power.
- Implementing energy-saving measures at our support sites.

Circular economy and residual flows

Vitens is committed to converting waste streams into residual streams, aiming for high-quality reuse. We focus on recycling residues as feedstock for our own processes. This helps reduce the mining of new raw materials and the associated environmental impact. The main residual streams from drinking water production are iron water and lime pellets. Vitens offers the material that can be reused to contracted market parties for reuse, e.g. building materials or bio-digestion plants.

2024 initiatives

- In 2024, we investigated the possibilities of replacing graft sand with calcite graft at a number of production plants where we need to soften water (remove lime). This is made from lime pellets (an existing residual stream) and with this we can replace part of our grafting sand procurement. In addition, the resulting residual flow (calcite graft with lime deposited on it) can be better utilised in another application, such as hardening in locations where water is too soft (and thus lime has to be added). As procurement, production and sales is a chain process, we are developing this transition together with partners in the chain.
- Together with partners, we are looking at wider application of iron water sludge, including in water treatment technology. Together with Aquaminerals, we looked at new application possibilities and which product forms fit them.
- We have signed a new contract for waste collection and disposal. In this tender, circularity played an important role, e.g. the new service provider helps us separate our waste streams in the best possible way.

Outlook

- We want to implement the transition 'grafting on calcite' as explored in 2024 by testing it in practice at at least one site in 2025. This site will be used to test the technical and financial feasibility of the business case. If there is a positive outcome, we can further implement it in more sites.
- We are committed to developing a broader material flow analysis and associated strategy in 2025, in order to better understand our action perspective with regard to circularity and be able to prioritise appropriately.

Responsible water use

The most sustainable drop is the unproduced drop. Therefore, we actively pursue water conservation among our residential and commercial customers and within our own operation. How we did that in 2024, we described earlier in the annual report under 'Sufficient and clean sources'.

Living environment and biodiversity

A clean environment rich in biodiversity is an important protection of our sources. We actively invest in nature development and promoting biodiversity. We do this mainly in areas where we also extract water in the future, fitting within the concept of the target structure.

2024 initiatives

- Nature developments (started in 2023) have been completed in Rodenmors, including the creation of puddle marsh situations. This has led to the breeding and/or foraging of several meadow birds in our area, such as the lapwing, redshank and oystercatcher.
- In Weerselo, to promote biodiversity in the water catchment area, a stretch of grassy heathland was ploughed and a pond including banks was cleared of vegetation. The species richness of the plot can thus increase again and this provides an opportunity to also give pioneer vegetation that was previously common in the area another chance.
- In the Hoge Hexel water catchment area, wet scrubland will be created via water flow redesign. A moist and wet soil should ensure an increase in biodiversity in this area.
- The planting of 1100m² of naturalising bulbs at three different Vitens sites in Friesland. This aims to create a longer flowering arc for insects.

Outlook

- In 2025, we will investigate whether we can extend the approach with feral bulbs (from 2023) to some other areas.
- Within several extractions on the high sandy soils, we intend to apply buffering agents such as our lime grains and/or stone flour to increase buffering capacity, if necessary. This leads to less aluminium leaching which is a resource risk and also prevents biodiversity loss.

Sustainable water system

We invest with partners, such as provinces, municipalities, water boards, farmers and nature managers, in making the water system more sustainable. We want to make the water system more climate-robust and increase water availability in our strategic heartlands so that sufficient water is available for various functions in the future. One way we do this is by retaining and infiltrating water as much as possible. A good example of a concept for sustainable and robust water system design is [Panorama Waterland](#).

2024 initiatives

- Work on three projects near Lochem, Haarlo Olden Eibergen and Epe in 2024. For these areas, a hydrological analysis was done and an initial design review carried out. This forms the starting point for the area process launched in late 2023.
- The Panorama Waterland concept is integral to the development of strategic hearts such as on the Veluwe, Ketelmeer, IJssel Valley (via LLEV) and 't Gooi by 2024. The concept has also been included in the (further) development of extractions in Utrecht (such as Schalkwijk) and around the Utrechtse Heuvelrug and in Gelderland (Apeldoorn-Noord and Gelderland Valley). The possibility of water batteries has been investigated for the Veluwe region (North Veluwe and South-East Veluwe). For Goor-Herikerberg, a start has been made on making the existing extraction robust, possibly in combination with its expansion.

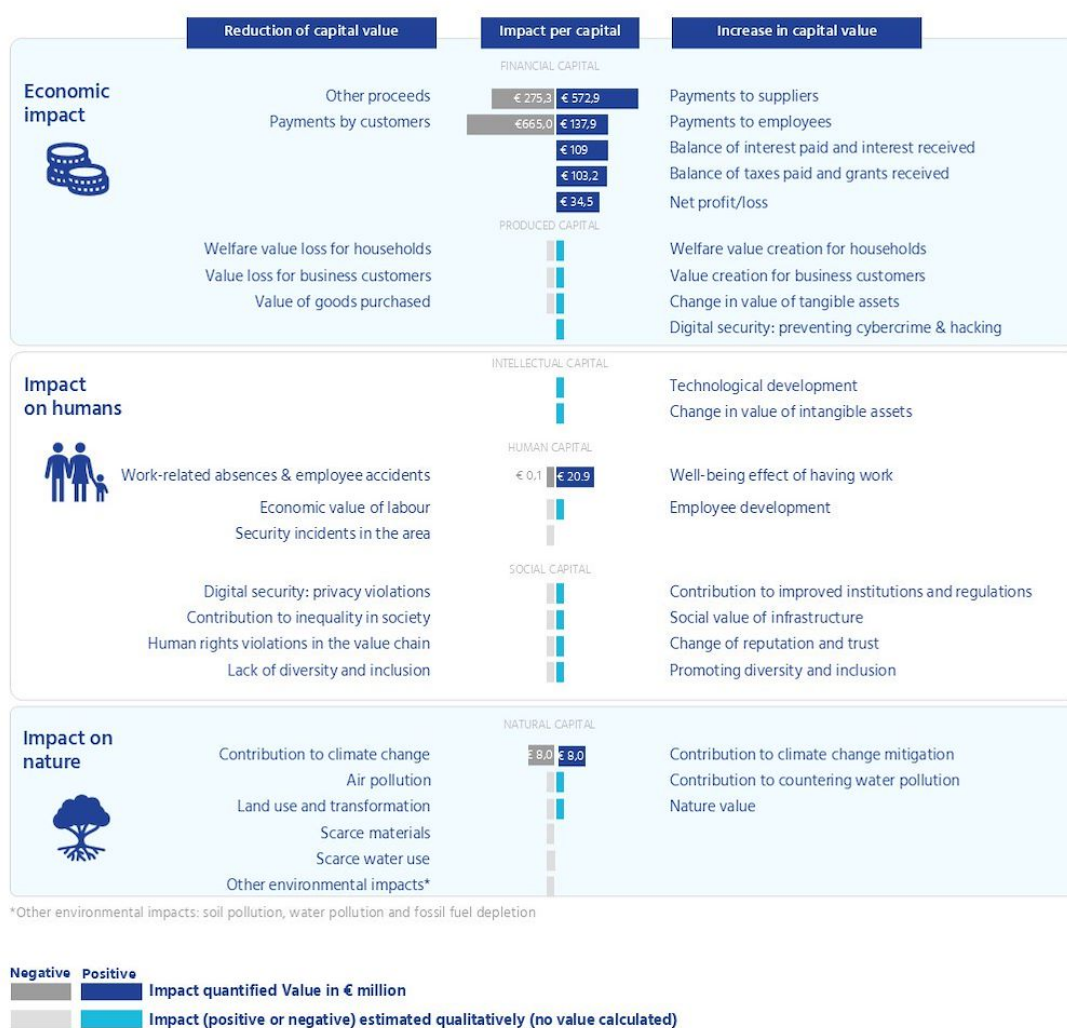
Outlook

- We will step up our efforts to integrate Panorama Waterland in the strategic hearts of our target structure and in ongoing and new project areas, such as in Twente, on the Veluwe or on the Utrechtse Heuvelrug.
- We are continuing the line to further substantiate the Panorama Waterland concept with concrete applications in areas. We also continue to present the concept to the outside world on various platforms, both online and offline.

2.6 Our impact on society in euros

Through impact measurement, we are working towards an integrated picture of our impact. Gaining insight into (material) impact also helps Vitens comply with obligations arising from upcoming sustainability legislation, such as the EU Taxonomy and the Corporate Sustainability Reporting Directive (CSRD). This legislation requires us to offer insight into the impact of our organisation, both directly and in the chain.

For impact measurement, we quantify a limited number of impacts over 2024 and express them in euros. This makes it easier to compare them and see where we add the most value to society. For this approach, we follow the guidelines from the 'Handbook for impact measurement of infra companies' (version 2024). More information on how Vitens does this can be found in the 'Accountability impact measurement' <https://www.vitens.nl/-/media/Project/Vitens/VitensNI/Over-Vitens/jaarverslagen/Verantwoording-impact-meten-jaarverslag-2024.pdf>. The handbook already lists more impacts than reported in this annual report. A conscious decision has been made not to expand the number of impacts reported yet. The reason is that the current methodology to calculate other impacts has yet to be translated to the drinking water context and not all the necessary data to calculate these impacts are yet available.



Corporate financial statements

Vitens' performance over the past year can be found in the company financial statements. In it, we highlight many different securities, categorised into six capital categories. This gives a picture of where we add or subtract value to society. The impact model is still under development. Therefore, we show two types of impact in the social accounts: quantitative and qualitative. Quantitative impacts were calculated according to the methods in the manual. For the remaining impacts, we make a qualitative assessment, indicating whether Vitens has a positive or negative impact. However, this does not provide information on how large these specific effects are. The qualitative impact assessment builds on an earlier 'Impact Journey' conducted with other infrastructure organisations.

Economic impact

Vitens will invest in maintenance and expansion of underground and above-ground infrastructure in the coming years to continue meeting the demand for drinking water. By setting criteria for investments from the policy on Corporate Social Responsibility and Purchasing (CSRP), Vitens can thus make a positive impact.

The investment in the infrastructure, which Vitens thereby maintains and expands, translates directly into tangible value for households and business customers. For example, consider the customer's comfort in accessing drinking water. At the same time, the rate over 2024 did rise significantly.

Impact on people

At Vitens, we are committed to making a positive impact on people:

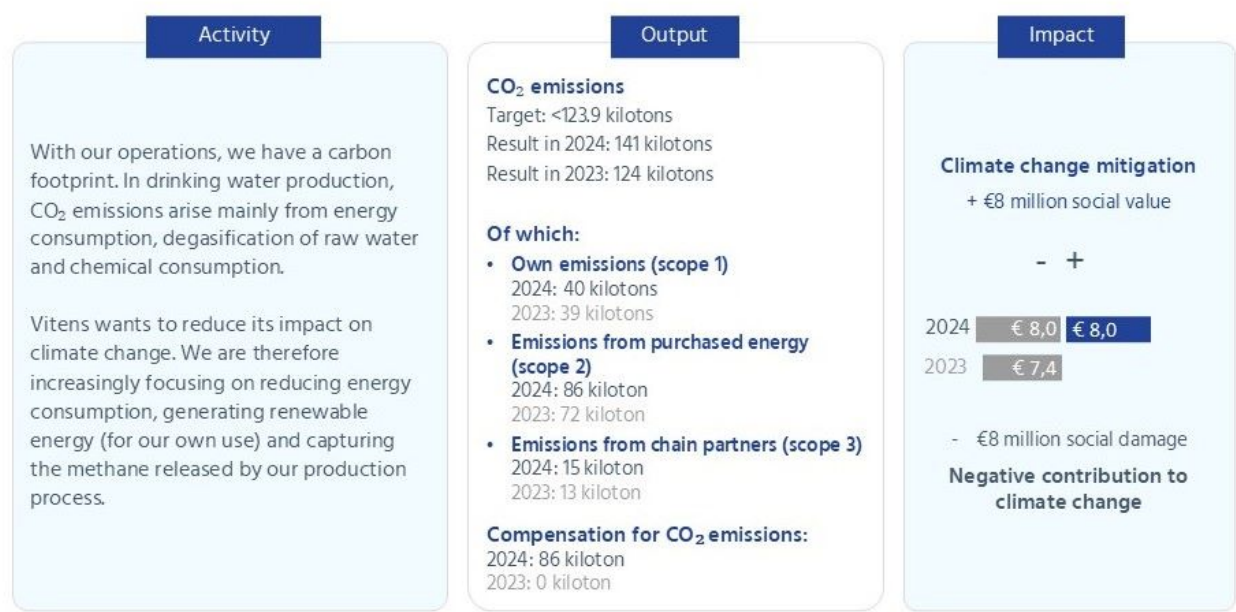


The positive impact on employees by having work increased in 2024. This is mainly explained by a higher engagement score.

Impact on nature

In our 'Every Drop Sustainable' strategy, a positive impact on people and nature is central. Among other things, we are committed to strengthening natural values in our water catchment areas and reducing greenhouse gases. Vitens impacts the natural environment in many ways. The aim is to make this impact increasingly transparent.

An important step in understanding our impact on the natural environment is to map our (negative) impact on the climate:



* Despite all the efforts, the climate impact is increasing and Vitens did not achieve the goal set for 2024. Failure to meet this goal is mainly due to the increased emission factor used to convert our electricity consumption to CO2 emissions this year and increased methane emissions, as explained in the [Climate impact](#) section.

Unlike in 2023, in 2024 Vitens fully offset its scope 2 emissions through guarantees of origin (GVOs).



3 Guaranteeing our continuity

3.1 Governance

Vitens is a public limited company (N.V.). The shares are 100% owned by provinces and municipalities in Vitens' service area. Vitens has a two-tier governance structure and is managed by the Executive Board. The Supervisory Board (SB) oversees the Executive Board's policies and general affairs, offering advice where necessary. The Executive Board and Supervisory Board are accountable to the Annual General Meeting (AGM) for the performance of their duties.

Developments in 2024

The composition of the Executive Board changed in 2024. At the extraordinary shareholders' meeting on 14 March, Tjeerd Roozendaal was appointed and on 1 April 2024 Tjeerd started in the position of Chair of the Board. He took over from Jelle Hannema.

CFO (a.i.) Nynke Dalstra had her last working day at Vitens on 5 July 2024. In November 2024, Danielle van Rieven was nominated and appointed as the new CFO. She started on 1 February 2025 in her new position.

3.2 Governance structure

As a company with an important social task and role in society, we at Vitens are committed to transparency and good governance. Control of Vitens is spread over three layers: the shareholders, the Supervisory Board and the Executive Board.

Shareholders

Vitens is a public limited company with public shareholders. These are the provinces and municipalities in Vitens' supply area. Shareholders meet at least twice a year at the Annual General Meeting (AGM).

The AGM is the highest body of Vitens. Shareholders take decisions on important issues here, such as:

- New tariffs: shareholders decide on drinking water tariffs.
- General terms and conditions: shareholders decide on amending general terms and conditions.
- Annual report and financial statements: shareholders discuss the board's annual report and adopt the financial statements.
- Strategy & policy: shareholders discuss Vitens' integrated business plan.

In addition, the AGM is responsible for appointing the Executive Board and Supervisory Board members.

Committee of shareholders

The Executive Board, Supervisory Board and shareholders are advised by the Shareholders' Committee. This committee is formed by and from among the shareholders. This is detailed in the Shareholders' Committee's Protocol.

The Shareholders' Committee is an advisory body.

Supervisory Board

Vitens' Supervisory Board has four roles:

1. Supervision: the Supervisory Board supervises the policy of the Executive Board and the general course of Vitens' business.
2. Employer: the Supervisory Board is the employer of the Executive Board.
3. Sounding board: the Supervisory Board acts as a sounding board for the Executive Board.
4. Network: the Supervisory Board is an ambassador for the organisation and has relationships with stakeholders.

The Supervisory Board is bound by legal regulations, [the articles of association](#) and [the Supervisory Board regulations](#).

Supervisory Board committees

The Supervisory Board has two permanent advisory committees:

- Audit Committee: oversees Vitens' financial side and internal control and accountability.
- Remuneration and Nomination Committee: deals with, among other things, remuneration policy and director appointments.

Read Chapter 5 'Report of the Supervisory Board' of the Supervisory Board's report.

Executive Board

Vitens's Executive Board is responsible for the day-to-day management of the company and takes all necessary decisions to this end. The Executive Board is responsible for the direction of the organisation, goal achievement of strategy and policy of Vitens. The Executive Board is accountable to shareholders and the Supervisory Board.

Knowledge sustainability

To promote knowledge, skills and experience on sustainable development, the board receives continuing education on sustainability, renewable sources, developments around sustainability in the water ecosystem, cybersecurity, security and data. Knowledge is kept up to date through presentations, knowledge networks such as Springtij and through NG Infra.

Pay ratio

Remuneration of the chair of the Executive Board is 3.5 times higher than the median annual total remuneration for all employees. Median annual remuneration increased 5.8% compared to 2023. The remuneration of the chair of the Executive Board increased by 4.7%.

The Executive Board is bound by legal regulations, [the articles of association](#) and [the Executive Board regulations](#).

More information on the Supervisory Board and the Executive Board is available on our [website](#).

Directors

The Directors of the departments are responsible for developing the strategy, implementing the business plan and everything concerning the departments – all within the frameworks set by the Executive Board.

Employee participation and works council

The works council (WC) contributes to decision-making within Vitens with a healthy balance between employee and organisational interests. The Vitens WC pursues connected employee participation: being in touch with the practice of employees and at the same time with those who decide on the practice of employees. Therefore, each business unit has two contact persons in the WC. In this way, the WC is a good reflection of all employees and there is a direct line of communication with everyone within Vitens (both employees and the board and management).

A Council meeting is held once a year at the initiative of the WC. In this 'golden triangle', the WC, the Executive Board and the Supervisory Board discuss current issues within Vitens. This year's theme was 'updating Vitens strategy'. The results of the employee satisfaction survey were also discussed.

Dutch Corporate Governance Code

The Dutch Corporate Governance Code 2022 (the Code) is a code of conduct for Dutch companies with listed shares. The Code is seen as a general understanding of good and responsible corporate governance. Vitens' shares are not listed. Therefore, we have no legal obligation to apply the Code. Vitens applies the Code, to the extent possible and where applicable, voluntarily.

Vitens has implemented the best practice provisions of the Code in its corporate governance to the extent applicable to a drinking water company with public shareholders.

3.3 Laws, regulations and social obligations

Vitens takes compliance with laws and regulations very seriously. The Dutch Drinking Water Act guides us in carrying out our primary task: supplying sufficient drinking water of good quality. We also take responsibility in protecting personal data, promoting diversity in leadership positions and complying with environmental legislation. However, our commitment goes beyond just following the rules. As a water company, we are closely linked to society and feel a deep responsibility for the society in which we work. We actively assume our social responsibilities, paying special attention to issues such as social safety, diversity, the environment and corporate social responsibility. Our approach on these topics is set out in policies and codes of conduct, among others.

Three Lines Model

Vitens' governance is structured according to the 'Three Lines Model'. With this, Vitens aims to ensure that the organisation and its employees comply with laws and regulations, policies and codes of conduct. The model also contributes to the integrity of the organisation. Within the 'Three Lines Model', the first line is responsible for risk management and compliance with laws and regulations. The second line advises and checks whether the first line is fulfilling its tasks. The third line carries out independent audits to ensure that the system of internal control is working.

The 'Three Lines Model' was revised in 2023. A dedicated second-line team was set up in this review. The second-line team sets the frameworks for the risk management and compliance processes within the organisation, provides advice and support to the operation on implementation and monitors compliance. This approach increases the independence of second-line tasks, including those related to compliance and privacy. The compliance and privacy functions have also been separated and capacity increased, with the aim of improving the quality of these disciplines. In 2024, work was done to set up this team and identify the biggest risks.

Dutch Drinking Water Act

The Dutch Drinking Water Act guarantees the quality and supply of drinking water. The Dutch Human Environment and Transport Inspectorate (ILT) monitors Vitens' compliance with this law on behalf of the Dutch Ministry of Infrastructure and Water Management. For instance, as a drinking water company, we have to report when standards are exceeded in drinking water quality.

Since 2023, there has been an administrative meeting between ILT and Vitens every six months. During these consultations, Vitens reports on the progress and challenges in implementing its supply plans and investment challenges. The focus of these consultations is on strengthening available reserves and the efforts required to do so.

Privacy

At Vitens, we treat personal data of customers, employees and suppliers with great care. We are continuously committed to raising privacy awareness. All employees therefore take a mandatory e-learning on privacy. Vitens employs two Privacy Officers. In addition, each department has its own first point of contact for privacy issues. These contacts regularly consult with the Privacy Officers on various privacy-related issues. Through this approach, we maintain short lines of communication between the departments and the Privacy Officers and ensure extensive privacy knowledge within Vitens.

Social security

Vitens wants to be and remain a socially safe organisation. An organisation where you can call each other to account, can and dare be honest and where people treat each other with respect. Social safety has a strong connection to who we are, our corporate culture and how we work within Vitens.

Code of conduct

The [code of conduct](#) forms the basis for how we treat each other. It gives employees guidance in making the right choices when it comes to issues such as integrity, safety, dealing with customers, with each other and the environment. The code of conduct was updated in 2023.

Fraud

Fraudulent acts can be committed both internally and externally. Vitens is taking targeted measures to minimise the risk of fraud, with a focus on promoting social safety. In doing so, the organisation strives for a working environment in which employees exhibit intrinsically desirable behaviour and act in the best interests of the organisation. In addition, Vitens implements hard controls, where management measures are deployed to directly or indirectly control both desired and undesired behaviour. In order to proactively respond to potential threats, Vitens conducts regular analyses of the main fraud risks. Internal control is carefully designed, with the fraud prevention process forming a continuous cycle within our organisation. The risk manager monitors both internal control measures and potential risks.

Confidential adviser

If you have a dilemma about social safety or suspect wrongdoing, Vitens employees can contact one of the confidential advisers. Vitens has five internal confidential advisors and one external confidential advisor.

Contact point for social safety

When a Vitens employee finds themselves in a socially unsafe situation, the advice is to first try to resolve the incident within the team or with a colleague. This contributes to a better working atmosphere and stronger working relationships between them. We therefore always push for a discussion with those directly affected. If this conversation does not provide a solution, the employee can make a personal or anonymous report to the Central Contact Point for Social Safety. Here, reports can be made about, for example, undesirable behaviour, integrity issues or (suspected) abuses. All reports are treated confidentially.

For undesirable behaviour (in the broadest sense of the word) and (suspected) abuses, the [regulation on socially unsafe situations](#) and the [whistleblower regulation](#) apply.

Diversity at the top

We see diversity as one of the prerequisites for good performance of duties by the Executive Board and Supervisory Board. Diversity covers aspects such as gender, culture and age in addition to expertise and background. When making appointments, the Supervisory Board aims for a balanced male-female ratio in both the Executive Board and the Supervisory Board: a target ratio of at least 30% women and at least 30% men. In 2024, the male-female ratio on the board was 50%-50% and on the Supervisory Board 60%-40%. The target percentage was therefore achieved.

Corporate Social Responsibility and Purchasing

In early 2023, Vitens adopted and implemented the CSRP policy. This policy supports our ambitions to make cooperation with market players more sustainable. The guiding principle of the policy is to select the most sustainable market players for our contracts. In doing so, we pay attention not only to their own operations but also to the way they carry out their assignments for Vitens. Our CSRP policy covers sustainability in its broadest sense and focuses on 6 main themes: environment, climate, circularity, International Social Conditions (chain responsibility), diversity and inclusion, and social return.

Environment

Care for the environment is fundamental to our strategy and task of protecting groundwater resources. We not only abide by existing laws and regulations, but also look for ways to improve our role in protecting the environment and habitat. Vitens' responsibilities when it comes to the environment are laid down in our environmental policy. We use an ISO 14001-certified environmental management system to assess and manage environmental aspects within our operations. Certain environmental aspects have been identified as important, including energy consumption, direct emissions to air, emissions to soil and water, and waste generation. For these aspects, Vitens has specific environmental policies and we strive for continuous improvement. The effectiveness of our policies and the achievement of these goals are regularly evaluated and adjusted where necessary. However, this does not mean that we ignore other environmental aspects. Our general management system applies to these aspects. If necessary, appropriate actions will be taken.

3.3.1 Reports and penalties in 2024

Compliance with laws and regulations

Vitens received no penalties for non-compliance with laws and regulations in 2024.

Privacy

In 2024, Vitens employees made a total of 110 privacy-related reports compared to 69 reports in 2023. This shows that privacy awareness among employees has risen sharply.

Of these reports, 20 issues were related to Data Protection Impact Assessments (DPIAs), 36 questions were about data sharing and 54 cases involved data breaches, which were reported to the Privacy Officers. Of these 54 data breaches, only two cases were reported to the Dutch Personal Data Authority (AP). The remaining data breaches were not considered a major risk to the rights and freedoms of the individuals concerned. For each incident, it is investigated whether a measure can be taken to prevent recurrence and, if so, advice has been issued on this.

Social security

In 2024, internal confidential advisors conducted 72 interviews with 44 colleagues. One fraud report was received, four reports under the aggression protocol, two reports of disrupted working relations/social safety and one anonymous report. The number and nature of the reports were shared with the Executive Board and Supervisory Board.

3.4 Stakeholder management

Vitens values continuous dialogue with its stakeholders. This interaction is partly driven by legislation, but is also increasingly important because of the major challenges in the drinking water sector. There is shared responsibility around issues such as water quality, water availability and fundamentally redesigning the water system. Great cooperation is crucial to address these challenges.

Communication with our stakeholders takes place at different levels within the organisation. For instance, we organise thematic sessions with stakeholders, but also conduct broader research into their insights and expectations. The results serve as valuable input for our strategy.

In the table below, we describe who our key stakeholders are and how we engage with them.

Stakeholder	What do we want to achieve?	Form of dialogue	Conversation topics
Employees	Attractive and good employer	Continuous talent dialogue, team meetings, employee survey, Works Council, intranet and staff magazine, events and activities	Strategy and policy, work processes, (social) safety, work-life balance employment conditions, learning and development, sustainable employability, employee satisfaction
Private customers	Satisfied customers who use drinking water sustainably	Customer panels, research, customer service, website and (social) media, campaigns, digital newsletter, www.waterstoring.nl	Tariffs, affordability, security of supply, water conservation/sustainable water use, water-friendly construction, water quality, breakdowns, complaints, administrative matters/water issues
Corporate customers	Satisfied customers who use drinking water sustainably	Digital newsletter, customer days and account management, SME partnership	Insight and advice on water saving, appropriate use of drinking water, company's contribution to sustainable water use, drinking water quality, maintenance and breakdowns
Shareholders	Healthy business environment, building trust, managing risk and promoting engagement	General meeting of shareholders, tours and visits, transparent reporting, informal administrative support staff, limited share partnership	Shares, appointment of Executive Board and Supervisory Board, business plan (including drinking water tariffs and any major organisational changes), management report, financial statements, financial policy (including WACC lobbying), dividend policy, articles of association
Works Council	Protecting the working environment and employee interests	Structural consultation and alignment	Strategy, organisational changes and developments and working climate
Supervisory Board	Improve Vitens' overall performance and strategic direction	Supervisory Board meetings, Committee meetings, meetings with WC	General affairs, strategic policy, goals and progress, risk management, management report, annual accounts, appointment of Executive Board

Stakeholder	What do we want to achieve?	Form of dialogue	Conversation topics
Provinces, municipalities, water boards, central government and EU	Working in cocreation on our 'Every drop sustainable' strategy, so that we can continue to supply water 24/7 now and in the future	Regional: continuous dialogue at official and administrative level through consultations, dialogue tables, networks and events company visits and presentations National: representation through "Vereniging waterbedrijven in Nederland" (Vewin), networks and events, press and media European: representation through Brussels/Vewin office, partnerships	'Every drop sustainable' strategy, including sustainable water system, sustainable water use, sustainable operations, resilient infrastructure for the future, sustainable resources, extraction permits, spatial planning
Partners and local residents (farmers, landscape managers, nature organisations and industry)	Good relationship, building trust and promoting mutual understanding and commitment	Collaborations, meetings, networks and events	Source protection, fertilisers and pesticides, sustainable agriculture, drought damage, pollution, land use, biodiversity
Drinking water sector	Working together on joint tasks, sharing knowledge and forming views	Alignment and working groups, steering committee meetings, partnerships, knowledge sharing and development	Drinking water quality and quantity, technical innovations, education, financing (WACC), drought damage, operations, benchmarks, cybersecurity
Suppliers	Optimising our cooperation	Alignment, account management and visits and tours	Collaborative opportunities, socially responsible commissioning and procurement (CSRI)

3.5 Risk management

Every year, we evaluate the risks that could have the greatest impact on achieving our strategic goals, the top business risks. Steering these control measures and monitoring risks are an essential part of our planning and control cycle. We elaborate on each risk by providing it with a management approach and associated measures, which we implement and monitor during the year.

The business risks identified for 2024 are:

1. Climate impact
2. Administrative social engineering (of infrastructure)
3. Technical manufacturability (of infrastructure)
4. Financial engineering (of infrastructure)
5. Cybersecurity
6. Attractive employer
7. Pressure in the subsurface

The top business risks are detailed below. This explanation includes a description of the risk and the measures taken to control the risks. It also discusses the (expected) impact on risk development and the achievement of our strategic goals.

3.5.1 Climate impact

Vitens wants to reduce its impact on the climate and environment and respond to the (consequences of) climate change in terms of drinking water demand and infrastructure. As a result of the limited manufacturability of our infrastructure, there is a risk that we will not meet our climate and impact goals (in time).

On the one hand, it is about anticipating climate change, including through the long-term target structure and design of our infrastructure. On the other hand, it concerns the effect of our actions on the climate.

As such, these two components are also not separate. Adaptation measures (e.g. accelerated design of the target structure) also means that the footprint may increase in the short term.

Risk management

The task of reducing CO₂ emissions is included in the infrastructure plans. Combining this approach with the list of measures to reduce emissions will show what actions are possible.

- Our current climate impact is explained in more detail in the '[Positive impact on nature](#)' section of this annual report. A performance indicator is being developed to better understand the expected CO₂-impact of the current investment portfolio. This will also allow us to give a picture of the feasibility of our 2030 and 2050 goals in this area.
- In the design standards used for infrastructure, Vitens has higher resilience/flexibility requirements to mitigate the impact of weather extremes. We also carry out preventive maintenance and replace high-risk pipelines, and a budget reservation is made for being able to fix pipe bursts quickly and appropriately when they occur.

- As the availability of fresh water may decrease due to extreme weather conditions (e.g. drought), Vitens is developing the target structure with partners. We aim to realise a smaller number of extractions, sustainably embedded, with limited impact on the environment. We are also exploring opportunities for source diversification in a Living Lab, together with market stakeholders. Where necessary, due to negative impacts from our extractions, we apply drought damage policies.

Risk development

The risk profile has increased. The climate is changing faster than thought, as the latest IPCC report shows. We are also experiencing an increase in weather extremes in our immediate environment as a result of these changes. For instance, we found that additional pipe breaks occurred due to saturated soils in stormy weather.

3.5.2 Manufacturability of infrastructure

We distinguish managerial social engineering risks, technical social engineering risks and financial social engineering risks.

Administrative social engineering

Administrative processes for obtaining the necessary permits for drinking water extraction are complex and lengthy, the outcomes uncertain. If demand continues to rise and the speed of realisation in this area cannot be increased, we will not be able to future-proof our infrastructure in a timely manner, failing to deliver 24/7 and/or exceeding permits.

Risk management

The conscious involvement of the environment and stakeholders, such as farmers, nature organisations and local residents, has become increasingly important. This approach not only increases the chances of successful licensing but also contributes to a more sustainable and supported way of working. It requires from us as an organisation a strategic and connecting approach in which water extraction is not seen as an isolated task, but as an integral part of wider area development.

Technical manufacturability

Technical manufacturability: there is pressure on available capacity and resources, and thus technical manufacturability of investments in our infrastructure. If demand continues to rise and the speed of realisation in this area cannot be increased, we will not be able to future-proof our infrastructure in a timely manner, failing to deliver 24/7 and/or exceeding permits.

Risk management

Vitens has formed 'Combis' with market players in favour of technical manufacturability. In the process, the tender was carried out underground and contracts were signed. We are also working with the market above ground in new forms of procurement to get the work done more effectively and in a more standardised way.

Water conservation measures, in favour of the drinking water forecast, have been taken in its own process and at customers' premises. Reducing leakage losses and production losses is the focus of attention in project teams. The focus is in those areas where there are not too many reserves. Of course, major leaks were also detected and fixed based on night monitoring and the work of detection teams, among other things.

Financial manufacturability

We need to find enough room to meet the investment needs for our infrastructure and to maintain solvency and liquidity. If demand continues to rise and the speed of realisation in this area cannot be increased, we will not be able to future-proof our infrastructure in a timely manner, failing to deliver 24/7 and/or exceeding permits.

Risk management

Vitens and Vewin are in talks with the Dutch Ministry of I&W and ACM on the WACC. In the short term (2025-2027), there is a slight easing. For the long term, we remain in talks for possible further adjustments. I&W is conducting a study on long-term adjustments. The current investment plan is based on the current financing headroom and thus choices have been made, which will achieve certain strategic goals later and increase short-term operational risks.

Risk development

The risk profile for manufacturability of infrastructure has increased in all three sub-areas (administrative, technical, financial). Overall, the measures deployed have a positive effect on the development of risks. However, the initiative to form combinations (combis) with other parties has challenges, mainly due to the labour market shortage, which both Vitens and these parties experience. Moreover, environmental risks continue to play a role in the effectiveness of management measures, such as in the development of the target structure. To improve this, a dedicated programme director is being deployed, among other things. And Vitens continues to actively seek cooperation and opportunities for permit and staff capacity with our partners. These efforts are generally well received, but such processes take time and perseverance. Furthermore, the improvement in our (resource) planning and the development of a multi-year execution plan based on the investment plan contribute to an increase in predictability of operations. The current investment plan is based on the current financing headroom and choices have been made, which will achieve certain strategic goals later and increase short-term operational risks.

3.5.3 Cybersecurity

Due to inside and outside influences, there is a chance that Vitens could fall victim to cyber attacks resulting in sabotage of our vital task as a drinking water supplier.

Risk management

- Vitens operates according to its own integral security policy. This policy contains a framework where risks are periodically analysed and processed, measures are implemented by the organisational units and independent testing for resistance and resilience is in place.
- Using a programme-based approach, Vitens achieves risk management and optimisation of our organisation, processes and systems. The main achievements in this area are described under 'Digitalisation and data security'. From a permanent multidisciplinary task force, all findings from penetration tests are continuously solved in quick changes or turned into projects. For all other digital projects, they must be secure-by-design.
- The operation of the Vitens Security Framework and the progress of the cybersecurity programme, including related projects, are governed by the Vitens Security Board (VSB).

Risk development

The digital threats, including phishing, ransomware, cybercrime and data breaches, are unabated and permanent. The threat from state actors is (very) high. There is a continuous development of techniques that bypass previously adopted measures such as two-factor authentication. Vitens must additionally take into account unthinkable situations where damage control is no longer sufficient and business continuity must be able to be secured with minimal digital resources.

3.5.4 Attractive and good employer

As a result of a high outflow combined with tightness in the labour market, there is a possibility that Vitens may not be able to meet the recruitment task and underlying quantitative and qualitative labour needs, resulting in work being partly or not being carried out.

Risk management

- Strategic staff planning: annual mapping of (future) formation and required talents per department through strategic staff planning. This provides a structured understanding of Vitens' workforce needs.
- Campus recruitment and traineeships: by 2024, campus recruitment has been further expanded and traineeships for MBO (intermediate vocational education), HBO (higher vocational education) and WO (university-level education) students continued, aimed at attracting and retaining young talent.
- Target group and image research: the results of target group and image research were translated into an updated employer branding strategy and website. This supports Vitens in better attracting suitable candidates.
- Data-driven recruitment: since 2023, Vitens' visibility has been monitored, helping to target recruitment campaigns more effectively.
- Customised solutions: for hard-to-fill positions within certain sectors in the company, we offer customised solutions.
- Collaborations and innovations:
 - Structural arrangements with schools promote intake through apprenticeship programmes.
 - Exploring programmes for lateral entry and part-time work after retirement.
 - Lowering barriers for non-Dutch speakers.
 - Retaining employees longer by developing learning paths.
- Sector awareness of water companies: in cooperation with other water companies, Vitens is working to raise awareness of the drinking water sector, supported by a contribution to negotiations for a modern collective labour agreement and more attractive terms of employment.
- Improving productivity: in addition to attracting new employees, the focus is on improving productivity:
 - Standardising (internal) processes contributes to more efficient ways of working.
 - Collaborations with companies inside and outside the sector focus on developing new working methods.
 - Automation and digitalisation of processes in the organisation.
 - Standardised working methods, work planning aligned (resolve inefficiencies between parties).

Risk development

The risk profile has increased due to the ongoing tension in the labour market and outflow due to an ageing population. Although more vacancies have been filled than in previous years, this process takes more time and effort. Structural shortages in engineering and ICT remain a challenge.

Research shows that attracting labour alone is not going to mitigate the shortages. The construction sector scores low on productivity improvement and that is where the focus will be in the coming years to get the work done.

Even with doubling with all inflow options (side-flow/training/non-Dutch speakers), productivity improvements are needed to close the job shortages.

At the same time, the employee satisfaction survey shows a positive trend with a slight improvement. This gives confidence that further steps in terms of direction, direction and leadership by directors and board are possible.

Actions:

- Additional measures are being prepared and implemented.
- Monitoring and evaluation of actions have been tightened.

Through an integrated approach to intake, retention, productivity and cooperation, Vitens continues to actively respond to labour market challenges.

3.5.5 Pressure in the subsurface

As a result of increased use of the subsurface (e.g. for energy/heat, storage), there is a risk that groundwater quality will deteriorate and wells will no longer be available for water extraction (now and in the future), with the result that Vitens' water supply, in quality and quantity, will be jeopardised.

Risk management

- Vitens has the responsibility to ensure sufficient and sustainable supply of drinking water. In this, we work adaptively to ensure sufficient sources/capacity/quality. Daily, by measuring and monitoring water quality and with the development of the target structure, for longer-term solution directions.
- To manage the risk, it is particularly important that governments primarily safeguard drinking water interests in their policies, laws and regulations. In a Vewin context via lobbying activities, Vitens therefore advocates, among other things, the tightening of source protection legislation.
- Policy on safeguarding drinking water interests is included in the Drinking Water Policy Document and the Drinking Water Decree/Drinking Water Regulations. This applies as a basis for joint elaboration (provinces, water boards, municipalities, water companies, the Dutch government) with an Implementation and Implementation Agenda for regional solutions.
- By monitoring water quality from source to tap, Vitens ensures that quick action can be taken in case of potential contamination. In doing so, we are developing towards smart water systems to provide integrated insight into quality and quantity. From detection of contamination, immediate operational action can be taken. Vitens is also committed to developing solutions for the future, for example with flexible extraction.
- To better protect our infrastructure from the risks of Soil Energy Systems, storage and geothermal energy, we raised the importance of proper registration and of permits, supervision and enforcement with the provinces. The Adaptive Strategy regarding the deep subsurface has been adopted and is being promulgated by Vitens.
- To encourage uniform groundwater protection policies of provinces on activities in the subsoil, we have steered for an unambiguous and consistent line in this (through the central government and through our (strategic) consultations with the provinces).
- Vitens also actively monitors developments, adopting an adaptive approach. To this end, internal (process) agreements have been arranged and periodic monitoring of new initiatives takes place by a theme group (Deep Underground). We also actively participate in the 'Vulnerable areas' external working group. This is a consultation between provinces, the geothermal industry, EBN and Vewin/ drinking water companies aimed at defining vulnerable areas and protecting groundwater quality.

Risk development

The risk profile has increased. Despite the urgency and positive developments, the risk to sources remains as high as ever. We have revised our approach in this area, because in practice we regularly encounter situations where drinking water and groundwater/geothermal energy affect or threaten to affect each other.

We therefore continue to stress the importance of separation of functions to provinces and municipalities 'at the front end' of planning processes. We are also actively involved in several initiatives in which the drinking water and energy sectors, together with provinces and research institutes, monitor developments and investigate how to deal with risks. This will ultimately better protect the drinking water interest and allow authorities to enforce in the future, but it does not reduce the immediate risk now.

3.6 Board statement

De Raad van Bestuur verklaart dat voor zover hen bekend:

- The financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of Vitens N.V. and the companies included jointly in the consolidation.
- The annual report gives a true and fair view of the situation as at 31 December 2024, the course of business during the financial year of Vitens N.V. and its affiliated companies, the details of which are included in its financial statements.
- In the management report the material risks facing Vitens N.V. are described.

In addition, in accordance with best practice provision 1.4.3 of the Corporate Governance Code 2022, the Executive Board declares to the best of its knowledge that:

- The annual report provides sufficient insight into shortcomings in the operation of the internal risk management and control systems with regard to the risks as mentioned in the Executive Board regulations article 15.3.
- The aforementioned systems provide reasonable assurance that the financial reporting does not contain material misstatements and limited assurance that the sustainability reporting does not contain material misstatements.
- As things stand, it is justified that the financial reporting has been prepared on going concern basis.
- The annual report discloses the material risks as referred to in the Executive Board regulations article 15.3 and the uncertainties insofar as they are relevant with regard to the expectation of the continuity of the company for a period of 12 months after the preparation of the report.

Zwolle, 10 March 2025

Tjeerd Roozendaal, Chair of the Board
Danielle van Rieven, CFO

Klantgericht waterbedrijf

Al meer dan 100 jaar werkt Vitens aan en
betrouwbaar drinkwater. Voor onze klanten
in Nederland wereldwijd op plekken die nog
niet van water zijn voorzien. Ambitieus en met
continue innovatie als drijfveer.





4 Report of the Supervisory Board

In this report, the Supervisory Board accounts for the supervision exercised during the past year. The main issues the Supervisory Board was involved in are discussed.

4.1 Strategy and realisation of business plan

Vitens' Supervisory Board oversees the way the board implements long-term value creation. At our meetings, we regularly discuss strategy, implementation progress and key risks. The focus is on the business plan, the investment plan, the long-term infrastructure vision (the LTV) and the target structure, in which value creation becomes concrete.

Over the past year, we met several times with the board to discuss the 'Every drop sustainable' strategy. The Supervisory Board focused more on target structure and security of supply. The Supervisory Board also paid attention to issues such as medium-term financeability, WACC regulation and increasing investment demand, especially towards shareholders.

Every year, Vitens prepares an integrated business plan. This plan translates strategic goals into concrete and measurable operational objectives. Specific goals for the year are expressed in easily measurable financial and non-financial performance indicators (KPIs). If necessary, adjustments are made. In 2024, the focus was on extracting, purifying, distributing and supplying reliable drinking water and building a target structure for drinking water supply to continue to ensure security of supply. At the October 2023 meeting, the board presented the integrated business plan for 2024, which was subsequently approved by the Supervisory Board.

4.2 Financial reporting

In the presence of the independent auditor, PricewaterhouseCoopers Accountants N.V., the Supervisory Board discussed the annual report and financial statements 2024, including the accompanying audit report. During 2024, the board provided quarterly reports to the Supervisory Board with the current financial results against the 2024 budget, the 2024 annual forecast and the 2024 results. Topics covered included WACC lobbying, financing strategy, projects, project management, CSRD progress, water reserve development, costs and water outflow, incremental investments, financing needs and financial ratios. For all these issues, the Audit Committee (AC) of the Supervisory Board carried out intensive preliminary work. Information was also provided in the quarterly reports to monitor the progress of achieving business objectives.

4.3 Financial statements and dividend proposal

In addition to the report of the Board, this annual report contains Vitens' financial statements. The Supervisory Board proposes the Annual General Meeting to adopt the 2024 financial statements and to discharge the members of the Executive Board and the members of the Supervisory Board for the policy pursued by the Executive Board, as evidenced by the financial statements and the report, and for the supervision exercised by the Supervisory Board. PricewaterhouseCoopers Accountants N.V. has provided an unqualified audit opinion on the 2024 financial statements.

The net result for the 2024 financial year amounts to €34.5 million. The Supervisory Board proposes with the board to add the full amount – in view of our statement, the solvency goal and the banks' requirements – to reserves.

4.4 Composition of the Supervisory Board

The composition of the Supervisory Board was unchanged in 2024.

Mr H.C.P. (Han) Noten (1958), Chair, Dutch

Other roles:

- Chair of Ambulancezorg Nederland (AZN)
- Chair of the Supervisory Board of Pensioenfonds PGB

Mr M.R. (Mark) van Lieshout (1963), Vice-Chair, Dutch

Other roles:

- CFO HES International B.V.

Ms H. (Henriette) Setz MBA (1968), Supervisory Board member, Dutch

Other roles:

- Director of Operations Essent

Ms. Prof. Dr ir G.M. (Gerda) van Dijk (1960), Supervisory Board member, Dutch

Other roles:

- Professor of "Leadership and Society", University for Humanistics, Utrecht
- Independent consultant NOSCERE
- Member of the Council for Animal Affairs
- Chair of the Commission Integrity Waterschap Limburg and Waterschapsbedrijf Limburg
- Member of the Supervisory Board of WoCoZon B.V.

Mr. P.A.N. (Paul) ten Kroode (1961), Supervisory Board member, Dutch

Other roles:

- COO of Innovus Group
- Chair of the Supervisory Board of Staedion housing corporation
- Chair of the Dutch Environmental Database Board
- Chair of the IC Start Foundation Participations

For additional details, information on the year of initial appointment and the retirement [schedule](#) of the Supervisory Board can be found.

Independence

All Supervisory Board members are independent within the meaning of best practice provisions 2.1.7, 2.1.8 and 2.1.9 of the Dutch Corporate Governance Code.

No conflict of interest

In 2024, no transactions occurred involving potential conflicts of interest of material significance to the company and/or the relevant directors, Supervisory Board members, shareholders and/or the external independent auditor.

Continuing education

As part of its continuing education, the Supervisory Board had information on digitalisation, sustainability, the production process and water distribution, portfolio management, financing and treasury.

Self-assessment

In 2024, the Supervisory Board took time to evaluate its own performance, the performance of the separate committees within the Supervisory Board and that of the individual Supervisory Board members. The members methodically examined the extent to which they complement each other. It is concluded that the composition of the Supervisory Board is sufficiently balanced to adequately fulfil all duties and functions. No evaluation took place within the board in 2024 due to staff changes.

4.5 Meetings in 2024

Supervisory Board meetings

In addition to the bilateral meetings, the Supervisory Board held six plenary meetings during the reporting period. The Supervisory Board meets in closed session for the first half-hour of each regular meeting. Other participants in the Supervisory Board meetings are the members of the Executive Board and, by invitation, the independent auditor and directors and/or management members.

The quarterly meetings were dedicated to developments within Vitens. Among others, the annual and quarterly figures, investment plan, budget and drinking water tariffs for 2025 were discussed. The meeting at which the integrated annual report was discussed was also attended by the independent auditor. The independent auditor attended every Audit Committee meeting in 2024.

Outside the meetings, the Supervisory Board made working visits to the Asset Management, Portfolio Management & Reporting team and Finance & Control, Business Control team. A visit was also made to production site Fikkersdries, this visit concluded with an informal get-together with Vitens senior management.

In the annual Councils meeting (Works Council, Executive Board and Supervisory Board), the topic was 'Updating Vitens strategy'. The Article 24 meeting took place in the autumn.

Other topics discussed at length in the Supervisory Board: cybersecurity, redesign and governance, target structure, water resources monitor and supply security plan, extraction permits and SAP and transformation.

Remuneration and Nomination Committee (RBC) meetings

Vitens' Remuneration and Nomination Committee (RBC) consists of chair Gerda van Dijk and Han Noten. The RBC met twice in 2024. During these meetings, the focus was on strategic HR topics such as Strategic Personnel Planning (SPP), talent development, the redesign of Vitens and social safety. There were also regular informal consultations with the Works Council.

At the beginning of 2024, the committee launched a recruitment and selection process for a new CFO. Danielle van Rieven joined the company on 1 February 2025.

Audit Committee (AC) meetings

The Audit Committee consists of Mark van Lieshout (Chair), Henriëtte Setz and Paul ten Kroode. The committee met four times during the year under review. Outside and during these meetings, the AC chair liaised with the independent auditor and the internal audit function.

In preparation for the full Supervisory Board meetings, the AC reviewed the annual figures and discussed the auditor's report and management letter. Other topics covered in the AC meetings were the 2025 annual plan, 2025-2034 investment plan, 2024 control plan, top business risks, CSRD, internal control and 2025 drinking water tariffs. Increasing investment and long-term fundability were a regular topic of discussion. It also focused on the progress of key ongoing projects.

Overall summary of meetings and attendance of supervisory directors

Data	Supervisory Board	AC	RBC
1-Feb	all present	-	all present
14-Mar	all present	all present	-
26-Jun	all present	all present	all present
24-Oct	all present	all present	-



5 Other information

5.1 Independent auditor's assurance report

To: the general meeting and the Supervisory Board of Vitens N.V.

Assurance report with limited assurance on sustainability information 2024

Our conclusion

Based on the review procedures performed by us and the assurance information obtained, we have no reason to believe that the sustainability information included in the Annual Report 2024 of Vitens N.V. does not present fairly, in all material respects, the following information:

- Sustainability policies.
- Operations, events and performance thereon for the year ended 31 December 2024.

In accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the additionally applied reporting criteria as explained in the 'Reporting Criteria' section.

What we reviewed

We have reviewed the sustainability information included in the following sections of the annual report for 2024 (hereinafter: the sustainability information):

- 2024 in figures
- 1 Who we are and what we do
- 2 The value we create
- 3.1 Control
- 3.2 Governance structure
- 3.4 Stakeholder management
- 5.3 Connectivity matrix

This assessment is aimed at obtaining a limited degree of certainty.

The basis for our conclusion

We conducted our review in accordance with Dutch law, including Dutch Standard 3810N 'Assurance engagements relating to sustainability reporting'. Our responsibilities on this basis are described in the section 'Our responsibilities for assessing sustainability information'.

We believe that the assurance information we have obtained is sufficient and appropriate as a basis for our conclusion.

Independence and quality control

We are independent of Vitens N.V. as required by the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO). Furthermore, we have complied with the Regulation on Auditors' Conduct and Professional Rules (VGBA).

PwC applies the 'Further Regulations on Quality Management' (NVKM). On this basis, PwC has a coherent system of quality management including established guidelines and procedures on compliance with ethical regulations, professional standards and other relevant laws and regulations.

Reporting criteria

The reporting criteria applied in preparing the sustainability information are the Sustainability Reporting Standards of Global Reporting Initiative (GRI) and the additionally applied reporting criteria, as explained in sections '5.2 About this report' and '5.5 Reporting definitions' of the annual report. For the economic impact, the impact on people and the environment and the impact on nature (hereafter: the impact data), the reporting criteria have been further elaborated in the Handbook for Impact Measurement of Infra Companies (v1.3), as available on the website of the Impact Institute and in the Memorandum 'Accountability Impact Measurement', made available on the website of Vitens N.V.: <https://www.vitens.nl/-/media/Project/Vitens/VitensNI/Over-Vitens/jaarverslagen/notitie-verantwoording-impact-meten.pdf>¹.

The absence of established practices to assess and measure sustainability information provides an opportunity to apply different, acceptable measurement techniques. This may affect comparability between entities and over time. Therefore, sustainability information should be read and understood along with the reporting criteria applied.

Limitation in the scope of our review

The sustainability information includes forward-looking information such as expectations regarding ambitions, strategy, plans, forecasts and estimates. Inherent in this forward-looking information is that actual outcomes in the future are uncertain, and likely to differ from these expectations. The resulting discrepancies may be material. We give no assurance in the assumptions and feasibility of forward-looking information.

In the sustainability disclosures, calculations to determine impact dates were mostly done using assumptions and based on sources from external parties. The assumptions and sources used are explained in section 'Reporting criteria' of our assurance report. We have not performed any work on the content of these assumptions and external sources other than assessing the suitability and plausibility of these assumptions and external sources.

In the sustainability information, references are made to external sources or websites. The information contained in these external sources or websites does not form part of the sustainability information we have reviewed. We therefore provide no assurance on this information.

1 The maintenance and integrity of the Vitens N.V. website are the responsibility of the management. The work we have performed does not take these matters into account and therefore we accept no responsibility for any changes that may have occurred to the note 'Accounting for impact measurement' as presented on the website of Vitens N.V., after the date of this assurance report.

Responsibilities for sustainability information and its assessment

Responsibilities of the Executive Board and Supervisory Board for sustainability information

The Executive Board of Vitens N.V. is responsible for the preparation and fair presentation of the sustainability information in accordance with the reporting criteria as explained in the 'Reporting criteria' section, including the selection of reporting criteria, identification of stakeholders and determination of material topics. The Executive Board is also responsible for selecting and applying these reporting criteria and for determining that these reporting criteria are adequate for the legitimate information needs of the intended stakeholders, taking into account applicable laws and regulations related to reporting. The choices made by the Executive Board regarding the scope of sustainability information and the reporting policy are set out in '5.2 About this report' and '5.5 Reporting definitions' of the annual report.

The Executive Board is also responsible for such internal control as it determines is necessary to enable the preparation of the sustainability information that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the entity's reporting process on sustainability information.

Our responsibilities for assessing sustainability information

Our responsibility is to plan and perform the review engagement so as to obtain sufficient and appropriate assurance information to support our conclusion.

Our engagement is aimed at obtaining limited assurance that the sustainability information does not contain material misstatements and expressing a conclusion with limited assurance in our report. The work varies in nature and timing, and is also smaller in scope than that involved in an assurance engagement aimed at obtaining reasonable assurance. The level of assurance obtained from a review (limited assurance) is therefore also significantly lower than the assurance obtained from an audit (reasonable assurance) with regard to both the work performed on risk assessment, including gaining an understanding of internal control, and the work performed on responding to the identified risks.

Work performed

We performed this review professionally-critical and applied professional judgement where relevant in accordance with Dutch Standard 3810N, ethical requirements and independence requirements. Our work included:

- Conducting an analysis of the external environment and understanding the relevant social themes and issues and the characteristics of the entity.
- Evaluating the appropriateness of the reporting criteria used, their consistent application and the disclosures made about them in the sustainability information. This includes reviewing the entity's materiality analysis and evaluating the reasonableness of estimates made by the Executive Board.
- Through intelligence gathering, obtaining an outline understanding of the entity's internal controls, reporting processes, information systems and risk assessment process relevant to the preparation of the sustainability information, not for the purpose of obtaining assurance information on the existence or testing of the effectiveness of internal controls.
- Identifying areas in the sustainability information where misleading or unbalanced information or a material misstatement due to fraud or error is likely to occur. The determination and execution of further work focuses on assessing the plausibility of the sustainability information in response to our risk assessment. These other activities included:

- Conducting interviews with management (and/or relevant employees) at group and departmental level responsible for (sustainability) strategy and policy and performance.
- Conducting interviews with relevant staff responsible for providing information for, performing internal controls over, and consolidating data in the sustainability information.
- Obtaining assurance information that the sustainability information is consistent with the entity's underlying records.
- Reviewing relevant internal and external documentation based on limited partial observations.
- Considering data and trends.
- Considering the reasonableness of assumptions in the calculation of impact data.
- Reconciling the relevant financial information with the financial statements.
- Considering the consistency of the sustainability information with other information in the annual report outside the scope of our review.
- Considering the overall presentation and content of sustainability information.
- Considering whether the sustainability information as a whole, including the topics covered and the disclosures included, has been clearly and adequately disclosed in accordance with the reporting criteria applied.

Among other things, we communicate with the Supervisory Board about the planned scope and timing of the review and the significant findings arising from our review.

Zwolle, 10 March 2025

PricewaterhouseCoopers Accountants N.V.

Originally signed by Drs F.S. van der Ploeg RA

5.2 About this report

Our value creation model guides the annual report. We report not only on financial results, but also on the social, human and natural value we add as an organisation. We do this in line with our strategic objectives, which are linked to the material themes. In addition, we quantitatively portray these values in our [social accounts](#).

In the report, we also offer insights into our organisation: who we are, what we do and how we achieve it. The Supervisory Board explains how it fulfilled its role in 2024. For details on our financial performance, please refer to the notes to the consolidated financial statements.

Material themes

In the annual report, we report on the issues that our internal and external stakeholders consider important ('material'). In determining the material themes, both internal and external partners were consulted. It is important to know what is going on among our stakeholders and where their information needs lie. Interviews were conducted to deepen the themes and highlight the views of our stakeholders. The prioritisation of themes is partly based on input from our stakeholders.

In 2022, we conducted a materiality analysis based on the Global Reporting Initiative Standards (GRI Standards) and started to base it on the Corporate Sustainability Reporting Directive (CSRD). The CSRD applies the principle of double materiality, determining both the financial impact and the social impact of material themes. The GRI standards, which apply to our annual report this year, emphasise impact materiality.

Based on this, we identified the nine material themes below. Compared to last year, one material theme has been added, namely 'responsible water use'. This topic is included from a risk and opportunity perspective to be prepared for the CSRD.

Supply security of drinking water: Vitens wants to supply reliable water to its customers and meet increasing demand. Therefore, Vitens is committed to keeping the time when customers are without water due to maintenance or breakdowns as low as possible with as little inconvenience as possible, Vitens invests in sufficient capacity and reliable infrastructure, and Vitens thinks creatively with its customers to ensure security of supply.

Water scarcity: Vitens realises that partly due to climate change, water scarcity is becoming more common. Vitens thinks proactively about how areas can be designed to prevent water scarcity. In doing so, Vitens anticipates the consequences of water scarcity and brings together different policy areas to prevent the increasing risk.

Quality of drinking water: Vitens ensures that customers can always rely on safe and clean water of top quality.

Attractive and good employment practices: Vitens strives for healthy and engaged employees who feel good about themselves and are productive. Vitens also wants to attract and retain the right people due to scarcity in the labour market. Through strategic personnel planning, digitalisation, automation, apprenticeship programmes and campaigns that highlight working on water and the uniqueness of the company, Vitens ensures attractive and good employment practices. Vitens is also committed to training, personal and professional development, psychosocial well-being and job satisfaction.

Climate impact: Vitens wants to reduce its impact on the climate by reducing greenhouse gas emissions, including sustainability criteria in tenders (such as piping materials) and focusing on circular residual streams. In addition, through adaptation, Vitens will have to adapt to the impact climate change will have on Vitens.

Protection of water sources: Vitens is committed to protecting its water sources from spatial pressures and pollution from, for example, agricultural and mining activities.

Financial health: Vitens remains financially sound due to good solvency, a healthy loan portfolio and strategic investments. Through a fair dividend policy, shareholders get an appropriate return on their investment and Vitens maintains sufficient reserves.

Digitalisation and data security: Vitens manages a vital infrastructure of drinking water supply for the Netherlands. Vitens is therefore fully committed to the security of its systems, data, production plants and (customer) data. Vitens also aims to further digitise its services.

Responsible water use: Vitens is committed to making customers and stakeholders more water conscious and reducing their water consumption. In the near future, Vitens wants to develop even more as an advisor to customers for sustainable and safe drinking water.

Scope

The reporting period of the 2024 annual report is from 1 January 2024 to 31 December 2024. The report was published on 25 April 2025.

For non-financial performance, Vitens reports on the entities it controls. These are Vitens N.V., Watermanagement B.V. and Industriewater B.V.

Vitens Evides International (VEI) publishes its own annual report and is not consolidated in this report.

The data relate to Vitens' own performance and not that of our customers and chain partners.

Consistency and reliability

There were no significant changes in the organisation's size, structure, ownership or supply chain during the reporting period. There were also no major acquisitions or divestments.

The definitions and accounting policies are unchanged from last year, unless otherwise explained. Quantitative information we compare with comparative figures from previous years where possible.

We have tried as far as possible to reduce the uncertainties associated with qualitative studies or with quantitative calculations.

Reporting definitions, measurement methods and reporting responsibilities are included in this [overview](#).

GRI reporting criteria and preparation for CSRD

Vitens reports in accordance with GRI standards. The GRI standards are globally accepted guidelines for preparing non-financial annual reports. From financial year 2025, Vitens will report on its sustainability performance in line with the Corporate Sustainability Reporting Directive (CSRD). The CSRD is more comprehensive than the GRI. We therefore set to work in 2024 to verify the availability of data for each material theme and define how we will meet the requirements of the CSRD. This is proceeding on schedule.

Our 2024 sustainability information has been reviewed by an independent auditor, whose assurance report is included in this annual report.

Contact or questions?

Contact for questions about the report or its contents: secretariaatrvb@vitens.nl.

5.3 Connectivity matrix

Origin of our strategic direction				How do we realise the strategy?			For whom and how is this ultimately important?			
No.	Material themes	Strategic agenda	Risk specified in the risk inventory	Value drivers	Operational KPIs	Target	Intended impact	SDG	Stakeholder groups	
1	Water scarcity	Water for now and later, Sustainable water system, drinking water company and drinking water use	Administrative, technical and financial engineering of infrastructure, pressure in the subsurface	We anticipate climate change and current and future drinking water demand and adapt our operation, strategy, infrastructure and our (strategic) reserves accordingly.	Number of clusters with positive 'Operational difference' Number of clusters with sufficient 'Operational reserves'	≥ 3 ≥ 4	The Netherlands can trust Vitens to anticipate a changing climate and that we are committed to balancing rising water demand on the one hand with the availability of sufficient resources and the impact of water extraction (e.g. land take, desiccation) on the other.	SDG 6 6.4 Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity. SDG 12 12.2 Achieve sustainable management and efficient use of natural resources. SDG 13 13.2 Integrate climate change measures into national policies, strategies and planning.	Society, customers	6 4
2	Climate impact	Water for now and later, Sustainable water system, drinking water company and drinking water use	Administrative, technical and financial social engineering of infrastructure, climate impact	We aim to reduce our climate impact by reducing greenhouse gas emissions, including sustainability criteria in tenders (such as piping materials) and focusing on circular waste streams.	CO ₂ emissions	≤123,9	The Netherlands can trust Vitens to anticipate a changing climate and that we are committed to balancing rising water demand on the one hand with the availability of sufficient resources and the impact of water extraction (e.g. land take, desiccation) on the other.	SDG 12 12.2 Achieve sustainable management and efficient use of natural resources. SDG 13 13.2 Integrate climate change measures into national policies, strategies and planning.	Society, customers	141
3	Supply security of drinking water	Water for now and later	Administrative, technical and financial social engineering of infrastructure, cybersecurity	We invest in maintenance, replacement and protection of production plants and the pipeline network.	Substandard Supply Minutes (OLM)	≤ 18 minutes	Customers can count on continuous supply of drinking water.	SDG 6 6.1 Universal and equitable access to safe and affordable drinking water for all.	Customers	14:45
4	Quality of drinking water	Water for now and later	Pressure in the subsurface, cybersecurity, administrative, technical and financial engineering of infrastructure	We apply appropriate purification and research methods.	Water quality index (WQI)	≤ 0,019	Vitens customers can blindly rely on high-quality drinking water.	SDG 6 6.1 Universal and equitable access to safe and affordable drinking water for all. 6.3 Improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	Customers	0.017

Origin of our strategic direction				How do we realise the strategy?			For whom and how is this ultimately important?			
No.	Material themes	Strategic agenda	Risk specified in the risk inventory	Value drivers	Operational KPIs	Target	Intended impact	SDG	Stakeholder groups	
5	Attractive and good employer	Attractive employer, Water for now and later	Attractive employer	Vitens strives for healthy and engaged employees who feel good about themselves and are productive. Vitens also wants to attract and retain the right people due to scarcity in the labour market.	Engagement score	≥7,4	Employees can work in a safe working environment where vitality, job satisfaction and development are central for now and in the future	SDG 8 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	Employees, shareholders	7.4
6	Financial health	Financial health & predictability	Administrative, technical and financial engineering of infrastructure	We maintain a financial policy with continuity as its guiding principle.	Solvency	≥ 30% and target value ≥ 35%	Vitens is a financially healthy company with a good balance between the price of drinking water, solvency and shareholder returns.	SDG 9 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.	Shareholders, customers	30.0%
7	Digitalisation and data security	Water for now and later	Cybersecurity	Vitens is committed to further digitalising its operations and services as well as increasing the security of its ICT platform.	ICT Prio1 emergencies ICT Prio 1 Cybersecurity emergencies	≤10 0	Customers can count on us to keep their data confidential and count on continuous supply of drinking water.	SDG 9 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.	Company, shareholders, customers	6 0
8	Protection of groundwater sources	Water for now and later	Administrative, technical and financial engineering of infrastructure	We protect our water resources and increase our understanding of how the quality of our groundwater is evolving.	Pollution index sources short-term, long-term (VI)	n/a	Dutch people can count on reliable and affordable drinking water, now and in the future.	SDG 6 6.3 Improve water quality by reducing pollution, halving untreated wastewater and increasing recycling. 6.5 Implement integrated water resources management at all levels, including through transboundary cooperation as appropriate. 6.6 Protect and restore water-based ecosystems. SDG 12 12.2 Achieve sustainable management and efficient use of natural resources.	Company, shareholders	85(ST) 380 (LT)

Origin of our strategic direction				How do we realise the strategy?			For whom and how is this ultimately important?			
No.	Material themes	Strategic agenda	Risk specified in the risk inventory	Value drivers	Operational KPIs	Target	Intended impact	SDG	Stakeholder groups	
9	Responsible water use	Water for now and later	Administrative, technical and financial engineering of infrastructure	Vitens is committed to making customers and stakeholders more water conscious and reducing their water consumption	Average drinking water consumption per person per day in litres Business use savings vs. 2016-2019	≤127,5 ≥-4,2%	Customers can count on high-quality drinking water at a fair price – now and in the future.	SDG 6 6.4 Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity. SDG 12 12.2 Achieve sustainable management and efficient use of natural resources. SDG 13 13.2 Integrate climate change measures into national policies, strategies and planning.	Society, customers	119,5 -1,80%

5.4 GRI index

GRI Code	Indicator	Explanation	Annual report reference
GRI 1	Statement of use	Vitens N.V. reports in accordance with GRI standards for the reporting period from 1 January 2024 to 31 December 2024.	
GRI 1	GRI 1 applicable	GRI standards are included according to GR 1: Foundation 2021	
GRI 2: General guidelines			
GRI 2: Organisation and reporting			
2-1	Information about the organisation		Who we are and what we do, Governance, Notes on the consolidated financial statements
2-2	Overview of all entities included in sustainability reporting		About this report
2-3	Reporting period, frequency and contact person		About this report
2-4	Reformulation of information		About this report
2-5	Policy on assurance		Limited assurance report of the independent auditor
GRI 2: Employees and activities			
2-6	Activities, value chain and other business partners		Who we are and what we do, Our profile, this is how we make water, key figure table, value creation model, stakeholder management, About this report
2-7	Composition and numbers of employees	Vitens does not have a regional division, therefore the number of employees per region is not reported.	Employees
2-8	Employees without employment contracts (external hiring)		Employees, reference to reporting definitions
GRI 2: Governance			
2-9	The organisation's governance structure		Securing our continuity, Report of the Supervisory Board

GRI Code	Indicator	Explanation	Annual report reference
2-10	Appointment and selection of the highest governing body		Governance, reference to the following regulations (Articles 1 and 2)): https://www.vitens.nl/-/media/Project/Vitens/VitensNI/Over-Vitens/Organisatie/Reglement-RvB-getekende-versie-20-oktober-2023.pdf and (Articles 1,2,16, 23 and 27): https://www.vitens.nl/-/media/Project/Vitens/VitensNI/Over-Vitens/Organisatie/Reglement-RvC-getekende-versie-20-oktober-2023.pdf
2-11	Chair of the highest governing body		Governance
2-12	Role of highest governing body in overseeing managing impact.		Governance, Report of the Supervisory Board, reference to regulations (Articles 14, 15 and 17): https://www.vitens.nl/-/media/Project/Vitens/VitensNI/Over-Vitens/Organisatie/Reglement-RvB-getekende-versie-20-oktober-2023.pdf and (Article 17): https://www.vitens.nl/-/media/Project/Vitens/VitensNI/Over-Vitens/Organisatie/Reglement-RvC-getekende-versie-20-oktober-2023.pdf
2-13	Delegating responsibilities for managing impact		Governance, Board structure
2-14	The role of the highest governing body in sustainability reporting		Governance, Report of the Supervisory Board, reference to regulations (Articles 14, 16 and 17): https://www.vitens.nl/-/media/Project/Vitens/VitensNI/Over-Vitens/Organisatie/Reglement-RvB-getekende-versie-20-oktober-2023.pdf and (Articles 16, 17 and 20): https://www.vitens.nl/-/media/Project/Vitens/VitensNI/Over-Vitens/Organisatie/Reglement-RvC-getekende-versie-20-oktober-2023.pdf
2-15	Conflicts of interest		Governance, reference to the following regulations (Article 5): https://www.vitens.nl/-/media/Project/Vitens/VitensNI/Over-Vitens/Organisatie/Reglement-RvB-getekende-versie-20-oktober-2023.pdf and (Article 8): https://www.vitens.nl/-/media/Project/Vitens/VitensNI/Over-Vitens/Organisatie/Reglement-RvC-getekende-versie-20-oktober-2023.pdf
2-16	Communication on critical areas of concern		Laws, regulations and social duties: social safety, notifications and sanctions in 2024
2-17	Collective knowledge of the highest governing body		Governance
2-18	Performance evaluation of the highest governing body		Governance, reference to the following regulations (Article 14.5): https://www.vitens.nl/-/media/Project/Vitens/VitensNI/Over-Vitens/Organisatie/Reglement-RvB-getekende-versie-20-oktober-2023.pdf and (Article 15.4): https://www.vitens.nl/-/media/Project/Vitens/VitensNI/Over-Vitens/Organisatie/Reglement-RvC-getekende-versie-20-oktober-2023.pdf

GRI Code	Indicator	Explanation	Annual report reference
2-19	Remuneration policy		Notes to the company financial statements, note [39], governance structure, reference to the following regulations (Article 2): https://www.vitens.nl/-/media/Project/Vitens/VitensNI/Over-Vitens/Organisatie/Reglement-RvB-getekende-versie-20-oktober-2023.pdf and (Article 2): https://www.vitens.nl/-/media/Project/Vitens/VitensNI/Over-Vitens/Organisatie/Reglement-RvC-getekende-versie-20-oktober-2023.pdf
2-20	Process for determining compensation for remuneration		Reference to reporting definitions, Notes to the separate financial statements, note [39], governance structure, reference to the following regulations (Articles 2 and 16):: https://www.vitens.nl/-/media/Project/Vitens/VitensNI/Over-Vitens/Organisatie/Reglement-RvB-getekende-versie-20-oktober-2023.pdf and (Article 2): https://www.vitens.nl/-/media/Project/Vitens/VitensNI/Over-Vitens/Organisatie/Reglement-RvC-getekende-versie-20-oktober-2023.pdf and reference to the CLA
2-21	Annual total compensation ratio		Governance structure: Pay ratio, reference to reporting definitions
GRI 2: Strategy and policy			
2-22	Statement by the organisation's most senior decision-maker.		Foreword, Ambition and strategy
2-23	Values, principles, policies and standards of conduct adopted by the organisation	Vitens applies the precautionary principle to its non-financial risks. These risks and their control are described in the risk management section	Laws, regulations and social obligations
2-24	Embedding policies in the organisation		Laws, regulations and social obligations
2-25	Processes for mitigating negative impacts		Laws, regulations and social obligations: three lines model, social safety, The value we create.
2-26	Mechanisms for seeking advice and reporting incidents relating to the code of conduct		Laws, regulations and social obligations: social safety
2-27	Compliance with laws and regulations		Laws, regulations and social obligations, notifications and sanctions in 2024

GRI Code	Indicator	Explanation	Annual report reference
2-28	Memberships of associations (such as industry associations) and (inter)national advocacy organisations	Industry organisation: Vewin, WWb (Work and Social Assistance Act) Knowledge institutions/associations: Kiwa Water Research, Wetsus, Corporate Social Responsibility Netherlands, NextGenerationInfra	Stakeholder management
GRI 2: Stakeholder engagement			
2-29	Principles for identifying and selecting stakeholders and how to involve them	The selection of stakeholders is based on an assessment of the mutual interest of the stakeholders and Vitens	Stakeholder management
2-30	Employees under a collective labour agreement		Employees (table)
GRI 3: Material Themes			
3-1	Process for determining the content and specific delineation of the report and principles used in doing so	Materiality matrix	About this report
3-2	Material issues identified during the process to determine the content of the report	For the material issues where the available GRI KPIs were not considered appropriate, we listed our own KPI. These KPIs are largely reported quarterly and used for steering.	About this report
3-3	Management approach		Value creation model, the connectivity matrix, the value we create and reference to reporting definitions
Material indicators reported by Vitens according to GRI			
Financial health			
DMA		Management approach in reporting definitions, Resilient infrastructure	Reference to reporting definitions, Resilient infrastructure: financial health

GRI Code	Indicator	Explanation	Annual report reference
201-1	Direct economic values generated and distributed	Vitens is a financially healthy company with a good balance between the price of drinking water, solvency and shareholder returns. Vitens reports monthly on the KPI solvency.	Resilient infrastructure: Financial health, consolidated profit and loss account
201-2	Financial implications and other risks and opportunities due to climate change	The financial implications of the impacts and costs of measures to manage opportunities and risks have been qualitatively described and will be further developed in the following years.	Positive impact on nature, risk management: climate impact
201-3	Obligations under defined benefit and other pension plans		Notes on the consolidated financial statements; collective schemes
201-4	Financial contributions and grants received from the government		Notes on the consolidated financial statements [note 18 Other revenue]
Climate impact			
DMA		Management approach in reporting definitions, Goals and outcomes-positive impact on nature.	Reference to reporting definitions, Positive impact on nature
305-1 and 305-2	Direct greenhouse gas emissions (scope 1 and 2), by weight		Positive impact on nature
305-3	Indirect greenhouse gas emissions (scope 3)	The annual report reports CO ₂ emissions in scope 3, broken down by different categories.	Positive impact on nature
305-4	Direct greenhouse emissions intensity	In the 2024 annual report, CO ₂ emissions are related to the number of litres of drinking water produced (Mm ³ /year).	Value creation model
305-5	Reduction of greenhouse gas emissions	The 2024 annual report will express CO ₂ emissions in their entirety, in relation to the 2022 target and result. This includes reporting what part of the emission reduction can be directly related to Vitens' own actions (as it is also subject to other factors). Results are expressed in ktonne CO ₂ -eq.	Value creation model, Positive impact on nature
305-6	Emissions of ozone-depleting substances	Not applicable for Vitens	

GRI Code	Indicator	Explanation	Annual report reference
305-7	Nitrogen oxides, sulphur oxides and other significant air emissions	Not applicable for Vitens	
Material indicators for which no GRI standard applies and a proprietary indicator has been drawn up			
Attractive and good employer			
DMA		Management approach in reporting definitions, Positive impact on people	Reference to reporting definitions, Positive impact on people
In-house KPI	Engagement score	Within the GRI indicators, there is no indicator that focuses on engaged and healthy employees who feel good about themselves and are productive. Inspired employees are central to this. The KPI for this theme is engagement score. With the KPI engagement score, we want to measure the extent to which Vitens is an attractive and healthy employer.	Positive impact on people
Protection of groundwater sources			
DMA		Management approach in reporting definitions, Positive impact on nature	Reference to reporting definitions, Positive impact on nature
In-house KPI	Pollution index sources short-term, long-term (VI)	Within the GRI indicators, there is no indicator focusing on safeguards. The indicator we have chosen is additional to GRI indicator 303-2. With the KPI pollution index sources, Vitens wants to focus more sharply on the quality of the sources with the ideal of a clean source	Adequate and clean sources
Digitalisation and data security			
DMA		Management approach in reporting definitions, Resilient infrastructure	Reference to reporting definitions, Resilient infrastructure

GRI Code	Indicator	Explanation	Annual report reference
In-house KPI	ICT prio 1 emergencies	Within the GRI indicators, there is no indicator that effectively reflects the aspired digitalisation. For 2024 (and earlier), Vitens is therefore working with the internally defined KPI "ICT Prio1 emergencies".	Resilient infrastructure
In-house KPI	ICT prio 1 cybersecurity emergencies	Within the GRI indicators, there is no indicator that effectively reflects aspired safety. The KPI "ICT Prio 1 Cybersecurity emergencies" is therefore an internally defined method that expresses how many (a single or series of) unwanted wilful, unlawful and/or malicious events occur with a (potentially) negative impact on Vitens.	Resilient infrastructure
Quality of drinking water			
DMA		Management approach in reporting definitions, Reliable drinking water operation	Reference to reporting definitions, Reliable drinking water operation
In-house KPI	Water quality index (WQI)	Within the GRI indicators, there is no indicator that effectively reflects aspired quality. GRI indicators 417-1 and 417-2 are indicators focused on the disclosure of products with which we cannot substantively or qualitatively substantiate the issue. The WQI is an externally defined monitoring method that fits within the Dutch Drinking Water Act, making it excellent for this ambition.	Reliable drinking water operation
Supply security of drinking water			
DMA		Management approach in reporting definitions, Reliable drinking water operation	Reference to reporting definitions, Reliable drinking water operation
In-house KPI	Undersupply minutes (OLM)	Within the GRI indicators, there is no indicator that effectively reflects aspired quality. GRI indicators 417-1 and 417-2 are indicators focused on the disclosure of products with which we cannot substantively or qualitatively substantiate the issue. OLM is an externally defined monitoring method that fits within the Dutch Drinking Water Act, making it excellent for this ambition. In order to provide sufficient transparency on this indicator, we have also chosen the KPI that allows us to identify the most negative/undesirable situation for the organisation.	We ensure reliable drinking water operation
Water scarcity			

GRI Code	Indicator	Explanation	Annual report reference
DMA		Management approach in reporting definitions, Sufficient and clean sources	Reference to reporting definitions, Sufficient and clean sources
In-house KPI	Number of clusters with positive operating difference and Number of clusters with sufficient total reserves	GRI 303 applies to this in-house KPI. However, there is no GRI indicator indicating the availability of groundwater in sources. Therefore, the number of clusters reported shows Vitens' commitment to balancing water demand and availability of sufficient clean sources.	Adequate and clean sources
Responsible water use			
DMA		Management approach in reporting definitions, Sufficient and clean sources	Reference to reporting definitions, Sufficient and clean sources
In-house KPI	Average drinking water consumption per person per day in litres and savings in business use vs 2016-2019	GRI 303 applies to this in-house KPI. However, there is no GRI indicator availability indicating water saving to prevent water scarcity. Therefore, it reports on average drinking water consumption per person per day in litres and savings in business use vs. 2016-2019	Responsible water use
303-3	Water abstraction		Other notes on the consolidated financial statements; water balance sheet [note 29]
303-5	Water consumption		Other notes on the consolidated financial statements; water balance sheet [note 29]
Non-material indicators reported by Vitens according to GRI			
Energy			
302-1	Energy	Vitens monitors energy consumption and looks for opportunities to generate renewable energy and thereby reduce greenhouse gases. The annual report reports total energy consumption in gigawatt hours, as well as the number of gigawatt hours of self-generated, renewable energy	Value creation model, Positive impact on nature
Our employees			

GRI Code	Indicator	Explanation	Annual report reference
403-9	Lost Time Injury Frequency (LTIF)	<p>The annual report only reports on the LTIF, absenteeism and, if they occur, work-related deaths of Vitens employees in the Netherlands. The ODR, LDR and AR are indicators that we do not report but measure. These figures can be requested from us. As our work is carried out in the Netherlands, it is not relevant to report on accidents that take place in other countries. We do not report subcontractors' LTIF in the annual report. It does get discussed with management.</p> <p>Gender is not reported for the LTIF due to non-discrimination.</p>	Positive impact on people

5.5 Reporting definitions

This overview explains the KPIs associated with the material themes, measurement methods and reporting responsibilities.

Number of clusters with positive 'operational difference':

Definition: the operational difference is defined as the difference on an annual basis between the necessary total production requirement and the available treatment capacity, expressed as a percentage of the necessary total production requirement.

The reporting unit is the number of clusters. The calculation of production needs and treatment capacity is based on millions of m³.

Measurement method: the indicator is calculated as follows:

1. The necessary total production requirement is calculated by adding the projected drinking water output to the distribution loss. This figure is increased by 10 per cent to reflect unexpected demand trends*. The projected drinking water output is calculated by component, namely the components large business, small business (including agricultural) and domestic.

After adjusting for engros supplies (supply between water companies), this gives the necessary total production requirement.

2. Available treatment capacity is determined by correcting gross permit capacity for non-deployable (qualitative and quantitative constraints), deployable constraints and production losses.

Available treatment capacity minus maximum production capacity gives the operational difference.

Responsibilities and reporting: the Director of Asset Management reports on progress and results and these are discussed periodically with the Executive Board. The number of clusters with positive 'operational difference' reported in the annual report refers to the situation as at 1 January 2024 and is therefore based on projects realised in calendar year 2023. In other words, if a project is realised in a cluster by 2023, this project will ensure that the cluster will be in order in terms of operational difference by 2024.

Number of clusters with sufficient 'total reserves':

Definition: total reserve is defined as the annualised difference between maximum production capacity and the necessary production requirement and is equal to the sum of the operational difference and the non-operational reserve, expressed as a percentage of the necessary total production requirement.

The non-operational reserve is defined as the annualised difference between nominal permit capacity and the necessary total generation requirement, expressed as a percentage of the necessary total generation requirement.

The reporting unit is the number of clusters. The calculation of production capacity and production requirement is based on millions m³.

Measurement method: the indicator is calculated as follows:

1. The necessary total production requirement is calculated by adding the projected drinking water output to the distribution loss. This figure is increased by 10 per cent to reflect unexpected demand trends*. The projected drinking water output is calculated by component, namely the wholesale, agricultural and domestic components.

After adjusting for engros deliveries (deliveries between water companies), this yields the necessary total production requirement.

2. The maximum production capacity is determined by correcting the gross permit capacity for non-deployable (qualitative and quantitative constraints), and production losses.

The maximum production capacity minus the necessary total production requirement gives the total reserve.

Responsibilities and reporting: the Director of Asset Management reports on progress and results and these are discussed periodically with the board. The number of clusters with positive 'operational difference' reported in the annual report refers to the situation as at 1 January 2024 and is therefore based on projects realised in calendar year 2023. In other words, if in a cluster a project is realised in 2023, this project will ensure that the cluster is in order in terms of operative difference in 2024.

** Unexpected demand growth is meant to accommodate an unexpected increase in demand. This can occur as a result of (A) prolonged increased supply due to extreme weather; (B) risks of deviation in forecast and (C) risks of failure of available treatment capacity due to emergencies. This 10 per cent increase is in line with the reserve policy and is in line with national principles (Vewin).*

For wholesale customers, the forecast was determined based on realisation including relevant individual developments from the Relationship Management team.

For agricultural customers, the forecast was determined on the basis of realisation and indexed expectations based on results of research on dairy farming development.

For household customers, the forecast was determined based on realisation of household consumption including population trends.

CO2 emissions:

Definition: the amount of greenhouse gas emitted caused by Vitens' operations.

Measurement method: CO₂ emissions of Vitens (in ktonne CO₂eq) = the sum of greenhouse gases emitted by Vitens in the reporting year. Vitens maintains a process description for preparing the KPI CO₂ emissions Vitens includes a description of how the PDC-11: 2024 method is specifically used by Vitens.

Greenhouse gas emissions are determined for the reporting year based on Vitens' activities in that year with emissions in scope 1, 2 and 3. The activity data (e.g. kWh of electricity consumed) are multiplied by emission factors (e.g. kg CO₂eq/kWh). We purchased grey power in 2024 and applied the grey power emission factor (market-based) for this purpose. Emissions resulting from the activities in scope 1, 2 and 3 are expressed in a mass of CO₂-equivalents (kiloton CO₂eq) and summed up to a total for Vitens. The method is described generically for Dutch drinking water companies in KWR's Drinking Water Code of Practice (PDC-11) 'Calculating CO₂ footprint drinking water companies'. The emission factors in that method are taken from co2emissiefactoren.nl and the Ecolnvent database. Next year, the calculation will be done according to Greenhouse Gas Protocol guidelines. This protocol provides a full scope 3 calculation.

Where necessary, data are estimated – within the method as laid down in the PCD11 – by Vitens, such as gas consumption (estimated on the basis of the previous year's consumption data) and the composition of chemicals consumed (estimated on the basis of the previous year's settled consumption). For the emergency power plants that are not equipped with a running-hour counter, an estimate is made based on the running hours as prescribed in the plants' test regime.

Vitens chooses to report gross CO₂eq emissions: offsetting measures to reduce emissions (such as purchased Guarantee of Origin Certificates) are not included. For 2024, GVOs purchased equal to 100% of emissions from grey electricity use....

Furthermore, in addition to the PCD11, Vitens uses the high emission factor for methane* (34 kg CO₂eq/kg CH₄ instead of 29.8 kg CO₂eq/kg CH₄), for the sake of continuity in the method and in line with the importance of methane in achieving shorter-term climate goals.

*This refers to the global warming potential of methane (Global Warming Potential, GWP₁₀₀) which indicates how much stronger methane is as a greenhouse gas (relative to CO₂). The choice of 34 instead of 29.8 kg CO₂eq/kg CH₄ is allowed as an add-on within the PCD11(2024).

Responsibilities and reporting: the Director of Asset Management reports annually on CO₂ emissions in departmental reporting.

Prio1 emergencies:

Definition Prio1 emergencies: a disruption affecting a mission-critical application or the generic infrastructure (office automation, network, database cluster, storage) underneath it. This priority is given if the failure blocks the execution of the primary business process (production & distribution, invoicing, customers and laboratory), basically with more than 50 users.

Measurement method: the number of Prio1 emergencies recorded in JIRA (work management tool).

Responsibilities and reporting: the Director ICT reports quarterly on the number of Prio1 emergencies in the departmental report.

Prio1 Cybersecurity emergencies:

Definition Prio1 Cybersecurity emergencies: a (cybersecurity) security incident is a single or series of undesired intentional, unlawful and/or malicious events that have a (potential) negative impact on the organisation, its business processes, objects, resources or employees that pose a threat to the availability, integrity or confidentiality of information or systems or services provided and drinking water supply. Goal for the number of Prio1 incidents related to cybersecurity per calendar year is zero.

Measurement method: the number of Prio1 Cybersecurity incidents recorded in JIRA (work management tool).

Responsibilities and reporting: the Director ICT reports quarterly on the number of Prio1 Cybersecurity incidents in departmental reporting.

Employee base:

Data collection of employees employed by Vitens and temporary employees on the basis of an agency or secondment contract (hiring) or outsourced work.

Data are recorded in SAP. Every new employee, internal or hired, is notified by a (team) manager. Dates are recorded in SAP and reviewed by the HR department employee. Various data are entered into SAP such as personal data: gender and date of birth with the copy of passport and details of employment contract: type of contract definite/indefinite, details of external organisation, etc.

Internal employees, excluding the Executive Board, are covered by the collective labour agreement. The terms of employment for the Executive Board are set by the Remuneration and Nomination Committee (RBC) and follow the remuneration policy.

For hiring temporary staff, hiring framework agreements have been concluded by various departments.

Temporary staff refers to employees on hiring contracts.

Reward ratio:

The 2024 gross hourly wages (as defined in the Dutch Water Companies Collective Labour Agreement 2024 chapter 5.1 Value of an IB day) of all employees as reported in disclosure 2.7 of the GRI standards were extracted from SAP to compare it with the 2023 hourly wage to provide insight into the average percentage increase and the percentage increase of the highest hourly wage. In addition, the gross hourly wage of the highest-paid employee was compared with the gross hourly wage of the median earning employee to put them in relation to each other. These calculations were carried out according to the GRI standards as described in disclosure 2-21.

Undersupply minutes (OLM):

Definition: the average number of minutes that a resident in our supply area is not supplied with water in the past year.

Measurement method: the calculation of the OLM is as follows:

- For each interruption, the number of interruption minutes is determined by multiplying the duration of the interruption by the number of consumption addresses affected.
- The OLM is then the sum of all these interruption minutes divided by the total number of consumption addresses in the supply area.
- In the monthly reports, this figure is still extrapolated to an entire year by dividing it by the number of days in the reporting period and then multiplying by 365.25.

Responsibilities and reporting: the Director of Asset Management reports monthly on the OLM in the (group-wide) management report. Once a quarter, the outcomes are discussed in the quarterly meeting with the Executive Board. These outcomes are included as inputs into the investment plan so that the number of breakdowns and interruptions decreases.

Solvency:

Definition: solvency indicates Vitens' ability to meet its liabilities (debts).

Measurement method: solvency is calculated by dividing equity excluding subordinated loans by total assets and expressing the result as a percentage. The percentage is set at month-end cumulatively over the reporting period per year. Solvency is the key measure of organisational continuity. Solvency shows on the balance sheet the ratio of equity to total assets. The goal is at least 30 per cent and according to the continuity goals in the financial policy, Vitens aims for a solvency of at least 35 per cent.

Responsibilities and reporting: solvency is reported monthly by Finance & Control department in the management report and is discussed quarterly with the Executive Board. The Executive Board reports to the Supervisory Board and Audit Committee, from which action follows where necessary.

Pollution index sources:

Definition: index that measures the quality of our sources to provide insight into how Vitens can better protect its sources. The KPI Pollution Index sources is used to communicate with partners about contaminants that threaten the quality of our sources, and to determine Vitens' action perspective.

To generate insight into the quality of our sources, interpret them and get an idea of the scope for influence, the actual raw water quality is compared with our desired raw water quality (source values). This gives a picture of where points of concern (exceedances compared to source values) are present.

The desire was to convert all points of interest into a single indicator figure (an index), comparable from year to year, with the possibility of in-depth analysis. This inspired by RIWA's treatment task index. The treatment task index is based on the principle that the water at an intake point must be treated to the extent that all substances meet their standard in the Dutch Drinking Water Decree. The more substances exceed that standard, the bigger the treatment task, and the higher RIWA's index.

Measurement method: based on the following three inputs, the pollution index of sources is calculated:

Input 1) The first input is a list of defined source values. Explanation: Source values have been established for each substance that can pollute a water source (e.g. pesticides or medicine residues) and for which measures can be taken at the source (before treatment) to prevent pollution. A source value is an objective/target set by Vitens for the presence of a particular substance. For each substance, two source values were established in each case: one for the relatively short term (2030) and one for the long term (2050). See established list of source values.

Input 2) The second input is an established list of extractions and raw water sampling points underlying the KPI. Explanatory note: This establishes which raw water sample points per extraction are used to create input 3 and calculate the pollution index sources (the average of which leads to the Vitens-wide pollution index).

Input 3) The final input is raw water quality data for the past three years, measured through the raw water sampling points as described in input 2 and recorded in Lims. Explanation: Raw water quality data are obtained by sampling and analysis with a minimum frequency of once a year. Through the annual Water Quality Measurement Programme, that sampling is driven.

The calculation is done analogously to RIWA's treatment task index. The measured quality data water per extraction is compared with the source values. For each substance, this determines whether the measured value (based on max value over three years) meets the source value or not (exceedance). These results are translated for each substance to a scale from 0 to 100, where 0 means no exceedance (meets source value) and 100 is the highest degree of exceedance. The scores of all substances are added together and form the pollution indices for the extractions.

To calculate the Vitens pollution index sources, the average pollution index of all extractions is calculated: one for the short term and one for the long term.

Future laboratory corrections regarding false positives are not included in the adjustment of the contamination index for comparative figures in the future.

Responsibilities and reporting: for the KPI and its creation, the Director of Asset Management is ultimately responsible. The hydrology specialist is delegated responsibility for the creation of the KPI.

Water quality index (WQI):

Definition: this index shows the extent to which drinking water meets the legal standards as stipulated in the Dutch Drinking Water Decree.

Measurement method: the WQI consists of health parameters (acute and non-acute), business parameters and customer-oriented parameters. The WQI is calculated based on the 2022 performance protocol. The benchmark Excel file (survey between water companies to compare performance) is used for the calculation. The aggregated WQI follows from a calculation based on weighting factors for both norm setting and reality. The weighting factors were determined as follows: health parameters acute 4 times, health parameters non-acute 2 times, business parameters 1 time and customer-oriented parameters 3 times.

The index is expressed per delivered m³ drinking water and is a dimensionless number (DLG).

Responsibilities and reporting: the WQI is reported quarterly by Winning & Purification Department in the management report 'Water Quality' and in the group-wide management report and discussed with the Executive Board.

Attractive and good employment practices:

Definition: An attractive and good employer provides employees with a safe working environment in which vitality, job happiness and development are central for now and in the future.

Measurement method: being a (good and attractive) employer is measured once a year by means of an employee satisfaction survey (pulse measurement) via an external platform Effectory. The rating falls between 1 and 10. The rating is calculated by averaging responses to questions related to employee engagement. These questions are about job satisfaction, getting energy from work, fitting in and being proud of the organisation. For the goal of this KPI, the report grade from the benchmark mentioned in the research report is used.

Responsibilities and reporting: the Director of HR reports (at least) once a year on employee engagement.

Average drinking water consumption per person per day in litres:

Definition: Average drinking water consumption per person per day in litres

Measurement method: The calculation is as follows: total settled drinking water consumption to households in litres in the past 48 months / number of inhabitants in the supply area / number of days

Responsibilities and reporting: The owner of Programme Water Conservation reports quarterly on the progress of the KPI in the group-wide management report.

Savings in business use:

Definition: Development of total business drinking water demand as a percentage compared to 2016 to 2019

Measurement method: [Totaal afgerekend drinkwatergebruik aan bedrijven in m³ in de afgelopen 48 maanden - totaal afgerekend drinkwatergebruik aan bedrijven in m³ in 2016 t/m 2019] / [totaal afgerekend drinkwatergebruik aan bedrijven in m³ in 2016 t/m 2019]

Responsibilities and reporting: The owner of Programme Water Conservation reports quarterly on the progress of the KPI in the group-wide management report.



6 Financial results

Key figures

		2024	2023	2022	2021	2020
Customers						
Number of administrative connections as at 31 December (x 1,000)	Number	2,786	2,760	2,737	2,707	2,644
Average drinking water price per m ³ on a small scale (based on 100 m ³)	€	1.46	1.28	1.10	1.06	1.04
Consumer consumption per connection	m ³	98.8	98.0	97.8	101.4	110.7
Average consumption of last 4 years per person per day	l	119.5	nb	nb	nb	nb
Staff						
Number of permanent employees as at 31 December	Number	1,762	1,635	1,599	1,527	1,443
Company results						
Turnover	mln €	537.2	471.1	406.9	396.1	390.4
Drinking water turnover	mln €	487.8	426.3	366.8	356.7	353.7
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	mln €	199.9	174.9	143.0	144.9	153.5
Earnings before interest and taxes (EBIT)	mln €	72.9	61.0	33.9	44.6	52.1
Result after tax	mln €	34.5	27.2	8.2	19.4	23.9
Profit margin	%	6.4	5.8	2.0	4.9	6.1
Interest coverage	number	5.3	5.1	5.0	5.7	5.4
Equity						
Equity	mln €	713.6	677.7	649.5	600.3	559.2
Total assets	mln €	2,398.4	2,237.4	2,096.1	1,988.1	1,899.3
Total interest-bearing liabilities	mln €	1,297.4	1,212.2	1,112.4	1,036.7	996.3
Net investments (excl. contribution to new construction)	mln €	285.6	219.1	204.7	177.1	157.6
Solvency	%	29.8	30.3	31.0	30.2	29.4
Weighted Average Cost of Capital (WACC)	%	3.1	2.9	1.8	2.4	2.9
(In) tangible assets per connection	€	830	789	734	705	690
Non-financial						
Production and procurement, excluding wholesale	mln m ³	368.4	364.9	372.2	374.2	388.0
Delivery to customers	mln m ³	343.4	339.9	344.5	351.3	362.4
Not charged (NIRG)	%	6.8	6.8	7.4	6.5	6.6
Number of active manufacturing companies	Number	93	93	93	93	93

Notes on results

Financial policy

The financial policy was adopted at the Annual General Meeting in November 2022. It does justice to laws and regulations (*compliance*) and to the interests of customers and shareholders. Financial policy is challenging and realistic. The importance of continuity is at the forefront of financial policy.

Continuity

The continuity objective as part of this financial policy is formulated as follows: Solvency should be at least 30%, but Vitens aims for a solvency of at least 35%. In addition, Vitens wants to remain compliant with the set financial ratios as imposed by lenders.

Tariffs

Vitens is committed to affordable drinking water tariffs, subject to meeting its continuity goal. The starting point here is an operating profit (ebit) budgeted annually at the level of the set maximum allowed WACC percentage (*Weighted Average Cost of Capital*). The goal for 2024 is to achieve an operating profit at the level of the maximum WACC.

Dividend

Vitens wants to give its shareholders a reasonable return on the contributed assets, subject to the following preconditions:

- The dividend is related to net income.
- The amount of dividends paid shall not exceed 50% of net income.
- Paramount to this is the continuity objective. With a solvency < 30%, in principle, no dividend is paid.
- Annually, within these frameworks, a dividend proposal is submitted to the Supervisory Board for approval and to the Annual General Meeting for final approval. This dividend proposal takes into account the company's specific financial circumstances. Increased investment needs are putting pressure on financial ratios. As a result, if conditions remain unchanged (including WACC regulation), there will be no dividend prospects in the coming years.

Dutch Drinking Water Act

Within the drinking water sector, there has been increasing regulation in recent years, in line with societal developments, in the area of transparency. Transparency is about openness, accountability and accessibility.

The Dutch Drinking Water Act includes important financial frameworks for tariff control and solvency. For example, a ceiling has been set on the cost of capital that can be charged to customers by water companies (tariff control) and a ceiling has been set on the permissible share of equity in total assets (solvency). By 1 November every two years, the minister sets both financial frameworks for the following two calendar years. The Dutch Drinking Water Act was amended accordingly in 2022 with both financial frameworks being set for a three-year period. For 2022 to 2024, the weighted average cost of capital (WACC) is set at 2.95% and a maximum permitted solvency of 70%. Over 2024, the expected average cost rate for Vitens is 3.1%, exceeding the set standard. Solvency stood at 29.8% at the end of 2024 (2023: 30.3%).

Another aspect related to tariff control concerns tariff transparency. In 2024, the 2023 operating report was delivered by Vitens. In November 2024, the minister informed Vitens of he was in favour of the preparation of the 2023 business report.

In addition, the substantiation of the 2025 tariffs was delivered by Vitens to the Dutch Inspectorate of the Environment and Transport (ILT) and Authority for the Consumer and Market (ACM) regulator at the end of 2024. The assessment of the creation of drinking water tariffs is carried out by the ILT and has been approved.

Led by Vewin, the water companies started a voluntary benchmark in 1997. In this benchmark, water companies compare mutual performance in the areas of environment, water quality, service and finance. The new Dutch Drinking Water Act makes this form of performance comparison mandatory once every three years. In 2024, the mandatory benchmark took place for the year 2023.

Tariffs

Our tariffs have been designed based on the principle of "affordable drinking water tariffs". We are convinced that we can and must remain critical of our operating costs in relation to performance. The increase in our investments (for long-term security of supply) is reflected in an increase in expected amortisation and operating costs. Based on the 2025-2029 multi-year plan, Vitens has therefore increased its tariffs. Consumption tariffs are rising faster than standing charges, so saving water is also financially rewarded. On balance, customers will pay more for the drinking water they take. The tariff calculation assumed the maximum WACC of 4.32% for 2025.

Investments

Approximately €286 million of net investments were realised by Vitens in 2024 (2023: €219 million), excluding third-party contributions for connection lines. As in previous years, Vitens invested heavily in replacing and expanding production sites and the pipeline network in 2024. Investment in main and connection lines amounted to €136m in 2024. Compared to 2023, this is an increase of €17 million. This increase is mainly caused by price increases of contractors and materials. Vitens works closely with gas and electricity grid operators in the implementation of these projects.

In addition to pipeline investments, 2024 saw another full-scale effort to expand our production capacity, drinking water reserves and transport capacity. Implementation of these projects is in various stages, from obtaining permits to completing the construction phase. In 2024, the renovated production sites in Epe, Culemborg and Deventer were commissioned, ensuring security of supply and quality into the future.

With regard to sustainability, the rollout of solar energy on rooftops of our assets is on track for 2024. This rollout will take several more years and will increase our renewable electricity production. This should result in several kilotons of CO₂ reduction. In addition, the main focus in the coming years will be on increasing the sustainability impact within the (regular) projects. An example of this is adding methane capture and processing in new construction/renovation of manufacturing plants to reduce greenhouse gas emissions.

Within the ICT portfolio, the last investments took place in 2024 regarding the new SAP environment. This formally concludes the programme. However, further optimisations are continuously being made. In addition, the Water Level project was launched, in which a new standard for process automation is being developed and implemented. From the security programme, the necessary production sites have been upgraded in terms of access and physical security by 2024. This will be completed by 2025.

For 2025, Vitens is committed to further growth in investments in both underground and overhead infrastructure.

Treasury

Vitens has a loan portfolio of €1,262 million at the end of 2024 (2023: €1,160 million). In the ordinary course of business, interest rate swaps (financial instruments) are used to avoid interest rate risks due to (large) changes in interest rates on the variable loan portfolio. These instruments are not used for speculative or trading purposes.

By 2024, Vitens has repaid an amount of €72.2 million on existing loans and has raised new loans of €175 million. The negative current account balance decreased by €17 million to €35 million (2023 balance: €52 million). Total interest-bearing liabilities (cash and cash equivalents, subordinated money loans, outstanding loans and short-term interest-bearing liabilities) increased by €85 million to €1,297 million in 2024 (2023: €1,212 million).

Consolidated results

Drinking water tariffs were higher in 2024 compared to 2023, increasing drinking water revenues (despite declining sales). The result after tax is €34.5 million (2023: €27.2 million), higher than the previous year. Due to lower spending, partly planned and partly due to tightness in the labour and contractor market, the operating result was above budget.

The drinking water tariff for customers (consumers) in 2024 (€0.95 per m³ and €50.50 standing charge) has increased significantly compared to 2023 (€0.78 per m³ and €50 standing charge), mainly driven by sharply rising costs. Tap water tax rates also increased in 2024, from €0.382 per m³ (2023) to €0.42 m³ (2024).

Turnover

Drinking water supply to customers increased by 1% over 2024 (343.4 million m³) compared to 2023 (339.9 million m³). Drinking water turnover was €62.7 million (about 14.7%) higher at €487.8 million (2023: €426.3 million) mainly due to tariff increases.

Releases to the drinking water network for 2024 reached the level of 368.4 million m³ (2023: 364.9 million m³). The estimated 'Not charged' rate (NIRG) comes to 6.8%. The 2023 NIRG (after full billing) came out at 6.8% (2023 financial statements 6.7% estimated).

Other revenue increased to €49.4 million in 2024 (2023: €44.8 million).

Operating costs

Total operating expenses 2024 increased by 13.2% compared to 2023 to €464.3 million (2023: €410.1 million). The increase in operating expenses is mainly explained by a €11.5 million increase in other expenses and a €14 million increase in personnel costs. The increase in other costs is mainly explained by higher prices due to inflation.

Amortisations

Amortisations increased to €127 million in 2024 (2023: €113.9 million). Differences compared to the previous financial year are mainly caused by regular amortisation of tangible and intangible assets. These increased by €6.5 million due to a higher level of investment, see note [21]. In addition to regular amortisation, a book loss of €7.9 million (2023: book loss €2.5 million) occurred.

Operating result

The operating result for 2024 is €72.9 million (2023: €61.0 million).

Financial income and expenses

Financial income and expenses increased to a net charge of €37.9 million in 2024 (2023: €33.8 million). This is caused by rising market interest rates in 2024 and a rising loan portfolio. Vitens has raised €175.0 million in new loans by 2024. Interest rates are fixed for 79% (2023: 78%) of debt capital for several years. This provides stability in interest costs over the years and reduces the impact of fluctuations in market interest rates.

Result attributable to shareholders

Net profit attributable to Vitens shareholders in 2024 is €34.5 million (2023: €27.2 million).

Equity

Equity will increase by €35.9 million to €713.6 million in 2024. This is mainly caused by the addition of the 2024 result (€34.5 million) and to a small extent by an increase in the hedging reserve due to a positive value development of derivatives (€0.8 million) and other movements (€0.6 million).

Solvency (equity) at 31 December 2024 is 29.8% (2023: 30.3%) and is thus below the goal of 35% set out in the financial policy. The goal is not achievable in the short term due to the WACC system and investment challenge.

After adoption of the profit appropriation proposal at the Annual General Meeting, €34.5 million will be added to reserves for 2024, no dividend will be paid.

Cash flow/financing

Cash flow from operating activities €180.6 million (2023: €145.0 million) has not been sufficient to finance investing activities (including third-party contributions) of €263.4 million (2023: €227.9 million). In 2024, €72.2 million was repaid on existing loans (2023: €79.4 million) and new loans of €175.0 million (2023: €174.7 million) were raised. The current account balance decreases by €17.1 million to €35.3 million negative at the end of 2024. On balance, interest-bearing liabilities (including cash and cash equivalents) increase by €85.3 million in 2024 to €1297.4 million on 31 December 2024.

Consolidated financial statements

Consolidated balance sheet as at 31 December

(before profit appropriation)

Assets

	In millions of euros		31/12/2024		31/12/2023
	Fixed assets				
[1]	Intangible assets	58.5		49.7	
[2]	Property, plant and equipment	2,231.7		2,072.8	
[3]	Assets with right of use	19.7		20.2	
[4]	Associates and joint ventures	6.5		6.4	
[5]	Other financial assets	13.3		16.2	
			2,329.7		2,165.3
	Current assets				
[6]	Trade and other receivables	68.7		72.1	
			68.7		72.1
	Total assets		2,398.4		2,237.4

Liabilities

	In millions of euros		31/12/2024	31/12/2023
[7]	Equity			
	Share capital	5.8	5.8	
	Share premium reserve	147.2	147.2	
	Hedging reserve	-17.1	-18.5	
	Other reserves	543.2	516.0	
	Profit for the year	34.5	27.2	
			713.6	677.7
	Liabilities			
	Non-current liabilities			
[8]	Equalisation account third-party contributions	172.7	155.5	
[9]	Long-term money loans	1,202.3	1,107.2	
[10]	Derivatives	6.2	7.4	
[11]	Provisions for employee benefits	0.4	0.5	
[12]	Other provisions	1.4	1.0	
[13]	Lease liabilities	12.7	12.6	
			1,395.7	1,284.2
	Current liabilities			
[14]	Trade and other payables	175.6	157.6	
[14]	Tax liabilities	17.9	14.9	
[11,12]	Provisions	4.3	4.0	
[14]	Interest-bearing liabilities	35.3	52.4	
[14]	Short-term loans	-	-	
[14]	Short-term employee benefits	39.8	35.0	
[14]	Accrued liabilities	16.2	11.6	
			289.1	275.5
	Total liabilities		2,398.4	2,237.4

Notes in the left margin of tables refer to the notes to the consolidated balance sheet and beyond.

Consolidated income statement and statement of comprehensive income

Consolidated income statement

	In millions of euros		2024		2023
[16]	Drinking water turnover	487.8		426.3	
[17]	Other turnover	49.4		44.8	
	Total operating income from continuing operations		537.2		471.1
	Operating costs				
[18]	Cost of outsourced work and hired staff	-65.3		-50.4	
	Groundwater taxes and charges	-5.7		-5.0	
[19]	Other costs	-145.0		-133.5	
[20]	Staff costs	-121.3		-107.3	
[21]	Depreciation, fair value changes and impairment of property, plant and equipment and intangible assets	-127.0		-113.9	
	Total operating expenses		-464.3		-410.1
	Operating result		72.9		61.0
[22]	Financial income and expenses	-37.9		-33.8	
[23]	Share of result in associates and joint ventures	0.1		0.0	
			-37.8		-33.8
	Result before tax		35.1		27.2
[24]	Taxes		-0.6		0.0
	Result after tax		34.5		27.2
	Of which:				
	Result attributable to Vitens shareholders		34.5		27.2

Consolidated statement of comprehensive income

In millions of euros	2024	2023
Result after tax	34.5	27.2
Change in effective hedge interest rate derivatives	1.4	1.0
Overall result	35.9	28.2
Of which:		
Result attributable to Vitens shareholders	35.9	28.2

It is not expected that the movements in effectively hedged interest rate derivatives will be reclassified to the income statement in the future. Notes in the left margin of tables refer to the notes to the consolidated income statement and beyond.

Consolidated cash flow statement

	In millions of euros		2024		2023
	Result after tax		34.5		27.2
	Adjustments for:				
[22]	Financial income and expenses	37.6		33.8	
[21]	Depreciation, fair value changes, and impairment of property, plant and equipment	107.1		97.4	
[21]	Amortisation, fair value changes, and impairment of intangible assets	10.3		8.0	
[8]	Amortisation equalisation account third-party contributions	-6.2		-5.5	
[8]	Receipts equalisation account third-party contributions	24.1		24.8	
[3]	Lease amortisation	6.6		6.8	
[11,12]	Allocation/release of provisions	4.5		8.7	
[4]	Other changes in fixed financial assets	-0.2		0.0	
			183.8		174.0
[6]	Trade and other receivables	3.4		-18.5	
	Trade payables and accrued liabilities	-0.6		0.8	
	Change in working capital		2.8		-17.7
[11,12]	Withdrawals from provisions		-3.9		-6.2
[25]	Cash flow from operating activities		217.2		177.3
	Interest paid	-36.6		-32.3	
[25]	Cash flow from operating activities		180.6		145.0
[1,2,3,21]	Investments in (in)tangible fixed assets	-264.0		-228.2	
[2,21]	Divestments	0.6		0.3	
[25]	Cash flow from investing activities		-263.4		-227.9
[9]	Long-term loans entered into	175.0		174.7	
[9]	Repayments of long-term loans	-72.2		-79.4	
[3]	Repayments of lease liabilities	-5.8		-5.9	
[5]	Loans granted FVA	-		-11.8	
[5]	Repayment received on loan	2.9		1.2	
[5]	Change in short-term loans	-		-25.0	
[25]	Cash flow from financing activities		99.9		53.8

	Net cash flow		17.1		-29.1
	Cash and current interest-bearing liabilities as at 1 January		-52.4		-23.3
	Cash and current interest-bearing liabilities as at 31 December		-35.3		-52.4
	Change in cash and current interest-bearing liabilities		17.1		-29.1

Consolidated statement of changes in equity

In millions of euros	Share capital	Share premium reserve ordinary capital	Hedging reserve ¹	Other reserves ¹	Profit for the year	Equity attributable to Vitens shareholders
As at 1 January 2023	5.8	147.2	-19.5	507.8	8.2	649.5
Result of financial year 2023					27.2	27.2
Other total result 2023			0.5			0.5
Other changes			0.5			0.5
Total result 2023	-	-	1.0	-	27.2	28.2
Appropriation of result 2022				8.2	-8.2	-
Release of other reserves						-
Dividend distribution of ordinary shares						-
As at 31 December 2023	5.8	147.2	-18.5	516.0	27.2	677.7
Result of financial year 2024					34.5	34.5
Other total result 2024			0.8			0.8
Other changes			0.6			0.6
Total result 2024	-	-	1.4	-	34.5	35.9
Appropriation of result 2023				27.2	-27.2	-
Release of other reserves						-
Dividend distribution of ordinary shares						-
As at 31 December 2024	5.8	147.2	-17.1	543.2	34.5	713.6

1. The balance of the hedging reserve and other reserves is freely distributable. Other reserves refers to a reserve due to accumulated retained earnings.

Notes on the consolidated financial statements

General

Vitens is a public limited company. The company is domiciled in Zwolle, the Netherlands and has its registered office in Zwolle (KvK 050.69.581), with its office at Oude Veerweg 1, 8019 BE Zwolle, and whose shares are held by municipalities and provinces in its catchment area. Vitens' main activities are pumping groundwater, purifying and distributing this drinking water to customers. These financial statements cover the 2024 financial year ended on the balance sheet date of 31 December 2024. These 2024 financial statements were prepared by the Executive Board and the Supervisory Board on 10 March 2025. The Supervisory Board will submit the financial statements to the General Meeting for adoption on 25 April 2025.

IFRS Accounting Standards

Vitens' financial statements have been prepared in accordance with the statutory provisions of Part 9 of Book 2 of the Dutch Civil Code and International Financial Reporting Standards (IFRS), as adopted by the European Union (EU). IFRS includes both IFRS standards and International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB), and interpretations of IFRS and IAS standards issued by the International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC), respectively.

The principal accounting policies adopted in the preparation of the consolidated financial statements are described below. The historical cost principle is used. By way of derogation, certain assets and liabilities, in particular service houses and derivatives, are measured at fair value. Unless otherwise stated, these accounting policies have been applied consistently for all financial years included in these financial statements. The financial statements are presented in millions of euros (functional and presentation currency) and rounded to the nearest number.

Continuity

Vitens has prepared financial statements for the 2024 financial year based on the going concern principle, which assumes the continuity of ongoing operations and the realisation of assets and settlement of liabilities in the ordinary course of business.

New and amended IFRS standards

Our analysis shows that both the adopted standards and the standards yet to be endorsed do not have a material impact on the company's equity, cash flows and earnings and that there are no significant additional disclosures. For this reason, the effects of these changes on the company have not been disclosed in detail in these financial statements.

Basis of consolidation

The consolidated financial statements contain the financial data of Vitens and its group companies in which Vitens directly or indirectly exercises a decisive influence (control) over the business and financial policies. Vitens N.V. heads the group. The assets, liabilities and results of these group companies are fully consolidated. A company is controlled (control) when Vitens has power over the relevant activities of the investee, is exposed or entitled to variable returns by virtue of its involvement in the investee ('variable returns') and has the ability to use its power over the investee to influence the level of investor returns.

In the event that the interest in the consolidated company is less than 100%, a minority interest is recognised in equity and profit and loss. The results of group companies acquired or disposed of during the financial year are included in the consolidated income statement from the date of joining the group and up to the date of disposal, respectively. The principles for the balance sheet and profit determination, as well as the financial year, of the group companies are in line with those of Vitens. Interests in associates and joint ventures are not included in the consolidation.

Intercompany transactions, balance sheet items and unrealised gains on transactions between group companies are eliminated.

Application of Section 2:402 of the Dutch Civil Code

As the profit and loss account of Vitens N.V. is included in the consolidated financial statements, a simplified profit and loss account has been provided (in the company financial statements) in accordance with Section 2:402 of the Dutch Civil Code.

Accounting policies

The accounting policies and method of determining the result are unchanged from the previous financial year, taking into account changes in standards and interpretations effective from 1 January 2024.

Intangible assets

The item intangible assets is divided into the following categories (with the amortisation period used in brackets):

- Software, development costs and licences (3-7 years).
- Works in progress (no amortisation).

Investments in software, development costs and licences during the financial year are valued at acquisition cost less accumulated amortisation and accumulated impairment losses. Acquisition price means either acquisition price, manufacturing price or valuation at fair value in the situation of acquired companies. The cost of self-constructed intangible assets consists of direct costs of manufacture and allowances for indirect production costs. The cost of self-constructed intangible assets in the development phase is capitalised and costs related to research phase are recognised in the income statement.

Intangible assets are amortised using the straight-line method over their expected useful lives, if the useful life is determinable. If it is an intangible asset with no definable useful life, no amortisation takes place. An annual impairment assessment will be made for intangible fixed assets without a definable useful life and which are not yet in use. Amortisation starts when the relevant asset is put into use.

Property, plant and equipment

Property, plant and equipment is divided into the following categories (with the amortisation period used in brackets):

- Commercial buildings (40 years), site facilities (15 years); land (land) (no amortisation).
- Production sites civil (40 years), electrical and mechanical (15 years).
- Other machinery and equipment (5-15 years).
- Pipes: transport and main pipes (50 years), connection pipes ($33^{1/3}$ years) and water meters (10-15 years).
- Other fixed assets (3-5 years).
- Office buildings (40 years).
- Works in progress (no amortisation).

- Raw materials and consumables (inventories)(no amortisation).

Land and buildings, offices, machinery and equipment, pipelines and other fixed assets are valued at acquisition price or manufacturing price less accumulated amortisation and accumulated impairment losses. As an initial measurement in applications of IFRS, valuation at fair value has taken place. This fair value is assumed as *deemed cost* with amortisation deducted annually.

Service homes are homes located on Vitens water catchment areas and are rented out at market rents to (former) Vitens employees. Vitens designates these properties as property, plant and equipment in accordance with IAS 16, whereby valuation is at fair value and movements in equity are recognised (revaluation reserve). The fair value is derived, inter alia, from the WOZ value of the last WOZ assessment received. A revaluation reserve is formed for the unrealised changes in value.

Investments during the financial year are valued at acquisition cost less any grants and other contributions obtained. Acquisition price means either acquisition price, manufacturing price or valuation at fair value in the situation of acquired companies. The cost of self-manufactured assets consists of direct manufacturing costs and allowances for indirect production costs.

Costs incurred for at least one reporting period for the manufacture or acquisition of an item of property, plant and equipment or after it has been taken into use are capitalised only if it is plausible that these costs will generate future economic benefits, economic ownership exists and the costs can be measured reliably. Depending on the situation, these investments are included in the book value of the relevant assets or are capitalised separately. The book value of the original asset is divested upon replacement.

Property, plant and equipment are amortised using the straight-line method over the expected useful lives of the various components making up the asset in question. Amortisation starts when the relevant assets are put into service.

The other machines and plants also contain membranes and water meters.

The expected useful life, residual value and amortisation methods are reviewed annually and adjusted if necessary. Gains or losses on disposal are determined by reference to the proceeds and the book value at the time of disposal.

Allocation of interest costs is made in accordance with IAS 23 to projects under construction. Interest costs are allocated to projects with an expected duration of more than 12 months and an expected investment amount greater than €1 million. Allocation of interest expenses is made on the basis of the weighted average interest rate on interest-bearing debts.

Stocks of raw materials and consumables serve other property, plant and equipment. Inventories are valued at historical cost (or lower realisable value) less a provision for obsolescence.

Impairment of fixed assets

If circumstances warrant, it is determined whether property, plant and equipment is impaired. If such indications exist, an estimate of the recoverable amount of these assets is made. For assets, recoverable amount is the higher of fair value less costs to sell or value in use. Value in use is determined based on the present value of estimated future cash flows.

The amount of the write-down is charged to the income statement and visible in note [21] amortisation. After an impairment loss is recognised, annual amortisation is adjusted to the revised book value less the residual value.

If the amount of the write-down exceeds the book value of the asset, it should be considered whether a liability-based provision should be created.

Assets with right of use

Assets with right of use are measured at cost. This cost comprises the amount of the initial valuation of the cash lease liability and the initial direct costs incurred less amortisation during the financial year.

After initial recognition, the asset corresponding to a right-of-use asset shall be amortised over the useful life of the underlying asset. The amortisation regime of assets with right of use is determined based on the term of the contract.

In determining lease obligations and user charges, the current WACC rate of the relevant financial year is used as the discount rate for discounting the lease obligation except for lease obligations for which the interest rates are known.

Associates and joint ventures

Associates are entities where Vitens, directly or indirectly, exercises significant influence over the financial and operational policies, but over which it does not have decisive control. Generally, this occurs when Vitens can exercise between 20% and 50% of the voting rights. Associates are measured on acquisition at cost (being the fair value) and from then on, changes in value of associates are recognised directly in the income statement (equity method).

In case of a negative equity value, losses on participations are recognised up to the amount of the net investment in the participation. This net investment also includes loans granted to associates to the extent that they actually form part of the net investment. A provision is recognised for the share in further losses only if and insofar as, based on legal obligations, the debts of the associate are guaranteed or if there is a constructive obligation to enable the associate (for the share) to pay the debts.

In case of possible impairment of participations, reference is made to the treatment as included in the paragraph 'Impairment of financial fixed assets' in the 'Accounting policies'

Joint ventures are agreements in which Vitens, together with one or more parties, carries out activities in which all parties exercise joint control. Investments in associates over which Vitens exercises significant influence and interests in joint ventures are valued using the equity method. The book value of the associate or joint venture includes the goodwill paid on acquisition and Vitens' share of changes in equity of the associate or joint venture after the time of acquisition.

Other financial assets

Other financial assets relate to loans and receivables granted and are measured at amortised cost less any impairment losses.

Derivatives

In the ordinary course of business, derivatives (financial instruments) are used to mitigate interest rate risks. The aim of this management is to limit the impact of changes in interest rates on results. Interest rate derivatives are used to steer the loan portfolio to the desired risk profile and are not used for speculative or trading purposes. These interest rate derivatives are measured at fair value from the time the contract is entered into (*trade date*). The fair value is a result of movements in market interest rates and the fixed interest rate of the underlying derivative. Changes in the fair value of derivatives are recognised directly in equity. The interest rate derivatives entered into are designated as hedging instruments.

Vitens uses the following valuation hierarchy:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other methods where all variables have a significant effect on the recognised fair value and are directly or indirectly observable.
- Level 3: methods using variables that have a significant effect on recognised fair value, but are not based on observable market data.

Derivatives are valued in the valuation hierarchy using the Level 2 method, where variables with a significant effect on the recognised fair value are directly or indirectly observable. Vitens uses a net present value calculation, taking into account credit risk. Relevant variables applicable for valuation derivatives concern (i) present values of interest payments and (ii) projected interest rate curves.

By using interest rate derivatives, a fixed *cash outflow* is achieved. Vitens pays fixed interest on the derivative, while short-term interest paid on roll-over loans is paid from the receipt of short-term interest on the derivative. A hedge is considered to be effective if, from the beginning and during the term of the hedge relationship, changes in the cash flows of the hedged item are expected to be almost completely hedged by changes in the cash flows of the hedge instrument. If this is the case, the fluctuations in the fair value of the derivatives are recognised in favour of/at the expense of the hedging reserve (equity) (hedge accounting). If the derivative no longer qualifies as a hedge instrument, the fluctuations in fair value are credited/debited to the income statement.

Impairment of financial fixed assets

For financial instruments, the company assesses at each balance sheet date whether there is objective evidence of impairment of a financial asset or a group of financial assets. Upon objective evidence of impairment, the company determines the amount of the impairment loss and recognises it directly in the income statement.

For financial assets measured at amortised cost, the amount of impairment is determined as the difference between the asset's book value and the best possible estimate of future cash flows, discounted at the financial asset's effective interest rate as determined at initial recognition of the instrument. The impairment loss previously recognised should be reversed if the decrease in impairment relates to an objective event after write-down. The reversal is limited to no more than the amount necessary to measure the asset at its amortised cost at the time of reversal, had it not been impaired. The reversed loss is recognised in the income statement.

Fair value measurements

Vitens uses the following valuation hierarchy to determine fair value:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other methods where all variables have a significant effect on the recognised fair value and are directly or indirectly observable.
- Level 3: methods using variables that have a significant effect on recognised fair value, but are not based on observable market data.

The table below shows financial assets and liabilities measured at fair value. For notes measured at fair value, see the notes to the 'property, plant and equipment' policy. The disclosures for derivatives measured at fair value are under the accounting policy of 'Derivatives'.

Valuations at fair value as at 31-12-2024	Level 1	Level 2	Level 3	Total
In millions of euros				
Assets				
Official residences			3.4	3.4
Total assets	-	-	3.4	3.4
Liabilities				
Derivatives		6.8		6.8
Total liabilities	-	6.8	-	6.8
Valuations at fair value as at 31-12-2023	Level 1	Level 2	Level 3	Total
In millions of euros				
Assets				
Official residences			3.5	3.5
Total assets	-	-	3.5	3.5
Liabilities				
Derivatives		7.6		7.6
Total liabilities	-	7.6	-	7.6

Trade and other receivables

Trade and other receivables are measured at amortised cost less a value adjustment for potential bad debts. Offsetting and presentation of trade and other receivables from and advances received from consumers is done on the basis of settlement groups: a grouping method of customers based on meter readings spread over time to determine the water consumption to be billed. Trade and other receivables are derecognised when the funds are received or bad debts are established.

Cash and cash equivalents

The cash item consists of bank balances and cash and is valued at amortised cost, which corresponds to the nominal value. Payables to banking institutions are recognised under interest-bearing liabilities.

Equalisation account third-party contributions

The equalisation account for third-party contributions is measured in accordance with IFRS 15 at the contributions received from third parties in connection pipeline construction less amortisation. Amortisation of the equalisation account takes place in 33^{1/3} years and is equal to the amortisation period of investments in connection lines. Annual amortisation is recognised in other revenue. The current portion of the equalisation account third-party contributions is recognised under current liabilities.

Interest-bearing liabilities

Interest-bearing liabilities are measured at fair value less transaction costs on recognition. Subsequently, valuation takes place at amortised cost using the effective interest method. Repayment obligations of long-term liabilities falling due within one year are presented under current liabilities.

Provisions for employee benefits

The anniversary provision was formed for future anniversary payments and is actuarially calculated. This takes into account the 2017-2022 male and female life table, future staff turnover and salary increases.

Employee benefits provisions are discounted at a nominal discount rate of 3.1% (2023: 3,0%).

The current portion of the employee benefits provision is recognised under current liabilities.

Other provisions

Said provisions are formed if:

- A legally enforceable and/or constructive obligation exists at the balance sheet date arising from events before the balance sheet date.
- It is likely that an outflow of funds will occur to settle the obligation.
- A reliable estimate of the liability can be made.
- Provisions are measured at the nominal value of the expenditure expected to be needed, unless the effect of the time value of money is significant. In this case, the provision is measured at present value.
- The current portion of other provisions is recognised under current liabilities.

Lease liabilities

In determining lease liabilities and user charges, the current WACC rate is used as the discount rate for discounting the lease liability with the exception of lease liabilities for which the interest rates are known.

Lease liabilities are measured after initial recognition by increasing the book value to reflect interest on the lease liability and decreasing it to reflect lease payments made.

Collective schemes

Vitens has a Pension and Flexible Exit Scheme for current and former employees. Pensions are placed with Stichting Pensioenfond ABP and Flexible Exit with Stichting Flexibel Uittreding Nutsbedrijven and is thus indirectly placed with Pensioenfond ABP. These are multi-employer collective schemes and are essentially defined benefit schemes, where the pension benefit is based on the length of service and the employee's average salary during this service.

The pension schemes can be classified as *multi-employer-funds*. IAS 19 requires certain information on defined benefit plans to be disclosed in the financial statements. In particular, the balance of assets and liabilities associated with the scheme should be recognised in the balance sheet as a receivable or liability. Both pension funds have indicated that they are unable to provide participating companies with the information necessary on defined benefit plans. Therefore, both plans are treated as defined contribution plans and the pension contributions payable for the financial year are recognised as pension costs in the income statement. Pension costs are included in note [20].

ABP's policy coverage ratio at the end of 31 December 2024 was 113.1% (31 December 2023: 113,9%). Pensions were increased by over 3% from 1 January 2024. ABP's financial situation, within the rules that apply under the current pension system, allowed it to substantially index pensions. ABP's total contribution rate for retirement and survivor's pensions as of 1 January 2024 is 27.0% (2023: 27,9%).

Current liabilities

Current liabilities are measured at amortised cost. A current liability is recognised in the balance sheet as soon as Vitens is a contracting party and/or a tangible service or supply of goods has taken place.

Lease and rental agreements

Lease and rental agreements have been entered into by Vitens for its vehicle fleet and the rental of various premises and commercial buildings. Lease and rental agreements have been accounted for in accordance with IFRS 16.

Drinking water turnover

The drinking water turnover consists of the standing charge and the fee for supply of drinking water. Accounting for drinking water revenues is based on the total volume of water supplied to third parties. Turnover data are obtained from customer measurements (via water meters) and, for the unsettled part, from estimates based on experience figures. Sales tax and tap water tax levied on drinking water turnover are not included in turnover. The drinking water turnover is taken when the benefits of ownership are transferred to the buyer.

Other turnover

Other turnover includes revenue not directly related to core activities. Other turnover includes the following items:

- Revenues from services to third parties relate to front and back office work performed for another water company and services provided to VEI B.V.
- Revenue from fire hydrants refers to a one-off contribution and an annual recurring fee for the purpose of maintenance.
- Revenue connections refers to one-off fees for construction, temporary and modified connection lines.
- Amortisation of third-party contributions relates to customer contributions for construction of connection lines. Amortisation of the equalisation account takes place in $33^{1/3}$ years.
- Revenue from analyses and consultancy relate to analyses performed from Vitens' laboratory for third parties.
- Revenues from removals/new connections and collections. For relocations/new connections, Vitens charges an amount to cover administrative work.
- Rental and lease income relates to rental income from office buildings and service houses (present on land on which production sites are located or extraction takes place). In addition, revenues for leasing land.
- Residues revenue relates to the sale of residues generated as a result of the water treatment process.
- Revenue from rental fee standpipes relates to the rental of standpipes to third parties.
- Revenue from work for third parties relates to various activities Vitens performs for third parties.
- Activities from other income are recognised as revenue to the extent that supply of goods and services has taken place and to the extent that performance has been delivered.

Cost of outsourced work and hired staff

These are costs incurred by Vitens for the benefit of its operations and relate to outsourced work and hired staff from third parties. These costs are allocated to the period to which they relate.

Groundwater taxes and charges

These are costs incurred by Vitens for the benefit of its operations and relate to taxes associated with the extraction of groundwater. These costs are allocated to the period to which they relate.

Other costs

These are costs incurred by Vitens for the benefit of its operations and include raw and auxiliary materials, electricity, car costs, automation costs, facility costs and other costs. These costs are allocated to the period to which they relate.

Capitalised production

Own production capitalised concerns direct personnel costs and indirect other costs incurred in the service of the manufacture of tangible and intangible fixed assets relating to infrastructure works of the company. This capitalised production is deducted from staff costs, outsourced work and hired staff.

Finance income

Finance income consists of interest income on financial assets, being loans, calculated using the effective interest method and is allocated to the period to which it relates.

Financial charges

Interest expenses relate to interest-bearing liabilities, calculated using the effective interest method and are allocated to the period to which they relate. Interest-bearing liabilities include fixed-rate loans, roll-over loans, interest rate derivatives and current accounts. They also include interest cost of provisions and other costs of financing such as commitment fees, guarantees and bank charges. Finance costs are reduced as a result of allocation of interest costs to projects under construction in accordance with IAS 23.

Share of result in associates and joint ventures

Refers to the result in associates and joint ventures.

Taxes

From 1 January 2016, Dutch public law legal persons are subject to tax. Limited companies like Vitens are deemed by law to run a company with their entire assets. Activities carried out by Vitens under the Dutch Drinking Water Act, such as the supply of drinking water, are exempt from corporation tax.

Presumptions, estimates and assumptions in the financial statements

The preparation of financial statements involves the use of assumptions, presumptions and estimates based on past experience and factors that management believes are acceptable given the specific circumstances. These assumptions, presumptions and estimates affect the valuation and presentation of reported assets and liabilities as well as the result for the financial year. Actual outcomes may differ from the estimates and assumptions used. Below, we discuss the items mentioned.

Valuation of (in)tangible assets

In determining the book value of property, plant and equipment and intangible assets, estimates of amortisation periods derived from expectations regarding the technical and economic useful lives of the underlying assets are used. As a result of future changes in technological developments or in the use of the assets, changes in the useful life of the assets may occur and these may then trigger impairment.

If circumstances warrant, it is determined whether (in)tangible fixed assets are impaired. If such indications exist, an estimate of the recoverable amount of these assets is made. For assets, recoverable amount is the higher of fair value less costs to sell or value in use. Value in use is determined based on the present value of estimated future cash flows.

Associates

Judgement is required in assessing whether Vitens has significant influence over associates. IFRS presumes that an entity has significant influence if it holds 20% or more of the voting rights in an investee. However, IFRS states, several indicators can still lead to significant influence despite an entity having less than 20% voting power. With regard to the Aquaminerals participation, this is the case for Vitens. Indeed, Vitens and Aquaminerals regularly exchange technical information with each other and material transactions take place between Vitens and the participation. Therefore, Vitens assumes it has significant influence in Aquaminerals.

Debtors

Vitens periodically assesses the fullness of receivables based on experience figures of past payment behaviour. Any write-downs are deducted from the debtor balance. Vitens uses the following provisioning rates for its outstanding water debtors internally and externally (transferred to a collection agency):

Age category	% debtors internally at Vitens	% debtors at collection agency
- outstanding trade receivables 0-30 days	1%	22%
- outstanding trade receivables 31-60 days	1%	22%
- outstanding trade receivables 61-90 days	2%	23%
- outstanding trade receivables 91-180 days	5%	28%
- outstanding trade receivables 181-365 days	16%	40%
- outstanding trade receivables > 365 days	100%	65%

The provision of non-water funds is determined statically. At year-end, Vitens individually assesses the uncollectability of the outstanding debtor balance.

Fair value measurement of financial instruments

Derivative financial instruments are recognised in the balance sheet at fair value. For other financial instruments, including loans obtained and issued, the fair value is disclosed in the notes to the financial statements.

Employee benefits provision

The aforementioned provisions have been determined based on assumptions regarding future developments of, for instance, salaries, social legislation, staff turnover and statistically substantiated assumptions regarding survival. This complex of assumptions in conjunction with the discount rates used leads to minor impact on the valuation of provisions and results.

Other provisions

Other provisions relate to potential compensation for drought damage in extraction areas around some production sites and for a number of legal disputes and ongoing lease obligations. Provisions have been determined based on management's best estimates against which the liabilities can be settled.

Revenue account

Accounting for drinking water revenue is based on the total volume of water supplied to third parties (tap water tax is not part of revenue). Vitens uses a revenue determination system whereby actual measured consumption is allocated to months/years in accordance with the following three steps:

1. Actual invoiced quantities m³/turnover. Per customer, the actual number of invoiced m³/turnover is allocated to calendar years.
2. Quantities still to be invoiced m³/turnover up to and including end of calendar year (annual forecast). For the period in the financial year for which customers have not yet received a statement, an estimate is made on the basis of historical meter readings in relation to current drinking water deliveries. A higher/lower estimate of outstanding revenue of 1% results in higher/lower net revenue of around €1.5 million. Under note [28] is a further explanation of regarding expiry balance sheet items turnover from previous years and the actual determined 'Not charged' (NIRG) as a percentage.
3. Total correlation check between customer data in the source system and drinking water supply figures. For verification, the customer data are laid alongside the water balances (release figures production sites). Movements are analysed as is the development of the NIRG.

Basis of cash flow statement

The cash flow statement is prepared using the indirect method, whereby the change in cash is reconciled with the profit after tax according to the income statement. The term cash used in the cash flow statement refers to interest-bearing liabilities as used in the balance sheet.

Notes on the consolidated balance sheet

[1] Intangible assets

In millions of euros	Software and development costs	Works in progress	Total
Position as at 1 January 2023			
Acquisition value	83.4	16.8	100.2
Accumulated amortisations, extraordinary depreciations and fair value changes	-59.5	-	-59.5
Book value as at 1 January 2023	23.9	16.8	40.7
Changes 2023			
Investments	-	13.7	13.7
Transfer to/from other asset class	-	3.3	3.3
Commissioning works in progress	19.5	-19.5	-
Divestments	-0.2	-	-0.2
Amortisations	-7.8	-	-7.8
Total	11.5	-2.5	9.0
Position as at 31 December 2023			
Acquisition value	93.1	14.3	107.4
Accumulated amortisations, extraordinary depreciations and fair value changes	-57.7	-	-57.7
Book value as at 31 December 2023	35.4	14.3	49.7
Changes 2024			
Investments	-	13.6	13.6
Transfer to/from other asset class	-	5.5	5.5
Commissioning works in progress	17.1	-17.1	-
Divestments	-	-	-
Amortisations	-10.3	-	-10.3
Total	6.8	2.0	8.8
Position as at 31 December 2024			
Acquisition value	103.0	16.3	119.3
Accumulated amortisations, extraordinary depreciations and fair value changes	-60.8	-	-60.8
Book value as at 31 December 2024	42.2	16.3	58.5

Investments in intangible assets 2024 relate to acquired software and development costs. In 2024, €5.5 million was transferred from works in progress of property, plant and equipment to works in progress of intangible assets as they relate to software and development costs.

[2] Property, plant and equipment

In millions of euros	Company buildings and sites	Office buildings	Official residences	Machinery and equipment	Pipes	Other fixed assets	Works in progress	Total
Position as at 1 January 2023								
Acquisition value	686.2	32.1	6.8	603.8	2,801.2	30.2	118.5	4,278.8
Accumulated amortisations, extraordinary depreciations and fair value changes	-375.9	-11.8	-2.8	-463.4	-1,443.3	-19.7	-	-2,316.9
Book value as at 1 January 2023	310.3	20.3	4.0	140.4	1,357.9	10.5	118.5	1,961.9
Changes 2023								
Fair value movements	-	-	-0.2	-	-	-	-	-0.2
Investments	2.7	-	-	-	103.6	-	99.1	205.4
Commissioning works in progress	8.2	3.3	-	16.3	33.7	3.3	-64.8	-
Transfer to/from other asset class	-	-	-	-0.2	0.2	-	-3.3	-3.3
Divestments	-	-	-0.3	-0.1	-1.9	-	-0.5	-2.8
Amortisations	-13.7	-1.2	-	-20.3	-56.1	-3.6	-	-94.9
Total	-2.8	2.1	-0.5	-4.2	79.4	-0.3	30.5	104.2
Position as at 31 December 2023								
Acquisition value	695.7	35.4	6.5	617.3	2,930.3	32.0	149.0	4,466.2
Accumulated amortisations, extraordinary depreciations and fair value changes	-388.2	-13.0	-3.0	-481.1	-1,493.0	-21.8	-	-2,400.1
Book value as at 31 December 2023	307.5	22.4	3.5	136.2	1,437.3	10.2	149.0	2,066.1
Changes 2024								
Fair value movements	-	-	-0.2	-	-	-	-	-0.2
Investments	1.9	-	-	-	124.4	-	145.7	272.0
Commissioning works in progress	27.3	0.5	-	49.3	25.5	4.3	-106.9	-
Transfer to/from other asset class	-1.1	-	-	1.1	-	-	-5.5	-5.5
Divestments	-0.4	-	-	-1.1	-1.5	-	-5.5	-8.5
Amortisations	-14.7	-1.3	-	-21.0	-58.2	-3.8	-	-99.0
Total	13.0	-0.8	-0.2	28.3	90.2	0.5	27.8	158.8
Position as at 31 December 2024								
Acquisition value	720.5	35.9	3.4	663.0	3,073.2	35.0	176.8	4,707.8
Accumulated amortisations, extraordinary depreciations and fair value changes	-400.0	-14.3	-	-498.5	-1,545.8	-24.3	-	-2,482.9
Book value as at 31 December 2024	320.5	21.6	3.4	164.5	1,527.4	10.7	176.8	2,224.9

In millions of euros	31/12/2024	31/12/2023
Company buildings and sites	320.5	307.5
Office buildings	21.6	22.4
Official residences	3.4	3.5
Machinery and equipment	164.5	136.2
Pipes	1,527.4	1,437.3
Other fixed assets	10.7	10.2
Works in progress	176.8	149.0
Subtotal property, plant and equipment	2,224.9	2,066.1
Raw materials and consumables (inventories)	6.8	6.7
Total property, plant and equipment	2,231.7	2,072.8

Allocation of interest expense (IAS 23) is made on the basis of the weighted average interest rate on interest-bearing debt (2024: 3,1%; 2023: 3.0%) for projects with a minimum investment of €1 million and a duration of more than 12 months. In 2024, €2.5 million (2023: €2.6 million) of interest costs were allocated to projects under construction. A fair value movement of €0.2 million occurred in 2024 and relates to revaluation of serviced residences (2023: €0.2 million).

[3] Assets with right of use

In millions of euros	31/12/2024	31/12/2023
Buildings	4.2	4.7
Fleet	10.6	8.1
Data lines	4.0	6.4
Other	0.9	1.0
Total assets with right of use	19.7	20.2

Lease and rental agreements have been entered into by Vitens for its vehicle fleet and the rental of various premises and commercial buildings. Leases and rentals are accounted for in accordance with IFRS 16. Short-term leases and rentals (< 1 year) / low value leases and rentals (< €5,000) are included under NUBBV lease liabilities, see note [15].

The table below shows the 2024 statement of movements in lease and rental income for both the right of use and lease liability.

In millions of euros	Right of use	Lease liability
Position as at 1 January 2024	20.2	17.5
New and/or amended lease contracts	6.2	6.2
Additional costs	-	-
Amortisations	-6.7	-
Repayment of lease liability	-	-5.8
Interest	-	0.5
Position as at 31 December 2024	19.7	18.4

[4] Associates and joint ventures

Below is an overview of group companies, associates and joint ventures.

As at 31 December 2024	Location	Importance (in %)
Associates (non-consolidated)		
AquaMinerals B.V.	Rijswijk	18.10
KWH Water B.V.	Nieuwegein	26.38
Joint ventures (non-consolidated)		
VEI B.V.	Utrecht	50.0
Facturatie B.V.	Utrecht	50.0

	Associates		Joint ventures		Total	
In millions of euros	2024	2023	2024	2023	2024	2023
Book value as at 1 January	3.7	3.7	2.7	2.6	6.4	6.3
Changes						
Share of result	0.1	-		0.1	0.1	0.1
Received from participations	-	-	-	-	-	-
Total changes	0.1	-	-	0.1	0.1	0.1
Book value as at 31 December	3.8	3.7	2.7	2.7	6.5	6.4

Financial data of associates and joint ventures

In millions of euros	Assets	Liabilities	Turnover	Profit/Loss	% Importance	Share of net assets
2024						
VEI B.V. (2024)	15.0	13.0	23.0	0.1	50%	1.0
AquaMinerals B.V. (2024)	6.2	4.3	23.1	-	18.1%	0.3
KWH Water B.V. (2024)	30.0	16.5	28.0	-	26.4%	3.6
Facturatie B.V. (2024)	27.2	24.1	3	-	50.0%	1.6

Final 2024 financial statements of the aforementioned associates and joint ventures are not available before publication of the Vitens Annual Report 2024. However, the expected result of associates and joint ventures has been included. The amounts listed in the table above refer to the entities as a whole.

[5] Other financial assets

In millions of euros		2024		2023
Book value as at 1 January		19,1		8,5
New loans granted	-		11.8	
Repayments received on loans	-2.9		-1.2	
Book value as at 31 December		16.2		19,1
Repayment obligation next financial year	-2.9		-2,9	
Balance of long-term FVA as at 31 December		13.3		16,2

Loan to related party

The loans granted to Facturatie B.V. of €20.2 million are intended to finance investments related to the implementation of SAP HANA. The loan will be made available for the period from 14 October 2022 to 13 October 2029.

The interest rate charged on the loans is equal to the sum of the applicable 4-year *Interest Rate Swap* (IRS) at the time of the draw request and the margin. Here, the 4-year IRS has been applied based on the average maturity of the loan. The margin is based on a current estimate of the margin applied by the market for a similar loan to a drinking water company.

General terms and conditions of related party transactions

Sales to and purchases from related parties are made on terms equivalent to those prevailing in *arm's length* transactions. Outstanding year-end balances are unsecured and interest-free and settlement is in cash. No guarantees have been given or received by Vitens for receivables or receivables from related parties.

[6] Trade and other receivables

In millions of euros		2024		2023
Trade receivables	36.4		47.3	
Depreciation of debtors	-3.3		-2.2	
Free riders	0.7		1.3	
Net trade receivables		33.8		46.5
Taxes and social security contributions		3.8		2.6
Revenue yet to be invoiced		9.9		-
Accrued assets		21.2		23.0
Total		68.7		72.1

The balance of trade debtors concerns water debtors in the business and consumer market €21.8 million (2023: €31.7 million) and other non-water debtors €14.7 million (2023: €15.6 million). One reason for the decrease is that the collection deadline was shortened in 2024. The fair value of debtors is equal to the book value. Accrued assets at the end of 2024 amount to €21.2 million and consist mainly of prepaid amounts and sales yet to be invoiced.

At the end of the financial year, write-downs on debtors amounted to €3.3 million (2023: €2.2 million). The addition in the income statement for 2024 is €1.2 million (2023: addition of €0.8 million). In 2024, €0.3 million was withdrawn from the provision.

Below is a statement of movements in accounts receivable provisions.

In millions of euros	2024	2023
Balance as at 1 January	2.2	1.6
Changes		
Allocations	1.2	0.8
Release	-0.1	-0.2
Total changes	1.1	0.6
Balance as at 31 December	3.3	2.2

The table below shows the outstanding trade debtors by age. This excludes receivables from free riders amounting to €0.7 million (2023: €1.3 million) because Vitens is not exposed to any debtor risk on these.

The balance of trade receivables as at 31 December 2024 does not include individual receivables, which have not already been provided for, that if uncollectible would have a material impact on Vitens' results. The provision takes into account future economic developments that may impact trade and other receivables. Accounts receivable does not include receivables that cannot be classified as outstanding under the *expected credit loss model* (IFRS 9).

Water debtors

In millions of euros	0 - 90 days	91 - 180 days	181 - 365 days	> 365 days	Total
2024	17.5	1.3	1.5	1.5	21.8
2024 (incl. depreciation)	17.0	1.1	1.1	0.3	19.5
2023	27.1	2.2	1.3	1.1	31.7
2023 (incl. depreciation)	26.9	2.0	1.0	0.3	30.2

Non-water debtors

In millions of euros	0 - 90 days	91 - 180 days	181 - 365 days	> 365 days	Total
2024	12.1	0.3	0.8	1.5	14.7
2024 (incl. depreciation)	12.2	0.3	0.7	0.5	13.7
2023	13.8	0.7	0.4	0.7	15.6
2023 (incl. depreciation)	13.8	0.7	0.3	0.2	15.0

[7] Equity

Share capital	Ordinary shares		
Number of shares	Number of shares issued	Shares in portfolio at Vitens	Total
Position as at 31 December 2023	5,777,247	-	5,777,247
Position as at 31 December 2024	5,777,247	-	5,777,247

Share capital

The company share capital is €18,000,000, divided into 18,000,000 ordinary shares with a par value of €1 per share.

Consolidated statement of changes in equity

The company share capital is €18,000,000, divided into 18,000,000 ordinary shares with a par value of €1 per share. Of these, 5,777,247 shares were issued and fully paid up by the end of 2024.

The share premium reserve relates to a reserve resulting from the incorporation of Vitens in 2001. Per issued share (4,475,439), this amounted to €9 per share (totalling €40.3 million). In 2006, as a result of the merger, 1,887,685 shares were issued and per share €52.80 was added to the share premium reserve (total of €99.7 million). In 2006 and 2007, the shares of Nuon N.V. were purchased through three tranches (total shares 1,615,655). Of these, 619,223 shares were cancelled in 2006 and 175,000 in 2007. Per share, €9 was deducted from the share premium reserve (total €7.1 million). In 2007, part of the shares were sold by Nuon N.V. to municipalities and provinces (total shares 274,935). In 2011, Vitens issued 208,346 shares and per share €69 was added to the share premium reserve (total of €14.4 million).

The hedge reserve is for unrealised fair value adjustments of financial instruments due to application of *cash flow hedge accounting*. This reserve is only for the effective part of a hedge. There was a break in 2021. Of one derivative with a break clause, the contract was terminated as at 1 November 2021. The total amount paid for the surrender of the contract (being negative market value) was €12.0 million. The derivative had a maturity date of 30 June 2043. As long as the underlying interest rate risk has not disappeared, the balance is recognised over the remaining term to 30 June 2043. In 2024, €0.5 million was recognised from the hedging reserve under financial expenses.

Other reserves refers to a reserve due to accumulated retained earnings.

Profit appropriation

The Executive Board proposes the shareholders to appropriate the result after tax as follows (approved by the Supervisory Board on 10 March 2025): no dividend payment and add the result of €34.5 million to other reserves. This is in line with financial policy.

[8] Equalisation account third-party contributions

In millions of euros	2024	2023
Balance as at 1 January	161.3	142.0
Contributions received in construction	24.2	24.8
Amortisation credited to income statement	-6.2	-5.5
Balance as at 31 December	179.3	161.3
Current portion of equalisation account	6.6	5.8
Non-current portion of equalisation account	172.7	155.5
Total	179.3	161.3

Vitens applies IFRS 15 (*Revenue from Contracts with Customers*) for the contributions Vitens receives from third parties for the construction of connection lines. The amortisation period is 33^{1/3} years and is equivalent to the amortisation period of investment in connection lines.

The current portion of the equalisation account contributions from third parties is recognised under current liabilities, see note [14].

[9] Long-term money loans

In millions of euros		2024		2023
Balance as at 1 January		1,107.2		984.7
Repayment obligation for the financial year	52.2		79.4	
		1,159.4		1,064.1
Changes				
New loans	175.0		174.7	
Repayments	-72.2		-79.4	
		1,262.2		1,159.4
Repayment obligation next financial year	-59.9		-52.2	
Balance as at 31 December		1,202.3		1,107.2

Non-current liabilities relate to private and roll-over loans. The fair values of non-current liabilities are shown in note [29].

New loans of €175.0 million were raised in 2024 (2023: €174.7 million). This amount includes any transaction costs incurred, which are recognised in the income statement over the life of the loans.

Type of long-term loans	Non-current portion		Current portion	
In millions of euros	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Roll-over loans	145.0	225.0	59.9	52.2
Private loans	1,057.3	882.2		-
Total	1,202.3	1,107.2	59.9	52.2

The interest rate on the roll-over loans is fixed between 1-month and 12-month Euribor in each case and fluctuates depending on capital market developments.

Other information on long-term money loans

In millions of euros	2024	2023
Average interest rate in %	3.08%	3.00%
Total as at 31 December (nominal amount)	1,262.5	1,159.7
Repayments < 1 year	59.9	52.2
Repayments > 1 year and < 5 years	329.8	329.8
Repayments > 5 years	872.8	777.7

No collateral (pledge, mortgage, security ownership and the like) has been given in respect of the above loan portfolio. The set bank covenants are achieved by 2024. We refer to note 29 for a detailed account of this.

[10] Derivatives

As at 31 December 2024, Vitens held the following financial instruments recognised at fair value.

In millions of euros	2024	2023
Financial instruments as at 1 January	7.6	8.1
Change in value of derivatives through comprehensive income	-0.8	-0.5
Financial instruments as at 31 December	6.8	7.6
Short-term financial instruments (< 1 year)	0.6	0.2
Long-term financial instruments (>1 year)	6.2	7.4

The market value of derivatives is formed by unrealised fair value adjustments due to changes in yield curves. Specifically, the interest payable on the derivatives is higher than current market interest rates, creating a negative value in 2024 of €6.8 million (2023: €7.6 million negative). The reason for entering into these derivatives is to counter interest rate risks due to large movements in market interest rates. The related negative value will not be recognised directly by Vitens in the income statement, as the hedge qualifies as effective. IBOR reforming interest rate benchmarks by alternative benchmark rates have no impact on Vitens' hedge relationships and other financial instruments, as there has been no adjustment in Euribor rates yet.

At the end of 2024, Vitens has 4 interest rate derivatives with a principal amount of €145.0 million (2023: 5 interest rate derivatives of €195.0 million) where the floating interest rate on the roll-over loans is fixed for 1 to 17 years. The fair value of these interest rate derivatives at the end of 2024 was negative €6.8 million (2023: negative €7.6 million). Of the derivatives mentioned above, Vitens has 1 interest rate derivative (2024: €3.3 million; 2023: €2.9 million) with a remaining term of 17 years (with a principal amount of €25 million), with a breakclause (for both parties) after every 10 years (in 2031). For the derivative, the credit risk (CVA/DVA), which is included in the valuation, is determined up to the breakclause and not over the entire maturity.

[11] Provisions for employee benefits

Movements in employee benefits	Anniversary provision	Total
In millions of euros		
Position as at 1 January 2023	0.9	0.9
Allocation		-
Interest allocation	-	-
Release	-0.1	-0.1
Withdrawals	-0.2	-0.2
Position as at 31 December 2023	0.6	0.6
Allocation	0.1	0.1
Interest allocation	-	-
Release		-
Withdrawals	-0.2	-0.2
Position as at 31 December 2024	0.5	0.5
Short-term liabilities for employee benefits	0.1	0.1
Long-term liabilities for employee benefits	0.4	0.4

Of the non-current portion of employee benefits provisions, €0.2 million (2023: €0.2 million) relates to expected expenses between 1 and 5 years and €0.2 million (2023: €0.3 million) relates to expected expenses after 5 years. The current portion of employee benefits provisions is recognised under current liabilities, see note [14].

Current portion of employee benefits		
In millions of euros	31/12/2024	31/12/2023
Anniversary provision	0.1	0.1
Leave not taken	15.4	14.2
Pension contribution payable	1.7	1.6
Other short-term employee benefits	21.4	19.2
Total current portion of employee benefits	38.6	35.1

Anniversary provision

Below are the key assumptions used in determining the anniversary provision.

Assumptions	2024	2023
Survival table / mortality table	survival table 2017-2022	survival table 2017-2022
Discount rate	3.10%	3.00%
Expected salary increases	2.50%	2.50%

[12] Other provisions

In millions of euros	2024	2023
Balance as at 1 January	4.9	1.9
Changes		
Allocation	4.9	9.0
Interest allocation	0.3	-
Release	-0.8	-0.2
Withdrawals	-3.7	-5.9
Total changes	0.7	2.9
Balance as at 31 December	5.6	4.9
Current portion of other provisions	4.2	3.9
Non-current portion of other provisions	1.4	1.0
Total	5.6	4.9

The other provisions relate to possible compensation for drought damage in extraction areas around a number of production sites, possible compensation to third parties, reserves for unemployment benefits and reserves for long-term sickness benefits.

To the extent deemed necessary, provisions have been made as shown in the above statement of movements.

[13] Lease liabilities

In millions of euros	31/12/2024	31/12/2023
Buildings	4.6	5.1
Fleet	10.7	8.2
Data lines	2.1	3.2
Other	1.0	1.1
Total lease liabilities	18.4	17.6
Current portion of lease liabilities	5.7	4.9
Non-current portion of lease liabilities	12.7	12.6
Total	18.4	17.6

Lease and rental agreements have been entered into by Vitens for, among other things, the vehicle fleet and the rental of various premises and commercial buildings. Lease and rental agreements have been accounted for in accordance with IFRS 16.

The statement of movements in lease and rental income for both the right of use and lease liability is included under assets with right of use, see note [3].

[14] Current liabilities

In millions of euros	31/12/2024	31/12/2023
Trade payables	95.9	77.4
Advance water debtors	0.0	11.7
Current portion of derivatives	0.6	0.2
Provisions	4.3	4.1
Repayment obligations over non-current liabilities	59.9	52.3
Repayment obligations over lease liabilities	5.7	4.9
Tax liabilities	17.9	14.9
Interest-bearing liabilities	35.3	52.4
Short-term loans	0.0	0.0
Short-term employee benefits	39.8	35.0
Invoices to be received	13.5	11.0
Accrued liabilities	16.2	11.6
Total	289.1	275.5

The fair value of trade and other payables, tax liabilities, short-term employee benefits, invoices to be received and accruals is in line with the nominal value, given the short lead time. Trade payables and tax liabilities are generally settled within 30 days. The tax liabilities consist of: ground and mains water tax to be paid €13.4 million (2023: €11.2 million) and wage tax and social security contributions to be paid €4.5 million (2023: €3.7 million). Advance water accounts receivable represents the balance of advances and water sales yet to be invoiced. At the end of 2024, the water turnover still to be invoiced is higher than the advance, so the advance water accounts receivable is €0 and a still to be invoiced position is recognised under assets of €9.9 million.

Short-term interest-bearing liabilities, end 2024 amount to €95.8 million (2023: €104.9 million). These consist of the repayment obligations of long-term liabilities €59.9 million (2023: €52.3 million), short-term derivatives €0.6 million (2023: €0.2 million) and interest-bearing liabilities with banking institutions €35.3 million (2023: €52.4 million). Interest-bearing liabilities relate to overdrafts. Variable interest is paid on this amount. It is based on 1-month Euribor including an agreed mark-up rate.

The item short-term employee benefits at the end of 2024 amounts to €39.8 million (2023: €35.0 million) and concerns all obligations to staff such as the short-term part of the jubilee provision, pension premiums to be paid, reservation of unemployment benefits to be paid and holidays to be paid.

[15] Off-balance sheet liabilities

Energy liabilities

Liabilities under energy contracts		
In millions of euros	31/12/2024	31/12/2023
Within a year	17.8	23.7
Between 1 and 5 years	19.1	23.0
More than 5 years	-	-
Total	36.9	46.7

Said liabilities are under energy contracts for the production plants and office buildings.

Procurement of water liabilities

Liabilities under procurement of water		
In millions of euros	31/12/2024	31/12/2023
Within a year	4.5	4.5
Between 1 and 5 years	17.6	17.7
More than 5 years	144.6	142.3
Total	166.7	164.5

Said liabilities are on account of purchase of water for up to 40 years.

Liabilities under the Dutch Drinking Water Act (WACC)

The Dutch Drinking Water Act includes important financial frameworks for tariff control and solvency. This includes a cap on the cost of capital that can be charged by water companies (WACC). Vitens has realised a provisional WACC in 2024 that is higher than the permitted WACC (2023: slight undershoot), leading to a contingent liability. This is because the part above the allowed WACC has to be compensated in the tariff by 2026 at the latest. There is no obligation to refund. The final WACC will be determined through the Business Report reported to the Dutch Ministry of Infrastructure & Water Management by 1 October 2025. As of 31 December 2024, Vitens has a contingent liability of € 3.6 mln (2023: zero), which will be compensated in 2 years through tariff reduction to customers.

Liabilities under Dutch Drinking Water Act		
In millions of euros	31/12/2024	31/12/2023
2022	-	-
2023	-	-
2024	3.6	-
Total	3.6	-

Other liabilities

Other liabilities		
In millions of euros	31/12/2024	31/12/2023
Within a year	12.1	8.9
Between 1 and 5 years	12.3	14.5
More than 5 years	-	1.6
Total	24.4	25.0

Said liabilities are liabilities under non-lease components, short-term rental obligations, which are not covered by IFRS 16, and liabilities under automation costs, facility costs, financing costs and claims liabilities.

Contingent liabilities

Vitens, together with Vitens Watermanagement B.V., forms a fiscal unity for the levy of sales tax; each company is jointly and severally liable for tax payable by all companies involved in the fiscal unity under the standard terms and conditions.

Notes on the consolidated income statement

[16] Drinking water turnover

In millions of euros	2024	2023
Supply of drinking water	324.7	264.2
Fixed fee	163.1	162.1
Total	487.8	426.3

The above drinking water turnover is generated in the Netherlands and is realised from 1 segment (the entire supply area of Vitens). The annual bill for an average customer (small consumer) increased to €145.50 (excluding taxes) in 2024 compared to 2023 (€128 excluding taxes). The amounts are based on a model customer consuming 100 m³.

[17] Other turnover

In millions of euros	2024	2023
Revenue from third-party services	9.9	9.7
Revenue from fire hydrants and sprinklers	9.3	8.6
Revenue from connections	8.6	6.7
Amortisation equalisation account	6.2	5.5
Revenue from analysis and consultancy	5.5	4.5
Revenue from relocation and collection	2.2	1.3
Revenue from rental and lease	1.5	1.3
Revenue from residues	1.3	1.2
Revenue from standpipes rental fee	1.0	0.9
Revenue from work for third parties	1.0	0.9
Other revenue	2.9	4.2
Total	49.4	44.8

Other turnover includes revenue not directly related to core activities. Other turnover includes the following items:

- Revenue removals and collections. For relocations, Vitens charges a fee to cover administrative work.
- Revenue from fire hydrants relates to a one-off contribution and an annual recurring maintenance fee.
- Revenue from work for third parties relates to various activities Vitens performs for third parties.
- Rental and lease income relates to rental income from office buildings and service houses (present on land on which production sites are located or extraction takes place). In addition, revenues for leasing land.
- Participation fees refer to fees from municipalities in particular for participation in Vitens' bill for pollution charges/resident surcharge and sewerage charges.
- Revenue from analyses and consultancy relate to analyses performed from Vitens' laboratory for third parties.

- Revenue from services to third parties relates to front and back office work performed for another water company and services provided to VEI B.V.
- Amortisation of third-party contributions relates to customer contributions for construction of connection lines. Amortisation of the equalisation account takes place in $33^{1/3}$ years.
- Revenue from rental fee standpipes relates to the rental of standpipes to third parties.
- Residues revenue relates to the sale of residues generated as a result of the water treatment process.
- Activities from other income are recognised as revenue to the extent that supply of goods and services has taken place and to the extent that performance has been delivered. Of the other revenue, €0.3 million relates to grants.

Operating costs

[18] Cost of outsourced work and hired staff

In millions of euros	2024	2023
Work outsourced	54.7	45.6
Third-party personnel hired	27.7	24.9
Less: capitalised production	-17.1	-20.2
Total	65.3	50.4

The total balance of costs of work contracted out and hiring staff is higher compared to the previous year. This is mainly caused by higher hourly rates from external parties and indexations of contract prices, including from contractors. Finally, costs are higher because the implementation of the Living Lab Strategic Hearts research project was intensified in 2024.

Own production capitalised includes own operating expenses serving the manufacture of tangible and intangible fixed assets relating to infrastructure works (production plants and pipelines) of the company. Over 2024, this amounts to €17.1 million (2023: €20.2 million). The decrease is mainly caused by a decrease in the number of hours spent on the SAP implementation.

[19] Other costs

In millions of euros	2024	2023
Raw and auxiliary materials	16.8	16.2
Other personnel costs	7.7	6.2
Purchasing water	4.9	2.9
Electricity	31.9	39.8
Car costs	6.1	4.8
Automation costs	23.3	20.9
Telecom costs	1.6	1.9
Facility costs	27.0	21.9
Taxes, benefits and insurance	12.9	13.7
Removal costs	2.4	2.6
Other costs	10.4	8.5
Less: own production capitalised indirect costs	-	-5.9
Total	145.0	133.5

Raw materials and consumables increased to €16.8 million (2023: €16.2 million). This is mainly due to higher cost chemicals due to rising prices.

Other personnel costs largely relate to travel, accommodation and training costs. The increase is mainly caused by higher training costs compared to 2023.

Water purchases are higher compared to 2023, as from 2024, water was started to be purchased from Waterbedrijf Drenthe to meet the demand in our distribution area.

Energy costs include costs for electricity, gas and other fuels. Costs are significantly lower due to lower energy prices compared to 2023. Vitens' policy is to fix energy tariffs over three years, so that the tariffs are fixed at the start of the new year.

Car costs relate to fleet service costs, fuel and other car costs and amount to €6.1 million over 2024 (2023: €4.8 million).

Automation costs relate mainly to licence costs, including those related to SAP. Costs are higher than last year due to inflation.

Facilities costs largely relate to rental costs of office buildings and maintenance of installations, office buildings and land. Plant, building and land maintenance costs for 2024 amount to €22.7 million (2023: €18.6 million). Other costs on office buildings and machinery over 2024 amount to €4.3 million (2023: €3.3 million).

Taxes, benefits and insurance consist mainly of dry-cleaning costs and taxes and levies. The slight decrease is mainly caused by lower drought damage costs due to the relatively wet summer period.

Other expenses consist mainly of costs related to membership fees and contributions and representation expenses.

Capitalised production for own business includes own business costs serving the manufacture of tangible and intangible fixed assets related to infrastructure works (production plants and pipelines) of the company. This concerns personnel-related costs, such as salary costs and hiring costs. Previously (2023 and earlier), part of the other costs were also included in the hourly rate, but from 2024 only *employee benefits* will be included in the hourly rate, making the capitalised production of other costs €0 million in 2024.

[20] Staff costs

In millions of euros	2024	2023
Salaries	111.0	99.5
Social charges	14.8	13.7
Contributions paid to group plans treated as defined contribution plans	13.7	13.4
Less: capitalised production	-18.3	-19.3
Subtotal	121.2	107.4
Anniversary provision	0.1	-0.1
Total	121.3	107.3

Staff costs have increased compared to 2023, mainly due to the collective labour agreement increase from 1 January 2024. In addition, the number of FTEs grew during the year, which also caused an increase in staff costs.

Capitalised own production includes own personnel costs serving the manufacture of tangible and intangible fixed assets relating to infrastructure works (production plants and pipelines) of the company. This mainly concerns direct personnel costs and amounts to €18.3 million over 2024 (2023: €19.3 million).

In millions of euros	Anniversary provision	Total 2024	Total 2023
Allocation of provisions	0.1	0.1	-
Release of provisions	-	-	-0.1
Total	0.1	0.1	-0.1

Number of employees	2024	2023
Number of permanent employees as at 31 December	1,762	1,635
Number of FTE in permanent employment as at 31 December	1,638	1,524

The number of FTE comes to 1,638 in 2024 (2023: 1,524), with all Vitens employees working in the Netherlands. In 2024, the average number of employees was 1,699 (2023: 1,617).

[21] Amortisation, fair value changes and impairment of property, plant and equipment and intangible assets

In millions of euros	2024	2023
Depreciation of property, plant and equipment	99.0	94.9
Depreciation of intangible assets	10.3	7.8
Depreciation of charges from Facturatie B.V.	3.0	1.7
Book profit on divestments	7.9	2.5
Depreciation IFRS 16	6.6	6.8
Fair value movements	0.2	0.2
Total	127.0	113.9

Amortisation costs have increased compared to 2023, mainly due to the increase in investment levels. In addition, two large incidental write-downs took place in 2024.

[22] Financial income and expenses

In millions of euros	2024	2023
Interest costs on bullet and linear money loans	25.3	18.5
Interest costs on derivatives	1.2	2.9
Interest costs on roll-over money loans	10.1	11.6
Interest costs on drought damage	0.7	-
Interest costs on current account	1.0	1.1
Interest costs on short-term loans	1.4	1.6
Interest allocation on provisions	0.3	-
Interest costs on leases	0.5	0.4
Interest costs recharged to investment projects (IAS 23)	-2.5	-2.6
Other costs of loans	0.1	0.3
Total	37.9	33.8
Interest income	-	-
Total interest income and expenses	37.9	33.8

[23] Share of result in associates and joint ventures

In millions of euros	2024	2023
Result of associates and joint ventures	0.1	-

[24] Taxes

Vitens is liable to corporate income tax. Activities carried out by Vitens under the Dutch Drinking Water Act, such as the supply of drinking water, are exempt from corporation tax.

Tax on the result from ordinary activities amounts to €0.6 million (2023: zero). The reconciliation with the effective tax rate is as follows:

In millions of euros	2024	2023
Result before tax	34.5	27.2
Untaxed activities	31.7	25.6
Taxable result	2.8	1.6
Corporate tax	0.6	-

Corporation tax has been calculated based on the applicable tax rate in the Netherlands (2024: 25,8%; 2023: 25,8%). The effective tax rate on the result before corporation tax is 1.7%.

Dividend tax

Dividend tax is withheld and remitted by Vitens on dividends paid.

Notes on the consolidated cash flow statement

[25] Cash flow from operating, investing and financing activities

Cash flow from operating activities amounted to €180.6 million (2023: €145.0 million) and is insufficient to finance investing activities of €263.4 million (2023: €227.9 million). Cash flow from operating activities is €39.9 million higher than in 2023 which is mainly due to a higher result. The relatively limited increase in working capital reinforces the rise. Cash flow from investing activities increased by €35.5 million, mainly due to an increase in investment volume.

For FY2024, there is a net cash flow of €17.1 million positive, reducing interest-bearing liabilities by the same amount.

Other notes on the consolidated financial statements

[26] Dividend

In 2024, the Annual General Meeting approved the proposed profit appropriation on the 2023 result. As a result, the result was added to other reserves and no dividend was paid.

in millions of euros	2024	2023
Dividend from financial year 2023	-	-
Dividend from financial year 2024	-	-
Number of entitled ordinary shares	5,777,247	5,777,247
Dividend per share (in euros)	-	-

The Executive Board proposes to shareholders not to pay a dividend on the 2024 result on ordinary shares in 2025 (approved by the Supervisory Board on 10 March 2025).

[27] Related parties

Vitens' shares are held by public sector shareholders (provinces and municipalities). Vitens has interests in associates and joint ventures, in which it either has significant influence, but not decisive control, or exercises joint control in operations and financial policy. Transactions with these parties are conducted on *arm's length* basis.

VEI B.V.

In 2024, an amount of €2.2 million (2023: €2.3 million) was paid by the shareholders Vitens (50%) as a contribution to VEI B.V.'s development activities. In addition, an amount of €1.4 million (2023: €1.9 million) was billed by Vitens in 2024. This concerns hours of Vitens employees who participated in VEI B.V. projects and costs as a result of concluded *service level agreements*.

Facturatie B.V.

Amortisation costs are charged annually by Facturatie B.V. to the shareholders Vitens (50%) and Evides N.V. (50%). The amortisation costs for Vitens in 2024 is €3.1 million (2023: €1.7 million). At the end of 2024, Vitens has an amount of €0.3 million (2023: €1.2 million) on the balance sheet (debt position) for amortisation costs December to be charged on from Invoicing B.V. Against this, there is a receivable from Facturatie B.V. of €18.1 million (2023: €22.5 million), of which €16.1 million consists of loans granted to Facturatie B.V. and the remainder of pass-through investment costs SAP.

Below is an overview of the other related parties.

Related party	Location	Importance (in %)
AquaMinerals B.V.	Rijswijk	18.1
KWH Water B.V.	Nieuwegein	26.4

At year-end, related party receivables and payables amount to:

In millions of euros	2024	2023
Receivables from associated parties	18.3	22.7
Payables to associated parties	0.5	1.2

A total of €30.6 million of receivables from related parties were billed for the 2024 financial year (2023: €49.4 million). At year-end, €18.3 million remains outstanding on related parties (2023: €22.7 million). With regard to payables to related parties, a total of €36.5 million in invoices was received during the financial year. At year-end, €0.5 million remains outstanding on related parties (2023: €1.2 million).

[28] Water balance

In millions m ³	2024	2023
Total water to be treated	372.1	370.0
Production losses	-9.9	-9.5
Total clean water produced	362.2	360.5
Purchase of clean water	6.2	4.4
Production and procurement	368.4	364.9
Sales of clean water outside supply area	-	-
Delivered in supply area	368.4	364.9
Distribution losses and measurement differences (NIRG)*	-25.0	-25.0
Delivery to customers**	343.4	339.9
* Not charged (NIRG) in %	6.8%	6.8%
** Percentage already invoiced at year-end '24	48.3%	55.6%

Vitens' drinking water sales at the end of the financial year are significantly subject to estimates of water consumption. Drinking water deliveries from all production sites to the mains are recorded and are known at the end of the financial year. For the period in the financial year for which customers have not yet received a statement of their water consumption, an estimate is made based on historical meter readings in relation to the current drinking water output. At the end of the financial year, 45-55% of water consumption is subject to estimates and the supply to customers is estimated at 343.4 mln³, resulting in an NIRG of 6.8%.

The drinking water supply to customers for 2023 has been revised by 0.7 mln m³ to 339.9 mln m³ (after 99% invoicing). This means the NIRG rate has risen to 6.8% (end-2023 estimate was 6.7%). The NIRG rate is an important component of the revenue forecasting model. The NIRG indicates the difference between the drinking water output to the mains and the water consumption charged to our customers. In addition, the 2022 NIRG increased to 7.4% due to new water meter readings coming in, which meant previous estimates of m³ sold were too high.

Result on expiry of balance sheet item of consumption and effect NIRG	2024	2023	2022	2021	2020
Result on expiry of balance sheet item of sales consumption from previous year (in millions of euros)	-1.1	-1.4	-1.3	-1.6	-0.3
Actual NIRG in financial statements (after > 99.5% invoicing)		6.8%	7.4%	6.5%	6.6%
Expected / Reported NIRG in financial statements (after approximately > 45% invoicing)	6.8%	6.7%	6.6%	6.1%	6.4%

[29] Financial risk management

Control of capital

The financial policy was approved at the Annual General Meeting in November 2022 and does justice to laws and regulations (compliance), to the interests of customers and shareholders and should be challenging but realistic for Vitens. The importance of continuity is at the forefront of financial policy. The continuity objective is formulated as follows: Solvency is set at equity at least equal to 35% of the balance sheet total. This primary objective is central to the management of financial risks. At the end of 2024, solvency is 29.8% (2023: 30,3%). The higher maximum realisable cost of capital (WACC) for 2025-2027 should help improve solvency.

Vitens has included in its treasury statute that the interest rate risk may not exceed 25% of the total debt position. Interest rate risk is the sum of interest rate revisions (including interest rate instruments) and what is needed in new financing (debt renewal) in any year.

Vitens has entered into credit arrangements with several lenders. In these arrangements, lenders set conditions (financial ratios) that Vitens must meet.

In October 2021, the standard for the WACC for the years 2022 to 2024 was set at 2.95%. For these years, the maximum allowed solvency remains at 70%. For the period from 2025-2027, the standard for the WACC is set at 4.32%.

Vitens achieved a provisional WACC of 3.1% in 2024. The final WACC will be determined through the Business Report reported to the Dutch Ministry of Infrastructure & Water Management by 1 October 2025. The achieved WACC is higher than the set standard of 2.95%.

Vitens has met the ratios set out in the banking covenants by 2024.

Financial ratios	Target values ¹	Bank covenant	2024	2023	2022	2021	2020
Solvency (equity/total assets)	> 35%	> 25%	29.8%	30.3	31.0	30.2	29.4
Solvency (guaranteed capital/total assets)	> 35%		29.8%	30.3	31.0	30.2	30.0
Leverage ratio (OCF / Interest-bearing debt)	> 7%	> 7%	13.9%	12.0	11.7	12.2	11.9
Interest Coverage ratio (EBIT/ (interest expense and income + dividend paid current financial year))	> 1,3	> 1,3	1.92	1.80	1.30	1.76	1.84
Debt ratio (Interest-bearing liabilities (excluding subordinated loans)/ EBITDA)	< 7,5	< 7,5	6.5	6.9	7.8	7.1	6.4
Weighted Average Cost of Capital (WACC) ²	< 2,95%		3.11%	2.92%	1.83%	2.41%	2.93%

1. The target values relate to conditions from Vitens' financial policy.
2. The WACC is set for the years 2025 to 2027 at 4.32% (2022 to 2024: 2.95%).

Calculation method of financial ratios and abbreviations used

- **Solvency (equity):** equity x 100% divided by total assets.
- **Solvency (guarantee capital):** (equity + subordinated loans) x 100% divided by total assets.
- **Leverage:** net operating cash flow divided by interest-bearing debt (including subordinated loans).
- **Ebit:** operating result plus result of joint ventures and associates.
- **Ebitda:** ebit plus amortisation and impairment.
- **WACC:** drinking water operations operating profit plus any tariff compensation divided by average balance sheet total drinking water operations.

Financial risks are managed within Vitens by the treasury committee, which is supervised by the Executive Board. Key objectives of the treasury policy are to ensure continued access to the capital market, manage financial risks, achieve the lowest possible costs and secure sufficient liquidity.

Vitens is subject to the following financial risks: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk.

Market risk

(i) Price risk

Price risk means the risk of changes in value due to changes in market prices.

Fair value of financial assets and liabilities	Book value		Fair value	
In millions of euros	2024	2023	2024	2023
Assets				
Trade and other receivables	68.7	72.1	68.7	72.1
Non-current financial assets	13.3	16.2	12.2	14.6
Liabilities				
Long-term money loans	1,262.2	1,159.4	1,207.2	1,113.3
Trade and other payables	95.9	92.2	95.9	92.2
Invoices to be received	13.5	11.0	13.5	11.0
Interest-bearing liabilities	35.3	52.4	35.3	52.4
Short-term loans	-	-	-	-
Current other financial liabilities	78.2	62.4	78.2	62.4

The table above shows the fair values of financial assets and liabilities. The fair value valuations of the loans are level-2 valuations. Derivatives are not disclosed herein as they are recognised at fair value on the balance sheet.

The fair values of financial assets and liabilities were determined as follows:

1. Trade and other receivables and prepaid amounts: given the short lead time of these receivables, the fair value is in line with the book value;
2. Long-term financial assets: this item concerns a loan granted to Invoicing BV and mortgage loans to (former) employees. The fair values of these have been determined by discounting future cash flows;
3. Long-term money loans: the fair values of these have been determined by discounting the future cash flows at the yield rate curve applicable to Vitens as at 31 December;
4. Trade and other payables, invoices to be received, short-term loans and short-term other financial liabilities: the fair value of the aforementioned items is in line with the book value, given the short lead time;
5. Interest-bearing liabilities: the fair value of interest-bearing liabilities is in line with their book value.

(ii) Currency risk

This refers to the risk that the value of a financial instrument changes due to fluctuations in foreign exchange rates. Vitens itself runs no currency risk on its operations as all business activities take place within the Netherlands. VEI B.V. is a joint venture of Vitens and Evides N.V. and carries out projects in developing countries with the aim of improving water supply. VEI B.V. uses the euro as its functional currency. Any exchange differences are calculated on a transaction-by-transaction basis and credited/ debited to the income statement.

(iii) Interest rate risk

In the normal course of business, Vitens uses derivatives (*interest rate swaps*) to mitigate interest rate risks. The aim of this management is to limit the impact of changes in interest rates on results. Derivatives are used to steer the loan portfolio to the desired risk profile. These instruments are not used for speculative or trading purposes. Vitens has included in its treasury statute that a maximum of 25% of total loan capital (excluding subordinated money loans) may be exposed to interest rate risk. At the end of 2024, the interest rate risk thus calculated was 21.0% (2023: 22,0%). A small part of the loan portfolio is subject to interest rate fluctuations and the impact on interest expenses is limited.

Any increase/decrease in short-term interest rates (three-month Euribor) of one hundred basis points (1%) means an increase/decrease in interest costs of €1.0 million on an annual basis (2023: €1.3 million) for Vitens. The increase/decrease relates to roll-over loans not hedged by derivatives and the balance over the current account.

Any decline in the yield curve compared to 31 December 2024 of 100 basis points (1%) has a negative impact of €5.7 million on the value of derivatives. Any increase in the yield curve compared to 31 December 2024 of 100 basis points (1%) has a positive impact of €5.0 million on the value of derivatives. A negative or positive effect on the value of derivatives results in movements in equity.

The interest rate derivatives are equal to the maturity of the linked roll-over loans. For a principal amount of €145 million, the maturity of the interest rate derivatives is equal to the maturity of the roll-over loans.

The table below shows the maturity date or, if earlier, the contractual interest rate reset date of the loan portfolio on 31 December 2024. This provides insight into the extent to which Vitens is exposed to changes in the level of interest rates for financial liabilities.

Interest rate risk	Effective interest rate	< 6 months	> 6 < 12 months	1 - 5 years	> 5 years	Total
In millions of euros						
As at 31 December 2023						
Bullet and linear money loans	2.42%	-	-	154.8	727.5	882.3
Roll-over money loans (linked with interest rate swaps, creating fixed-interest loans)	4.41%	-	50.0	120.0	25.0	195.0
Roll-over money loans	3.55%	-	2.2	55.0	25.0	82.2
Banks (current account)	one-month Euribor	52.6	-	-	-	52.6
Cash loans		-	-	-	-	-
Lease liabilities	0,0-4,8%	2.8	2.6	11.4	2.1	18.9
Total financial liabilities		55.4	54.8	341.2	779.6	1,231.0
As at 31 December 2024						
Bullet and linear money loans	2.68%	-	-	234.7	822.7	1,057.4
Roll-over money loans (linked with interest rate swaps, creating fixed-interest loans)	4.32%	-	50.0	70.0	25.0	145.0
Roll-over money loans	4.00%	-	10.0	25.0	25.0	60.0
Banks (current account)	one-month Euribor	35.3	-	-	-	35.3
Cash loans		-	-	-	-	-
Lease liabilities	0,6-4,8%	2.9	2.8	11.3	1.4	18.4
Total financial liabilities		38.2	62.8	341.0	874.1	1,316.1

(iv) Credit risk

Vitens is subject to risks in case customers cannot meet their obligations. At the end of 2024, the debtor balance at risk is €46.3 million (2023: €47.3 million), see note [6]. In addition, risk is incurred on the balance of financial fixed assets €13.3 million (2023: €16.2 million).

Other short-term receivables €25.7 million (2023: €26.7 million) comprise receivables from free riders €0.7 million (2023: €1.3 million), taxes and social security contributions €3.8 million (2023: €2.6 million), prepaid expenses €10.2 million (2023: €13.3 million) and miscellaneous receivables of €11.0 million (2023: €9.7 million). Vitens is not exposed to credit risk on the receivables from free-riders and taxes and social security contributions. Vitens has no significant concentrations of credit risk.

Liquidity risk

Liquidity risk consists of the risk that Vitens cannot obtain financial resources to meet its obligations, or cannot obtain them on time. To minimise this risk, Vitens regularly assesses expected and potential cash flows over a time horizon of several years. A detailed liquidity forecast is also prepared annually to identify any fluctuations in liquidity needs in time and take appropriate action if necessary.

As at 31 December 2024, Vitens has:

- An overdraft facility of up to €110 million, of which €50 million was committed.
- A cash facility of up to €25 million (relates to an uncommitted facility).
- A variable roll-over loan of €50 million (committed) of which €40 million can still be drawn.
- A Revolving Credit Facility of €100 million (relates to a committed facility).

Contractually agreed (undiscounted) payments on financial liabilities are shown in the table below.

Liquidity risk	< 1 year	> 1 < 5 years	> 5 years
In millions of euros			
Calculate non-current financial liabilities incl. interest			
Bullet and linear money loans	28.7	339.6	944.3
Roll-over loans	65.7	103.7	62.8
Derivatives	1.8	3.8	9.3
Lease liabilities	5.7	11.3	1.4
Non-current other financial liabilities	34.4	49.0	144.6
Total non-current financial liabilities	136.3	507.4	1,162.4
Current financial liabilities			
Trade and other payables	95.9	-	-
Invoices to be received	13.5	-	-
Interest-bearing liabilities	35.3	-	-
Short-term loans	-	-	-
Current other financial liabilities	78.2	-	-
Total current financial liabilities	222.9	-	-
Total non-current and current financial liabilities	359.2	507.4	1,162.4

[30] Offsetting financial assets and financial liabilities

At year-end 2024 and 2023, Vitens did not recognise any financial assets and financial liabilities netted on the balance sheet. Similarly, there are no contingent netting rights that could lead to netted settlement of financial assets and financial liabilities.

[31] Events after balance sheet date

No significant events affecting the 2024 financial statements occurred after the balance sheet date.

Separate financial statements

Single balance sheet as at 31 December

(before profit appropriation)

Assets

	In millions of euros		31/12/2024		31/12/2023
	Fixed assets				
	Intangible assets	58.5		49.7	
	Property, plant and equipment	2,231.7		2,072.7	
	Assets with right of use	19.7		20.2	
[32]	Investments in subsidiaries	-		-	
[32]	Investments in associates and joint ventures	6.5		6.4	
	Other non-current financial assets	13.3		16.2	
			2,329.7		2,165.3
	Current assets				
[33]	Trade and other receivables		68.7		72.1
	Total assets		2,398.4		2,237.4

Liabilities

	In millions of euros		31/12/2024		31/12/2023
[34]	Equity				
	Share capital	5.8		5.8	
	Share premium reserve	147.2		147.2	
	Derivatives revaluation reserve	-17.1		-18.5	
	IFRS transition revaluation reserve	7.3		10.0	
	Legal reserve participations	4.7		4.6	
	Other reserves	531.2		501.4	
	Profit for the year	34.5		27.2	
			713.6		677.7
	Liabilities				
	Provisions				
[35]	Provisions for employee benefits	0.4		0.5	
[36]	Other provisions	1.4		1.0	
			1.8		1.5
	Non-current liabilities				
	Equalisation account third-party contributions	172.7		155.5	
	Interest-bearing liabilities	1,202.3		1,107.2	
	Lease liabilities	12.7		12.6	
	Derivatives	6.2		7.4	
			1,393.9		1,282.7
[37]	Current liabilities		289.1		275.5
	Total liabilities		2,398.4		2,237.4

Company income statement

In millions of euros		2024		2023
Own result (excl. participations) after tax	34.4		27.2	
Result of participating interests after tax	0.1		-	
Net result		34.5		27.2

Notes on the company financial statements

Accounting policies for the company financial statements

Vitens' company financial statements have been prepared in accordance with the provisions of Part 9 of Book 2 of the Netherlands Civil Code, with the exception of the accounting policies as explained below.

The accounting policies used are largely the same as those used for the consolidated financial statements under the provisions of section 362(8) Title 9 Book 2 of the Dutch Civil Code, where investments in subsidiaries are accounted for at the net asset value using the equity method. Vitens' separate profit and loss account has been prepared in a simplified manner pursuant to Section 402, Part 9, Book 2 of the Dutch Civil Code. Vitens applies the International Financial Reporting Standards (IFRS) as accepted within the European Union as its accounting policies. For the accounting policies, please refer to 'Accounting policies for the consolidated financial statements'.

The balance sheet items service houses and derivatives are measured at fair value. As a result of the application of Title 9 Book 2 of the Dutch Civil Code, a revaluation reserve is formed for the effect of fair value changes on equity. For other disclosures, see [consolidated financial statements](#).

[32] Investments in associates

In millions of euros	Investments in subsidiaries	Investments in associates and joint ventures	Total
Book value as at 1 January 2023	-	6.3	6.3
Changes 2023			
Share of result	-	0.1	0.1
Other changes	-	-	-
Total changes	-	0.1	0.1
Book value as at 31 December 2023	-	6.4	6.4
Changes 2024			
Share of result	-	-	-
Other changes	-	-	-
Total changes	-	-	-
Book value as at 31 December 2024	-	6.4	6.4

Investments in subsidiaries are measured at net asset value, which is determined on the basis of IFRS principles as applied in the consolidated financial statements.

[33] Trade and other receivables

In millions of euros		31/12/2024		31/12/2023
Trade receivables	36.4		47.3	
Depreciation of debtors	-3.3		-2.2	
Free riders	0.7		1.3	
Net trade receivables		33.8		46.5
Taxes and social security contributions		3.8		2.6
Receivables from group companies		-		-
Revenue yet to be invoiced		9.9		-
Accrued assets		21.2		23.0
Total		68.7		72.1

[34] Equity

In millions of euros	2024	2023
Balance as at 1 January	677.7	649.5
Changes		
Profit for the year	34.5	27.2
Change in revaluation reserve for derivatives	1.4	1.0
Change in revaluation reserve for IFRS transition	-2.6	-2.5
Change in general reserve	2.5	2.5
Movement in legal reserve participations	0.1	-
Dividend distribution of ordinary shares	-	-
Total changes	35.9	28.2
Balance as at 31 December	713.6	677.7

The derivatives revaluation reserve relates to the negative market value of derivatives of €6.8 million (2023: €7.6 million), see note [10].

The IFRS transition revaluation reserve was formed for the 2006 valuation gains on transport and main and raw water and site pipelines at production sites. A weighted average age (or investment year) of 1977 has been assumed for transport and main pipes, making this revaluation zero in 2027. For raw water and site pipes at production sites, a weighted average age (or investment year) of 1996 has been assumed, causing this revaluation to decrease to zero in 2036.

Vitens holds a statutory reserve participations equal to the share in the positive result from participations and in direct capital gains since the initial valuation of the participation.

For other notes on equity, please refer to the consolidated financial statements, see note [7].

[35] Provisions for employee benefits

For the statement of changes in provisions for employee benefits, please refer to the consolidated financial statements, see note [11].

[36] Other provisions

For the statement of changes in other provisions, please refer to the consolidated financial statements, see note [12].

[37] Current liabilities

In millions of euros	31/12/2024	31/12/2023
Trade and other payables	95.9	77.4
Advance water debtors	-	11.7
Current portion of derivatives	0.6	0.2
Provisions	4.3	4.1
Repayment obligations over non-current liabilities	59.9	52.3
Repayment obligations over lease liabilities	5.7	4.9
Tax liabilities	17.9	14.9
Interest-bearing liabilities	35.3	52.4
Short-term loans	-	-
Short-term employee benefits	39.8	35.0
Invoices to be received	13.5	11.0
Accrued liabilities	16.2	11.6
Total	289.1	275.5

[38] Remuneration of Executive Board and Supervisory Board members

By virtue of section 1.3, first paragraph, subsection d of the Dutch Act on the Remuneration of Top Officials in the Public and Semipublic Sectors (WNT of 15 November 2012), Vitens is obliged to take account of the obligations set out in the Act in the compilation of the accounts below. The applicable remuneration cap for Vitens N.V. in 2024 is €233,000 (the general remuneration ceiling).

Remuneration of the Executive Board

In this 2024 annual report, we have used the accountability format for the WNT as made available by the Dutch Ministry of the Interior and Kingdom Relations (BZK).

Data 2024			
amounts x €1	Dr. J.J. Hannema ¹	ir. T.R. Roozendaal ²	
Job details	Chair of the Executive Board	Chair of the Executive Board	
Commencement and end of office in 2023	01/01 – 31/03	01/04 – 31/12	
Scope of employment (as part-time factor in FTE)	1	1	
Employment?	Yes	Yes	
Remuneration			
Remuneration plus taxable expense allowances	51,278	157,264	
Remuneration payable at term	5,916	17,804	
Subtotal	57,194	175,068	
Individually applicable remuneration cap	57,932	175,068	
-/- Amount unduly paid and not yet recovered	n/a	n/a	
Remuneration	€ 57,194	€ 175,068	
The amount of the excess, and	n/a	n/a	
the reason why the excess is or is not permitted	n/a	n/a	
Explanation of claim for undue payment	n/a	n/a	
Data 2023			
amounts x €1	Dr. J.J. Hannema	Dr. M. Bonhof	Dr. C.M.M. Martens
Job details	Chair of the Executive Board	Member of the Executive Board	Member of the Executive Board
Commencement and end of office in 2023	01/01 – 31/12	01/01 – 31/01	15/05 – 31/12
Scope of employment (as part-time factor in FTE)	1	0.9845	1
Employment?	Yes	Yes	Yes
Remuneration			
Remuneration plus taxable expense allowances	200,090	16,385	126,702
Remuneration payable at term	22,910	1,912	14,430
Subtotal	223,000	18,297	141,132
Individually applicable remuneration cap	223,000	18,646	141,132
-/- Amount unduly paid and not yet recovered	n/a	n/a	n/a
Remuneration	€ 223,000	€ 18,297	€ 141,132
The amount of the excess, and	n/a	n/a	n/a
the reason why the excess is or is not permitted	n/a	n/a	n/a
Explanation of claim for undue payment	n/a	n/a	n/a

1. Chair of the Executive Board: In 2024 full-time employment 91 days (2023: 365 days; full-time employment).

2. Chair of the Executive Board: In 2024 full-time employment 275 days

Senior executives without employment in the period calendar month 1 to 12			
amounts x €1	N. G. Dalstra		
Job details	Chief Financial Officer (CFO)		
Calendar year	2024	2023	2022
Period of office held in the calendar year (start - end)	1-1 to 4-7	1-12 to 31-12	
Number of calendar months			
Job performance in the calendar year	7	1	
Extent of employment in hours per calendar year	872	108	
Individual applicable remuneration ceiling			
Maximum hourly rate in the calendar year	€ 221	€ 212	€ 206
Maxima based on standard amounts monthly	€ 200,800	€ 29,500	
Individual applicable cap entire period calendar month 1 to 12	€ 215,608		
Remuneration (all amounts excluding VAT)			
Remuneration in the relevant period	€ 192,712	€ 22,896	
Total remuneration entire period calendar month 1 to 12	€ 215,608		
(-/-) Amount unduly paid and not yet recovered	€ -		
Total remuneration, excluding VAT	€ 215,608		
The amount of the excess and the reason why the excess is or is not authorised	N/A		
Explanation of claim for undue payment	N/A		

Remuneration of Supervisory Board members

The remuneration of the members of the Supervisory Board consists of attendance fees. Below are the remuneration top officials and former top officials without employment (in euros):

Data 2024					
amounts x €1	H.C.P. Noten	M.R. van Lieshout	H. Setz	G.M. van Dijk	P.A.N. ten Kroode
Job details	Chair	Member	Member	Member	Member
Commencement and end of office in 2024	01/01 – 31/12	01/01 – 31/12	01/01 – 31/12	01/01 – 31/12	01/01 – 31/12
Remuneration					
Remuneration	34,251	22,601	22,601	22,601	22,601
Individually applicable remuneration cap	34,950	23,300	23,300	23,300	23,300
-/- Amount unduly paid and not yet recovered	n/a	n/a	n/a	n/a	n/a
Remuneration	34,251	22,601	22,601	22,601	22,601
The amount of the excess, and	n/a	n/a	n/a	n/a	n/a
the reason why the excess is or is not permitted	n/a	n/a	n/a	n/a	n/a
Explanation of claim for undue payment	n/a	n/a	n/a	n/a	n/a
Data 2023					
amounts x €1	H.C.P. Noten	M.R. van Lieshout	H. Setz	G.M. van Dijk	P.A.N. ten Kroode
Job details	Chair	Member	Member	Member	Member
Commencement and end of office in 2023	01/01 – 31/12	01/01 – 31/12	01/01 – 31/12	01/01 – 31/12	01/01 – 31/12
Remuneration					
Remuneration	32,781	21,631	21,631	21,631	21,631
Individually applicable remuneration cap	33,450	22,300	22,300	22,300	22,300
-/- Amount unduly paid and not yet recovered	n/a	n/a	n/a	n/a	n/a
Remuneration	32,781	21,631	21,631	21,631	21,631
The amount of the excess, and	n/a	n/a	n/a	n/a	n/a
the reason why the excess is or is not permitted	n/a	n/a	n/a	n/a	n/a
Explanation of claim for undue payment	n/a	n/a	n/a	n/a	n/a

In the table above, the maximum individual remuneration standard takes into account the number of days in office as Chair and/or member of the Supervisory Board.

[39] Audit fees

In accordance with Section 2:382a of the Dutch Civil Code, this note explains the audit fees related to the services received from the audit firm in 2024. They consist of the audit of the financial statements of €310 thousand (2023: €273 thousand), the review of sustainability information in the annual report of €105 thousand (2023: €83 thousand) and for other audit work of €42 thousand (2023: €66 thousand). There are no fees for tax advisory services and other non-audit services by the external auditor.

Zwolle, 10 March 2025

Supervisory Board

Dr. H.C.P. Notes (chair)

Dr. M.R. van Lieshout (Supervisory Board member)

Dr. H. Setz MBA (Supervisory Board member)

Prof. Dr. ir G.M. van Dijk (Supervisory Board Member)

ir. Dr.. P.A.N. ten Kroode (Supervisory Board member)

Executive Board

Tjeerd R. Roozendaal

Daniëlle N. van Rieven

Other information

Profit appropriation

The statutory provisions regarding profit appropriation are as follows:

40.1

The dividend policy is set, and may be amended, by a resolution of the Executive Board approved by the Supervisory Board and the Annual General Meeting. Subject to the dividend policy approved, the Executive Board, with the approval of the Supervisory Board, determines annually what portion of the profit will be reserved and what portion will be distributed.

40.2

Distribution of profits is made after the adoption of annual accounts showing that it is lawful.

40.3

The general meeting may decide to distribute interim dividends and distributions charged to a reserve of the company on a proposal of the Executive Board approved by the Supervisory Board.

40.4

Distributions on shares may only take place up to the amount of the distributable equity and, if it concerns an interim distribution, this requirement has been met as evidenced by an interim statement of assets and liabilities as referred to in Section 2:105(4) of the Dutch Civil Code. The company shall file the statement of assets at the office of the Dutch Trade Register within eight days from the day on which the resolution to distribute is announced.

40.5

A shareholder's claim for a distribution on shares is time-barred by a lapse of five years. The Executive Board proposes the shareholders, to appropriate the result after tax as follows (approved by the Supervisory Board on 10 March): no payment of dividend on ordinary shares and to add the result of €34.5 million to other reserves (in line with dividend policy).

Independent auditor's report

To: the general meeting and the Supervisory Board of Vitens N.V.

Statement on financial statements 2024

Our opinion

In our opinion:

- The consolidated financial statements of Vitens N.V., together with its subsidiaries, ('the Group') give a true and fair view of the financial position of the group as at 31 December 2024, and of its result and its cash flows for 2024, in accordance with IFRS Accounting Standards as adopted within the European Union ('EU') and with Part 9 of Book 2 of the Dutch Civil Code ('BW') in force in the Netherlands and the provisions under and pursuant to the Dutch Top Income (Standards) Act ('WNT').
- The company financial statements of Vitens N.V. ('the company') give a true and fair view of the financial position of the company as at 31 December 2024 and of the result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code ('BW') in force in the Netherlands and the provisions under and pursuant to the Dutch Top Income (Standards) Act ('WNT').

What we audited

We have audited the financial statements 2024 of Vitens N.V., Zwolle, included in this annual report. The financial statements comprise the group's consolidated financial statements and separate financial statements.

The consolidated financial statements consist of:

- The consolidated balance sheet as at 31 December 2024.
- The following statements for 2024: the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows.
- The notes including the accounting policies that are material and other disclosures.

The separate financial statements comprise:

- The company balance sheet as at 31 December 2024.
- The single profit and loss account for 2024.
- The notes containing a summary of the accounting policies used and other disclosures.

The financial reporting system used to prepare the consolidated financial statements is IFRS Accounting Standards as adopted by the EU, the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code and the provisions under and pursuant to the WNT and the system used to prepare the company financial statements is Part 9 of Book 2 of the Dutch Civil Code and the provisions under and pursuant to the WNT.

The basis for our opinion

We conducted our audit in accordance with Dutch law, which includes the Dutch auditing standards and the Audit Protocol WNT 2024. Our responsibilities on this basis are described in the paragraph 'Our responsibilities for the audit of the financial statements'.

We believe that the audit evidence we have obtained is sufficient and appropriate as a basis for our opinion.

Independence

We are independent of Vitens N.V. as required by the Dutch Accounting Firms Oversight Act (Wta), the Regulation on Auditors' Independence in Assurance Engagements (ViO) and other independence rules in the Netherlands relevant to the engagement. Furthermore, we have complied with the Regulation on Auditors' Conduct and Professional Rules (VGBA).

Our audit approach

We determined our audit procedures with respect to the key issues, fraud and going concern, and matters arising therefrom, in the context of the audit of the financial statements as a whole and in forming our opinion thereon. The information supporting our opinion, such as our findings and observations on individual key points, the audit approach to fraud risk and the audit approach to going concern, should be considered in that context and not as separate opinions or conclusions

Summary and context

Vitens N.V. is a drinking water company whose main activities comprise the pumping of groundwater, its purification process and the distribution of drinking water. The group consists of several group entities and therefore we considered the scope and approach of the group audit as set out in the section 'The scope of our group audit'.

As part of designing our audit approach, we determined materiality and identified and estimated the risk of material misstatement of the financial statements. We pay particular attention to those areas where the Executive Board has made significant estimates, e.g. significant estimates involving assumptions about future events that are inherently uncertain such as the assumptions in the valuation of property, plant and equipment, derivatives, debtors, provisions and the recognition of net sales resulting from meter readings and settlements spread over the year. In doing so, we have paid attention, among other things, to the assumptions associated with the physical and transition risks due to climate change.

In the section 'Assumptions, estimates and assumptions in the financial statements', Vitens N.V. has set out the estimation items and the main sources of estimation uncertainty. Due to the significant estimation uncertainty associated with the revenue recognition of drinking water revenues, we have designated it as a key issue as set out in the section 'The key issues of our audit'.

Vitens N.V. is significantly dependent on IT infrastructure for the continuity of its business operations. We have tested the reliability and continuity of automated data processing as relevant to our audit procedures for the 2024 financial statements. In doing so, we involved internal IT specialists, using data analysis with respect to transactions, among other things.

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In addition to the aforementioned key point in our audit, we also paid attention to the operating profit in relation to the maximum WACC of 2.95% (maximum cost of capital for drinking water companies) in the 2024 financial year included in the Dutch Drinking Water Act. If the maximum WACC is exceeded, Vitens N.V. is required under the Dutch Drinking Water Act to ensure that the excess is compensated towards consumers in the tariff setting of the calendar year following the determination of the final WACC. Based on the preliminary calculation, the WACC for 2024 is 3.1%. The amount of the final WACC and future contingent liability will be determined based on the 2024 Business Report to be reported to the Dutch Ministry of Infrastructure and Water Management by 1 October 2025.

The notes relating to the WACC are included in notes 15 and 29 in the financial statements.

We have ensured that the audit team has sufficient specialist knowledge and expertise needed to audit a drinking water company. We have also included specialists in IT and financial instruments in our team. All work at the group entities was carried out by the same audit team.

The main lines of our audit approach were as follows:

Materiality

Materiality: €6,960,000

Scope of the audit

We carried out the audit work partly virtually and partly on-site at Vitens N.V., whereby the audit was designed from a consolidated perspective.

Key points

Revenue recognition of drinking water revenue.

Materiality

The scope of our audit is affected by the application of materiality. The term 'material' is explained in the paragraph 'Our responsibilities for the audit of the financial statements'.

We determine, based on our professional judgement, quantitative limits for materiality including materiality for the financial statements as a whole, as set out in the table below. These limits, as well as the qualitative considerations thereof, help us to determine the nature, timing and extent of our audit procedures for the individual items and disclosures in the financial statements and to evaluate the effect of recognised misstatements, both individually and collectively, on the financial statements as a whole and on our opinion.

Materiality for the group	€6.960.000 (2023: €6.144.000).
How was materiality determined	We determine materiality based on our professional judgement. We used 1.5% of total costs as the basis for this assessment.
The considerations for the chosen benchmark	We used total costs as the primary, generally accepted, benchmark, based on our analysis of the common information needs of users of financial statements. On this basis, we believe that total cost is an important metric for the company's financial performance.

We also take into account deviations and/or potential deviations that, in our opinion, are material for qualitative reasons.

We agreed with the Supervisory Board that we report to them any discrepancies identified during our audit in excess of €348,000 (2023: €307,000) as well as smaller discrepancies that we believe are relevant for qualitative reasons.

The scope of our group audit

Vitens N.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of Vitens N.V.

We are responsible for identifying and estimating risks of material misstatement in the group's financial statements, including risks related to the consolidation process. Based on our risk assessment, we determined the scope of our audit so as to perform sufficient audit procedures to enable us to express an opinion on the financial statements as a whole.

Our audit was conducted by a single central team and was organised from a consolidated perspective, with the group viewed administratively by us as a single entity. This means that we included all transaction flows and financial positions material to the consolidated financial statements in the scope of our audit. The consolidation of the group and the notes in the financial statements have been audited by us.

The above work enabled us to obtain sufficient and appropriate audit evidence concerning the group's financial information as a basis for our opinion on the financial statements.

Audit approach to fraud risks

We have identified and assessed risks of material misstatement of the financial statements arising from fraud. During our audit, we obtained an understanding of Vitens N.V. and its environment and the components of its internal control system, including the risk assessment process and the manner in which the Executive Board responds to fraud risks and monitors the internal control system and the manner in which the Supervisory Board exercises supervision and its outcomes. We refer to chapter 'Ensuring our continuity' section '3.3 Laws, regulations and social obligations' of the annual report, in which the Executive Board has included its fraud risk analysis.

We evaluated, with regard to the risk of material misstatement due to fraud, the design and implementation of internal controls, including management's fraud risk assessment, code of conduct, whistleblower scheme and incident recording and, to the extent we considered necessary for our audit, we tested the operation of these internal controls.

We requested information from Executive Board members, management whether they are aware of any actual, alleged or suspected fraud. No signs of actual, alleged or suspected fraud that could lead to a material misstatement followed from this.

As part of our fraud risk identification process, we considered fraud risk factors related to fraudulent financial reporting, improper appropriation of assets and bribery and corruption. We evaluated whether these factors were indicative of the presence of fraud risks. The fraud risks we identified and specific work carried out are as follows:

Identified fraud risks	Our audit work and observations
<p>The risk of management breaching measures of internal control</p> <p>In all our audits, we consider the risk of management breaching measures of internal control, including risks of potential misstatement due to fraud based on an analysis of possible management interests. In that context, we paid particular attention to whether there are any specific trends from the regulation to which the water company is subject with regard to accounting for revenue, expenses and/or investments.</p>	<p>We evaluated, to the extent relevant to our audit, the design of internal control measures to mitigate the risk of a breach of internal control, the existence and, if necessary, the functioning of the measures in the processes for generating and processing journal entries and making estimates. In this context, we paid specific attention to access security in the IT systems and the possibility that this might breach segregation of duties.</p> <p>We selected journal entries based on risk criteria and performed specific audit work on them. In determining the risk criteria, we took into account the specific trends from the WACC.</p> <p>We also performed specific audit procedures on key management estimates, in particular the estimates surrounding the determination of drinking water revenues. In particular, we paid attention to the inherent risk of management bias in estimates. Our work did not reveal any material misstatements in the information provided by management in the financial statements and the management report compared with the financial statements.</p> <p>Our work did not reveal any specific indications of fraud or suspicions of fraud with respect to management's breach of internal controls.</p>

Identified fraud risks	Our audit work and observations
The risk of fraudulent financial reporting as a result of overstated revenue As part of our risk assessment and assuming that fraud risks exist in revenue recognition, we have evaluated which types of revenue or assertions give rise to a risk of a material misstatement due to fraud.	

We have built an element of unpredictability into our audit. We also took note of lawyers' letters and relevant correspondence with regulators and remained alert to indications of fraud during the audit. We also assessed the outcome of other audit procedures and considered whether any findings were indicative of fraud or non-compliance with laws and regulations.

Audit approach continuity

The Executive Board has prepared the financial statements assuming the continuity of the company's entire business for at least 12 months from the date the financial statements were prepared. Our work to evaluate the Executive Board's continuity assessment included:

- Consider whether the Executive Board's going concern assessment contained all relevant information that we were aware of as a result of our audit and question the board on key assumptions and assumptions.
- Consider whether the Executive Board has identified events or circumstances that may cast reasonable doubt on the company's ability to continue as a going concern (hereafter: going concern risks).
- Evaluate budgeted operating results and related cash flows for the period of at least 12 months from the date of preparation of the financial statements taking into account industry developments such as the WACC regulation and our knowledge from the audit.
- Analyse whether the current and necessary funding to continue the entire business is secured, including compliance with relevant covenants.
- Obtain information from the Executive Board on its knowledge of continuity risks after the period of the board's continuity assessment.

Our audit procedures have not revealed any information that conflicts with the board's assumptions and assumptions on the going concern assumption used.

The key points of our audit

The key points of our audit describe matters that, in our professional judgment, were most significant during the audit of the financial statements. We briefed the Supervisory Board on the key points. The key points do not fully reflect all the risks and issues we identified and discussed during our audit. We have described in this section the key points with a summary of the work we carried out on these points. There are no changes in the key point of our audit compared to last year.

Key points	Our audit work and observations
Revenue recognition of drinking water revenue The disclosures relating to revenue recognition are included in the section 'Presumptions, estimates and assumptions in the financial statements', notes 15, 16 and 28 in the financial statements.	We performed audit procedures on the accounted drinking water revenues, with specific attention to the total clean water dispense, the correctness and completeness of the active connections, the correctness of the tariffs applied, the NIRG (Not charged in %), the quality of the revenue estimate and the invoicing process.

Net revenue from the supply of drinking water as at 31 December 2024 was €487.8 million, making it a significant item in the consolidated income statement (91% of total operating revenue).

Revenue recognition of drinking water revenues is based on the total quantity of drinking water supplied to third parties (in m³). Due to the large number of customers (around 6 million), meter readings (especially for consumers and small business customers) are staggered throughout the year. As a result, (settlement) invoicing is also spread over the year.

For all active connections, the actual number of billed m³ water is allocated to calendar years. In 2024, 48.3% of the supply to customers has been invoiced by final bill. For the period in the financial year for which customers have not yet received a statement, an estimate (conversion simulation) is made for the period between the last final statement and the balance sheet date, based on historical meter readings in relation to the current clean water output. This means that as at 31 December 2024, €252.2 million (51.7%) of the supply to customers is based on a simulation of sales.

Given this estimate and the inherent degree of estimation uncertainty associated with it combined with the significance of the amount of estimated drinking water revenues compared to total drinking water revenues for 2024, we consider this to be a key issue in our audit.

We have assessed Vitens N.V.'s internal controls over revenue simulation and invoicing. We checked the completeness of the clean water releases (number of m³ of water based on which conversion simulation was performed) using the primary registrations per production site in Vitens N.V.'s service area. Here, we assessed the reliable realisation of the clean water output using control reports of flow meters and connection to source records, with the number of flow meters included in the realisation of the total clean water output and the number of actual flow meters connected to outgoing pipes per production site.

We performed audit procedures on the accuracy and completeness of the number of active connections in the customer records and found that all active connections were included in the turnover simulation through a reconciliation between customer records and customer data as included in the turnover estimate.

We checked the accuracy of the rates by reconciling them with those approved by shareholders. We also conducted an analysis, establishing a correlation check between the total number of connections, the standing charge and water consumption per connection, the tariff applied and the turnover accounted for.

We benchmarked the NIRG as explained in note 28, Water Balance Sheet, against the NIRG in previous years and those within the drinking water sector in the Netherlands. We also reviewed Vitens N.V.'s impact analysis regarding the fluctuation in the NIRG.

Based on the procedures performed by us and audit evidence obtained, we did not identify any material findings. Finally, we performed work on the accuracy and adequacy of the disclosures and did not identify any material findings in doing so.

Finally, we performed work on the accuracy and adequacy of the disclosures and did not identify any material findings in doing so.

Compliance with anti-cumulation provision WNT not audited

In accordance with the Audit Protocol WNT 2024, we have not audited the anti-cumulation provision referred to in section 1.6a WNT and section 5(1), subsections n and o, Uitvoeringsregeling WNT. This means that we did not check whether or not a senior executive officer had exceeded standards due to any employment as a senior executive officer at other institutions subject to the WNT, and whether the disclosures required in this context were accurate and complete.

Statement on other information included in the annual report

The annual report also includes other information. This covers all information in the annual report other than the financial statements and our audit opinion thereon.

Based on the work below, we believe that the other information:

- Is compatible with the financial statements and contains no material misstatements.
- Contains all the information required by Title 9 Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information and, based on our knowledge and understanding obtained from the financial statement audit or otherwise, considered whether the other information contains material misstatements.

With our work, we complied with the requirements of Title 9 Book 2 of the Dutch Civil Code and the Dutch Standard 720. This work does not have the same depth as our audit work on the financial statements.

The Executive Board is responsible for the preparation of the other information, including the management report and other information in accordance with Title 9 of Book 2 of the Dutch Civil Code.

Responsibilities relating to financial statements and audit

Responsibilities of the Executive Board and Supervisory Board for the financial statements

The Executive Board is responsible for:

- The preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted within the EU and with Part 9 of Book 2 of the Dutch Civil Code and the provisions under and pursuant to the WNT.
- Such internal control as the Executive Board considers necessary to enable the preparation of financial statements that are free from material misstatement, whether due to error or fraud.

In preparing the financial statements, the Executive Board must consider whether the company is able to continue as a going concern. Under the aforementioned reporting systems, the Executive Board must prepare the financial statements on a going-concern basis, unless the Executive Board intends to liquidate the company or cease operations or if termination is the only realistic alternative. The Executive Board must disclose in the financial statements events and circumstances that might cast reasonable doubt on the company's ability to continue as a going concern.

The Supervisory Board is responsible for supervising the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit to obtain sufficient and appropriate audit evidence for the opinion we issue.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an audit opinion that includes our opinion. Reasonable assurance is a high level but not absolute level of assurance and does not guarantee that an audit performed in accordance with auditing standards will always detect a material misstatement when it occurs.

Misstatements may arise due to fraud or error and are material if they could reasonably be expected to affect, individually or collectively, the economic decisions users make on the basis of these financial statements. Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the impact of recognised misstatements on our opinion.

A more detailed description of our responsibilities is included in the annex to our audit report.

Zwolle, 10 March 2025

PricewaterhouseCoopers Accountants N.V.

Originally signed by Drs F.S. van der Ploeg RA

Appendix to our audit report on the financial statements 2024 of Vitens N.V.

In addition to what is stated in our audit report, in this annex we have further explained our responsibilities for the audit of the financial statements and what an audit entails.

Auditor's responsibilities for auditing the financial statements

We conducted this audit in a professional-critical manner and, where relevant, applied professional judgement in accordance with Dutch auditing standards, the Audit Protocol WNT 2024, ethical rules and independence requirements. Our audit included:

- Identifying and estimating the risks that the financial statements contain material misstatements due to error or fraud, determining and performing audit procedures in response to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. With fraud, the risk of a material misstatement not being detected is higher than with errors. Fraud may involve collusion, forgery, deliberate failure to record transactions, deliberate misrepresentation or breach of internal controls.
- Obtaining an understanding of internal control relevant to the audit for the purpose of selecting audit procedures that are appropriate in the circumstances. The purpose of this work is not to express an opinion on the effectiveness of the company's internal control.
- Evaluating the suitability of the accounting policies used and assessing the reasonableness of estimates made by the Executive Board and the related disclosures in the financial statements.
- Determining that the going concern assumption used by the Executive Board is acceptable. Also determine, based on the audit evidence obtained, whether there are events and circumstances that might cast reasonable doubt on whether the company can continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit opinion to the relevant related disclosures in the financial statements. If the disclosures are inadequate, we should amend our statement. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or circumstances may result in a company being unable to continue as a going concern.

- Evaluating the presentation, structure and content of the financial statements and the notes thereto, and evaluating whether the financial statements give a true and fair view of the underlying transactions and events.

We are responsible for planning and performing the group audit to obtain sufficient and appropriate audit evidence about the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for directing, monitoring and assessing the audit work performed as part of the group audit. We bear full undivided responsibility for our judgment.

Among other things, we communicate with the Supervisory Board about the planned scope and timing of the audit and the significant findings revealed by our audit, including any significant deficiencies in internal control.

We determine, from all matters we have discussed with the Supervisory Board, those matters that were most significant in the audit of the current period's financial statements and are therefore key audit matters. We describe these matters in our audit report unless prohibited by laws or regulations or when, in exceptionally rare circumstances, we determine that a matter should not be communicated in the audit report because the adverse effects of such communication are reasonably expected to outweigh the benefits to society.

Overview of outstanding shares

Nr.	Aandeelhouder	Gewone aandelen	Percentage
1	Provincie Overijssel	774.096	13,399%
2	Provincie Friesland	755.043	13,069%
3	Provincie Gelderland	387.231	6,703%
4	Gemeente Almere	366.175	6,338%
5	Provincie Utrecht	285.896	4,949%
6	Gemeente Utrecht	285.896	4,949%
7	Gemeente Amersfoort	131.691	2,279%
8	Gemeente Dronten	98.457	1,704%
9	Gemeente Lelystad	98.457	1,704%
10	Gemeente Zeewolde	98.457	1,704%
11	Gemeente Hilversum	89.569	1,550%
12	Gemeente Hof van Twente	66.713	1,155%
13	Gemeente Hardenberg	63.007	1,091%
14	Gemeente Nieuwegein	61.246	1,060%
15	Gemeente Steenwijkerland	60.227	1,042%
16	Gemeente Zeist	60.035	1,039%
17	Gemeente Doetinchem	58.752	1,017%
18	Gemeente Stichtse Vecht	58.097	1,006%
19	Gemeente Veenendaal	56.404	0,976%
20	Gemeente Kampen	50.961	0,882%
21	Gemeente Zutphen	50.739	0,878%
22	Gemeente Zwolle	46.329	0,802%
23	Gemeente Woerden	45.042	0,780%
24	Gemeente Soest	44.542	0,771%
25	Gemeente Tiel	42.728	0,740%
26	Gemeente De Bilt	41.879	0,725%
27	Gemeente Raalte	41.696	0,722%
28	Gemeente Rijssen-Holten	41.696	0,722%
29	Gemeente De Ronde Venen	40.426	0,700%
30	Gemeente Wijchen	40.058	0,693%
31	Gemeente Oude IJsselstreek	40.057	0,693%
32	Gemeente Houten	38.490	0,666%
33	Gemeente Zwartewaterland	38.453	0,666%
34	Gemeente Meppel	37.526	0,650%
35	Gemeente Lingewaard	37.387	0,647%
36	Gemeente Utrechtse Heuvelrug	36.554	0,633%
37	Gemeente Dalfsen	34.746	0,601%
38	Gemeente Epe	34.717	0,601%
39	Gemeente Nijkerk	34.717	0,601%
40	Gemeente Overbetuwe	34.717	0,601%
41	Gemeente West Betuwe	34.717	0,601%
42	Gemeente Zevenaar	34.717	0,601%
43	Gemeente Montferland	34.716	0,601%
44	Gemeente Noordoostpolder	32.430	0,561%
45	Gemeente Winterswijk	32.046	0,555%
46	Gemeente Lochem	32.045	0,555%
47	Gemeente IJsselstein	31.228	0,541%
48	Gemeente Culemborg	26.705	0,462%
49	Gemeente Duiven	26.705	0,462%
50	Gemeente Westerveld	25.944	0,449%

Nr.	Aandeelhouder	Gewone aandelen	Percentage
51	Gemeente Leusden	25.902	0,448%
52	Gemeente Borne	25.480	0,441%
53	Gemeente Baarn	24.207	0,419%
54	Gemeente Beuningen	24.035	0,416%
55	Gemeente Buren	24.035	0,416%
56	Gemeente Ermelo	24.035	0,416%
57	Gemeente Nunspeet	24.035	0,416%
58	Gemeente Zaltbommel	24.035	0,416%
59	Gemeente Berkelland	24.034	0,416%
60	Gemeente Ommen	23.164	0,401%
61	Gemeente Wierden	23.164	0,401%
62	Gemeente Brummen	21.364	0,370%
63	Gemeente Maasdriel	21.364	0,370%
64	Gemeente Voorst	21.364	0,370%
65	Gemeente Bronckhorst	21.362	0,370%
66	Gemeente Wijk bij Duurstede	20.818	0,360%
67	Gemeente Aalten	18.693	0,324%
68	Gemeente Elburg	18.693	0,324%
69	Gemeente Oost Gelre	18.693	0,324%
70	Gemeente Oldebroek	18.693	0,324%
71	Gemeente Putten	18.693	0,324%
72	Gemeente West Maas en Waal	18.693	0,324%
73	Gemeente Staphorst	18.531	0,321%
74	Gemeente Rhenen	16.461	0,285%
75	Gemeente Bunschoten	16.219	0,281%
76	Gemeente Urk	16.215	0,281%
77	Gemeente Druten	16.023	0,277%
78	Gemeente Heerde	16.023	0,277%
79	Gemeente Heumen	16.023	0,277%
80	Gemeente Neder-Betuwe	16.023	0,277%
81	Gemeente Westervoort	16.023	0,277%
82	Gemeente Berg en Dal	13.352	0,231%
83	Gemeente Bunnik	13.314	0,230%
84	Gemeente Montfoort	11.861	0,205%
85	Gemeente Lopik	11.619	0,201%
86	Gemeente Doesburg	10.682	0,185%
87	Gemeente Hatterij	10.682	0,185%
88	Gemeente Woudenberg	9.683	0,168%
89	Gemeente Oudewater	9.199	0,159%
90	Gemeente Wijdmeren	8.956	0,155%
91	Gemeente Eemnes	7.988	0,138%
92	Gemeente Scherpenzeel	7.746	0,134%
93	Gemeente Renswoude	4.389	0,076%
94	Provincie Flevoland	4.316	0,075%
95	Gemeente Súdwest Fryslân	1.000	0,017%
96	Gemeente Tytsjerksteradiel	200	0,003%
97	Gemeente Apeldoorn	1	0,000%
	Totaal	5.777.247	100,00%