



CK Infrastructure Holdings Limited

長江基建集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1038)



— Sustainability Report 2022 —

Making Impacts
for a Sustainable Future



CK Infrastructure Holdings Limited
長江基建集團有限公司

CK Infrastructure Holdings Limited (“CKI” or the “Company”, together with its subsidiaries, the “Group”) is a global infrastructure company that aims to make the world a better place through a variety of infrastructure investments and developments in different parts of the world. The Group has diversified investments in Energy Infrastructure, Transportation Infrastructure, Water Infrastructure, Waste Management, Waste-to-energy, Household Infrastructure and Infrastructure Related Businesses. Its investments and operations span Hong Kong, Mainland China, the United Kingdom, Continental Europe, Australia, New Zealand, Canada and the United States.

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Our Business Portfolio

Our Business Portfolio

Introduction

CKI's Low-Carbon Transition Plan

Sustainability at CKI

Governance

Environment









Social

Annex





-  Power Generation
-  Energy-from-waste
-  Electricity Transmission & Distribution
-  Oil Pipelines & Storage Facilities
-  Gas Transmission & Distribution
-  Clean & Renewable Energy
-  Water Utilities & Services
-  Waste Management
-  Construction Materials
-  Transportation
-  Household Infrastructure





AUSTRALIA

-  SA Power Networks
-  Victoria Power Networks
-  United Energy
-  Australian Gas Networks
-  Multinet Gas
-  Dampier Bunbury Pipeline
-  Australian Energy Operations
-  Energy Developments

CANADA

-  Canadian Power
-  Park'N Fly
-  Canadian Midstream Assets
-  Reliance Home Comfort

CONTINENTAL EUROPE

-  ista
-  Dutch Enviro Energy







HONG KONG AND MAINLAND CHINA

-  Power Assets
-  Shen-Shan Highway (Eastern Section), Shantou Bay Bridge and Panyu Beidou Bridge
-  Alliance Construction Materials
-  Green Island Cement
-  Anderson Asphalt

NEW ZEALAND

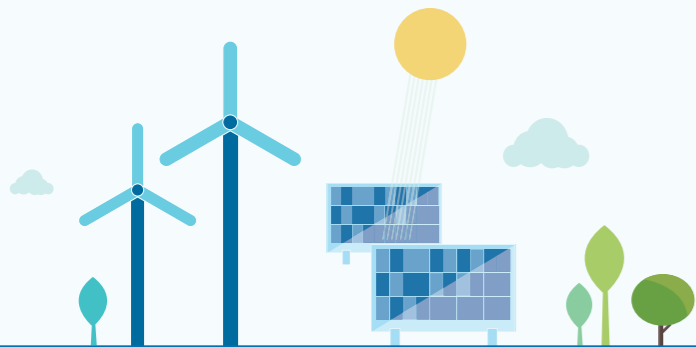
-  Wellington Electricity
-  EnviroNZ

UNITED KINGDOM

-  UK Power Networks
-  Northumbrian Water
-  Northern Gas Networks
-  Wales & West Gas Networks
-  Seabank Power
-  UK Rails



Victoria Power Networks field teams upgrade overhead powerlines to reduce bushfire risk in Western Victoria, Australia.



Introduction

Investment in Power Assets

The Power Assets Group is a global investor in power generation, transmission and distribution, gas transmission and distribution, as well as oil storage and transmission in nine markets spread across four continents – namely the United Kingdom (“UK”), Australia, Hong Kong, Mainland China, the Netherlands, New Zealand, Thailand, Canada and the United States.

Infrastructure Investments in the United Kingdom

In the UK, CKI has investments in electricity and gas distribution, water and wastewater services, electricity generation as well as railway rolling stock.

- UK Power Networks (“UKPN”) – an electricity distribution network operator (“DNO”) which serves London, the South East England and the East of England.
- Northumbrian Water – a water supply, sewerage and wastewater company which serves the North East of England and provides water supply to certain areas in the South East of England.
- Northern Gas Networks (“NGN”) – a gas distribution business that serves the North of England.
- Wales & West Gas Networks (“WWU”) – a gas distribution business that serves Wales and the South West England.
- Seabank Power – an electricity generation plant located near Bristol in the South West of England.
- UK Rails – one of the major rolling stock leasing companies in the UK.

Infrastructure Investments in Australia

In Australia, CKI has investments in electricity and gas transmission and distribution, as well as renewable and remote energy solutions.

- SA Power Networks – the primary electricity distributor in the state of South Australia.
- Victoria Power Networks (“VPN”) – of which its member companies – Powercor and CitiPower – distribute electricity to over 1.2 million residential households and commercial customers across the state of Victoria.
- United Energy – an electricity distribution business in the state of Victoria serving approximately 700,000 customers across the East of and the Southeast Melbourne and the Mornington Peninsula.
- Australian Gas Networks (“AGN”) (part of Australian Gas Infrastructure Group (“AGIG”)) – is a natural gas distribution businesses operating across the Australian states of South Australia, Victoria, Queensland, New South Wales, and the Northern Territory.
- Dampier Bunbury Pipeline (“DBP”) (a member of AGIG) – owns the principal gas transmission pipeline in the state of Western Australia.
- Multinet Gas (part of AGIG) – is a natural gas distribution businesses operating in Victoria, Australia.
- Energy Developments (“EDL”) – a renewable and remote energy solution producer with operations globally.
- Australian Energy Operations (“AEO”) – a renewable energy power transmission business in the state of Victoria.

Infrastructure Investments in New Zealand

In New Zealand, CKI has investments in electricity distribution and waste management.

- Wellington Electricity – an electricity distributor which serves New Zealand’s capital city and its surrounding areas.
- EnviroNZ – provides waste collection, management and disposal services nationwide.

Infrastructure Investments in Continental Europe

In Continental Europe, CKI has investments in energy-from-waste and household infrastructure businesses.

- Dutch Enviro Energy – owns AVR-Afvalverwerking B.V. (“AVR”), the Netherlands’ leading energy-from-waste company.
- ista – a leading sub-metering player in Europe, with key markets covering Germany, France, the Netherlands and Denmark.

Infrastructure Investments in Canada

- Reliance Home Comfort – a residential services company under the Household Infrastructure portfolio of the Group.
- Canadian Midstream Assets – holds oil and gas midstream assets in Alberta and Saskatchewan.

- Canadian Power – holds a portfolio comprising stakes in Okanagan Wind in British Columbia and five electricity generation plants in Ontario, Alberta and Saskatchewan.
- Park’N Fly – the largest off-airport car park provider in the country.

Infrastructure Investments in Hong Kong and Mainland China

CKI’s Hong Kong and Mainland China portfolio comprises infrastructure materials manufacturing business and Mainland China infrastructure investments.

- Shen-Shan Highway (Eastern Section), Shantou Bay Bridge and Panyu Beidou Bridge – toll roads and bridges in Guangdong province.
- Alliance Construction Materials – the leading concrete and aggregates total solutions provider in Hong Kong.
- Green Island Cement – a leading cement manufacturer and distributor of cement and cementitious products in Hong Kong and has cement operations in South China.
- Anderson Asphalt – provides bituminous material, laying and maintenance services for the construction industry in Hong Kong.

Our Business Portfolio

Generation Capacity
9,775 MW

Power Network Length
over 405,500 km

Employees¹
33,746

¹ Includes both full-time and part-time employees.

Gas/Oil Pipeline Length
over 114,600 km

1.2 Message from the Chairman

Our
Business
Portfolio

Introduction

CKI's
Low-Carbon
Transition
Plan

Sustainability
at CKI

Governance

Environment

Social

Annex



VICTOR T K LI
Chairman

I am proud to present the Sustainability Report 2022 themed “*Making Impacts for a Sustainable Future*” setting forth our sustainability performance and achievement in the year.

2022 was an eventful year full of unprecedented challenges posed by climate disruption and geopolitical pressure. Extreme weather events such as heatwaves and floods pose challenges to our operational resilience; the ongoing war between Russia and Ukraine threatens supply chain stability and energy security. Despite the uncertainties, the Group remains agile and endeavours to delivering services responsibly and sustainably across the globe.

The Group is committed to being a responsible owner and operator of critical infrastructure and essential services. We are determined to bring quality services while making positive contributions to our customers, employees, communities and environment. Sustainability covers a wide range of important topics related to our people and planet, and we always strive to understand which are material and most concerned for our stakeholders. In 2022, we conducted a materiality review to keep abreast of latest sustainability trends and understand more comprehensively the expectations of internal and external parties. The updated list of material topics captured more precisely the current concerns and enabled the systematic approach to prioritised ESG issues, making meaningful progress

on what matters to our business and stakeholders. In addition, we have reviewed our sustainability strategy and aligned ourselves with selected United Nations (“UN”) Sustainable Development Goals (“SDGs”), demonstrating our endeavour to create positive impacts worldwide.

Climate change is happening. Governments in countries where we operate made strong commitments to combat climate change and setting net zero targets by the coming few decades. Many businesses within our group have made net zero commitments that match or in advance of their governments’ agenda. The Group is also taking further step to tackle climate change. For the first time ever, we present the Group’s Low Carbon Transition Plan in the sustainability report this year. We set a group-level carbon reduction target of 50% for Scope 1 and 2 emission by 2035 compared to 2020 level, and committed to the pursuit of net zero by 2050.

The Group will continue to play a pivotal role in decarbonisation for the economies in years to come, as we have two ambitions – 1) to decarbonize our own operations through various carbon reduction initiatives, and 2) to act as capable energy transition enablers for our customers and societies. Our businesses are highly supportive of the global net-zero transition, through the development, operation, and investment in low-carbon infrastructure. Our power distribution businesses have been modernizing and digitalising their networks and engaging with local communities to help the just and inclusive transition to low carbon living. The power generation businesses are investing in clean and renewable energy like wind, solar and renewable gas, as well as phasing out of the remaining coal-fired power plants. The gas distribution businesses are propelling the development of hydrogen economy. A lot more initiatives were carried out by our different businesses, detailed in this sustainability report. We see climate change not just a threat to our planet but it also presents great opportunities for growing our businesses in the transition. The transition to net zero will bring a lot of uncertainties and challenges, and will not be a straightforward path. For example, the energy crisis happened in many places during the year has reminded us the importance of achieving a balance between sustainability, energy security and affordability along our transition journey, and making sure our stakeholders will be benefitted from the transition. Nevertheless, the group has prepared to overcome these challenges and pursuit the opportunities it brings along.



To strengthen our climate related disclosure for our stakeholders, we are working on the adoption of Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations and information is disclosed in this report. The TCFD report reveals the risks and opportunities induced by climate change, climate-related policies and technology disruptions. It helps stakeholders to understand the readiness of the Group under different future scenarios, and provided the Group a tool to solidify the management systems, better the climate resilience and adaptiveness of our operations.

Employees are the most valuable asset in the Group. We strive to be employers of choice and introduced a variety of initiatives to support, attract and retain talents. Regardless of their background, we provide equal opportunities and fair remunerations to all of our staff. It is our top priority to maintain a positive work environment that promotes employee growth and wellbeing. As the world is gradually recovering from the COVID-19 pandemic, the Group remains vigilant and prioritises safeguarding the health and safety of our employees and the community.

In conclusion, I would like to take this opportunity to express my deepest gratitude to our employees, who have demonstrated loyalty and diligence throughout the challenging year. And to our customers, operating companies and other stakeholders for your continual support and trust in this sustainability journey. Moving forward, we will continue to exert influence and build a better future for our generations to come.

VICTOR T K LI

Chairman
15th March, 2023

ENVIRONMENT

Further to our prior commitment to

PHASING OUT COAL
at all our business operations by 2035, committed to **50% REDUCTION**

in Scope 1 and 2 emissions by 2035 against the 2020 baseline and committed to the pursuit of

NET ZERO by 2050

Scope 1 and 2 emissions
↓ 5.8%
vs 2021

74%
attributable revenue¹ covered by **ISO 14001 or other EMS certification**

Scope 3 emissions
766,768 tCO₂e
covering the Group's most significant businesses, those that contribute to a total of **70% of our attributable revenue¹**

Note:
(1) Percentage of attributable revenue by segment represents the revenue of each businesses in the segment multiple by the corresponding effective interests owned by the Group on a see through basis, divided by the sum of the attributable revenue by all segments. This is an illustration of the scale of each segment to the Group, the figures do not represent the consolidated turnover for the Group.

SOCIAL

Lost time injury rate²
0.58

50.5%
Employee covered by OHSAS 18001 / ISO 45001

Lost day due to work-related injury
↓ 13%
vs 2021

Training hours
26.2 hours
per employee

Note:
(2) Lost time injury rate represents the number of injuries per 100 employees per year. It is calculated as "total number of injuries multiplied by 200,000 and then divided by total hours worked".

GOVERNANCE

Identified and committed to achieving **UN SDGs** that are applicable to the Group's business operations

Hosted in-house **sustainability conference** to align efforts and manage sustainability performance across the Group

Reviewed and updated **sustainability-related policies** and formed a new **CK Sustainability Council**

1.4 About this Report

Reporting Period

This Sustainability Report provides an overview of the Group's sustainability strategies, management approach, progress, and highlights during the year from 1st January, 2022 to 31st December, 2022, unless otherwise specified.

Reporting Boundary

The information disclosed in this Sustainability Report covers the key businesses of the Group, including Power Assets (including HK Electric, Ratchaburi Power, Dali Wind Power, Laoting Wind Power and Jinwan Power Plant), Green Island Cement, Alliance Construction Materials, UKPN, Northumbrian Water, NGN, WWU, Seabank Power, UK Rails, SA Power Networks, VPN, AGN, DBP, Multinet Gas, EDL, United Energy, AEO, Wellington Electricity, EnviroNZ, Dutch Enviro Energy, ista, Canadian Power, Park'N Fly, Canadian Midstream Assets and Reliance Home Comfort.

Reporting Framework

This Report is prepared in accordance with the mandatory disclosure requirements and the "comply or explain" provisions of the ESG Reporting Guide ("ESG Guide") contained in Appendix 27 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The report also refers to recommendations from the TCFD. The ESG

This Report is by default made available to the stakeholders online unless specific requests are received for a hard copy with a view to reducing paper consumption to promote environmental protection.



Guide Content Index and the TCFD Content Index set out under sections 7.2 and 7.3 respectively on pages 139 to 146 contains information about the extent to which the Group has applied the ESG Guide and TCFD reporting framework and cross-references to the relevant section in this Report. This Report should be read in conjunction with the Company's Annual Report 2022, which contains a comprehensive review of its financial performance and corporate governance, and also key policies which are published on the Company's website. For more detailed information on its operating companies' efforts and achievements in sustainability, please refer to their separate sustainability reports or websites.

Reporting Principles

The content of this Report follows the ESG Guide reporting principles:

- **Materiality** – We focus on matters that impact business growth and are of importance to our stakeholders. For more information, please refer to "Materiality Assessment" under section 3.1 on page 27.
- **Quantitative** – Information regarding the standards, methodologies, assumptions and/or calculation references, and sources of key conversion factors used for these key performance indicators ("KPIs") is stated wherever appropriate.
- **Balance** – This Report discloses information in an objective manner, aiming to provide stakeholders with an unbiased picture of the Group's overall sustainability performance.
- **Consistency** – Consistent methodologies are adopted when calculating the quantitative KPIs unless otherwise specified. Reasons would be provided for any restating of information published in the Report.

Language

The Report is available in English and Traditional Chinese versions. If there is any inconsistency among these versions, the English version shall prevail.

Feedback

The Group welcomes feedback and suggestions on this Report. Please contact us at sustainability@cki.com.hk.



Our objective is to contribute to societal emission reduction goals and pursuit of net-zero emissions by 2050, including an interim target of 50% reduction in our Scope 1 and 2 Greenhouse Gas (“GHG”) emissions by 2035 against 2020 baseline. As a global infrastructure company, we are focused on emissions reductions that encompass decarbonisation of the generation portfolio, modernisation and digitalisation of electricity networks, advocating the blending of hydrogen application and blending of hydrogen into existing gas distribution networks, and helping customers to reach higher energy efficiency. To achieve our carbon emission reduction targets, the Group is committed to tracking and reducing its emissions through key initiatives outlined in the low-carbon transition plan.



Northumbrian Water - Solar panels installed at Bran Sands Sewage Treatment Works, Teesside, supporting its ambitious goal to be net zero by 2027.

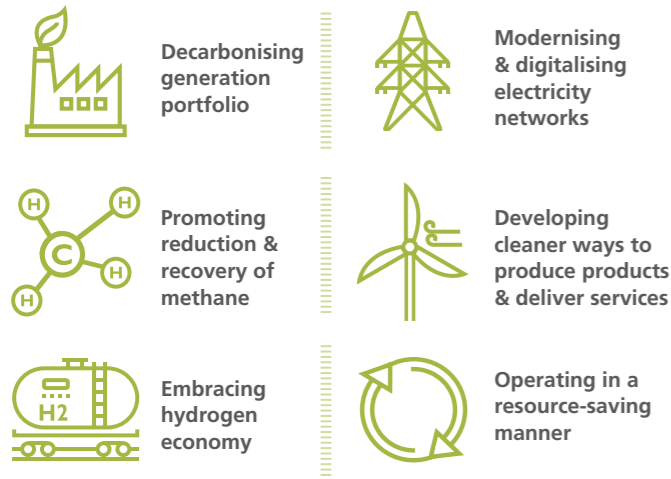


CKI's Low-carbon Transition Plan

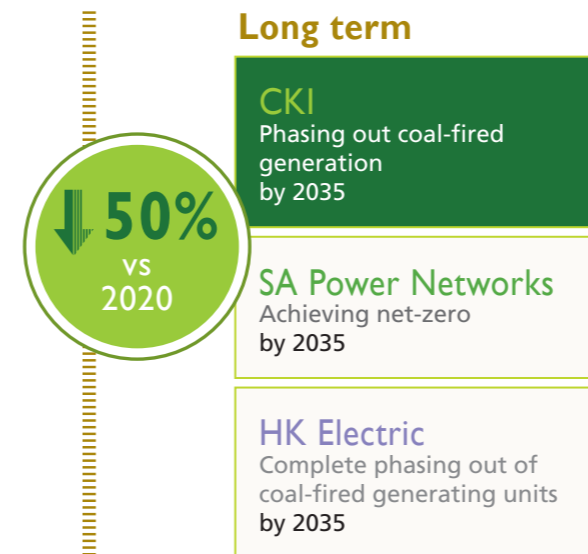
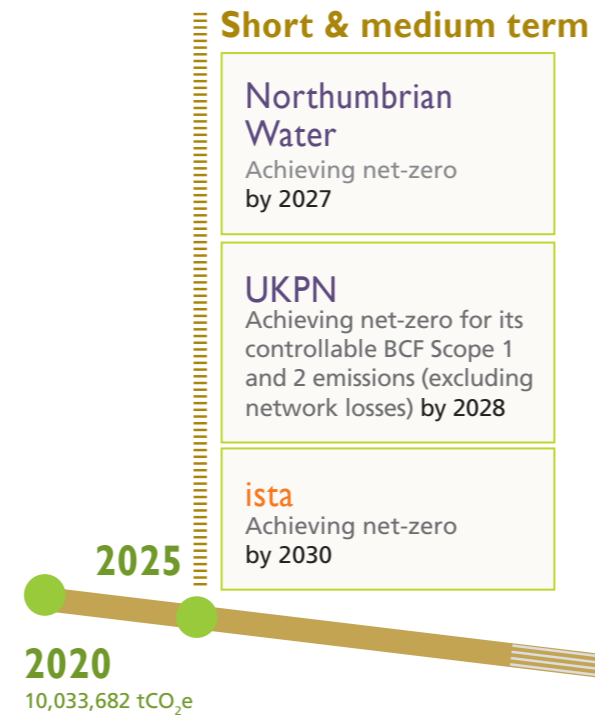
CKI's Low-carbon Transition Plan

NET ZERO ROADMAP

OUR Strategy



OUR Decarbonisation Ambition



NET ZERO



On-going Key Initiatives

United Kingdom

UKPN
Transition to EV and cleaner engines, improve controls to unmetered supply, purchasing renewable energy and implement energy efficiency improvements in office and depots.

WWU
Facilitate green gas connections, reduce gas shrinkage through replacement of old metal pipe, and convert to ultra-low emission vehicles where market and conditions allow.

NGN
Continue working on H21, a suite of gas industry project, demonstrating the role of clean hydrogen in heating homes.

Australia

EDL
Focus on development of low-carbon energy projects.

United Energy & VPN
Increase renewable energy penetration into the grid and enable greater connection of rooftop solar into the network (for United Energy).

SA Power Networks
Facilitate uptake of renewable and clean energy sources, conversion of fleet vehicles to electric vehicles, installation of LED street / public lights, and phasing out the use of Sulfur Hexafluoride ("SF₆").

Hong Kong and Mainland China

HK Electric
Pursue coal-to-gas transition, plan the development of offshore wind farm, explore the use of green hydrogen in local power generation.

Green Island Cement
Increase use of alternative fuel, increase environmentally friendly product sales, increase use of biomass to replace limestone in the clinker process, and pursue carbon capture and utilisation to produce new projects.

Jinwan Power Plant
Convert its conventional coal-fired unit to co-generation cycle, to increase cycle efficiency.

Canada

Canadian Power
Pursue carbon capture opportunities at existing power generating assets and expand the renewable generation footprint.

Continental Europe

Dutch Enviro Energy
Continue to expand carbon capture and utilisation capacity at the waste-to-energy facilities.

ista
Implementation of electric vehicles and switch to renewable energies.

CKI's Low-carbon Transition Plan



Power Distribution

Role of sector
Distributes electricity to meet low carbon energy demand across all sectors. The sector is modernising and digitalising electricity network to manage renewable energy capacity and penetration of low carbon solutions and system reliability.

Businesses in this segment
UKPN, SA Power Networks, VPN, United Energy, HK Electric, Wellington Electricity, AEO

- Feature Story**
- UKPN – Engaging with stakeholders to decarbonise the heat sector
 - AEO – Strengthening the Victorian electrical transmission system to enable increased renewable energy capacity
 - VPN – Enabling access to more renewables



Gas Transmission & Distribution Networks

Role of sector
Supports energy supply, especially in areas harder to electrify, and reduce or remove emissions where possible. Decarbonises its networks through embracing hydrogen economy.

Businesses in this segment
NGN, WWU, AGN, Multinet Gas, DBP

- Feature Story**
- NGN – Aiding the community to safely transition to a hydrogen economy
 - NGN – Reducing methane leakage from gas distribution pipe network
 - WWU – Modernising buildings to support energy efficiency



Household Infrastructure

Role of sector
Provides products and services for everyday living with increased energy efficiency through monitoring, run on green forms of energy. Transition to electric vehicles and company-wide travel policy minimise emissions during service delivery.

Businesses in this segment
ista, Reliance Home Comfort

- Feature Story**
- ista – Committing to climate neutrality



Water Utilities & Services

Role of sector
Water supply and wastewater treatment run on greener forms of energy for cleaner services delivery. Management plans established to enable operations in a resource-saving manner.

Businesses in this segment
Northumbrian Water

- Feature Story**
- Northumbrian Water – Generating green hydrogen fuel from wastewater
 - Northumbrian Water – Racing to net zero



Power Generation

Role of sector
Generates electricity to meet low carbon energy demand across all sectors. Power generators are decarbonising their generation portfolio through methods such as clean energy adoption and methane recovery.

Businesses in this segment
HK Electric, EDL, Canadian Power, Seabank Power

- Feature Story**
- HK Electric – Increasing the use of renewable energy
 - EDL – Avoiding methane emissions and displacing further emissions through methane recovery



Waste Management

Role of sector
Process of waste collection, management, and treatment to be decarbonised, through the recovery of energy and resources from waste. Carbon capture and storage technology is also utilised.

Businesses in this segment
AVR, EnviroNZ

- Feature Story**
- AVR – Increasing efficiency through simultaneous production of electricity and low-pressure steam



Construction Materials

Role of sector
Develops cleaner ways, including the adoption of alternative fuels, to produce a wide range of construction materials.

Businesses in this segment
Alliance Construction Materials, Green Island Cement, Anderson Asphalt

- Feature Story**
- Green Island Cement – Utilising alternative materials to produce low-carbon products



Transportation

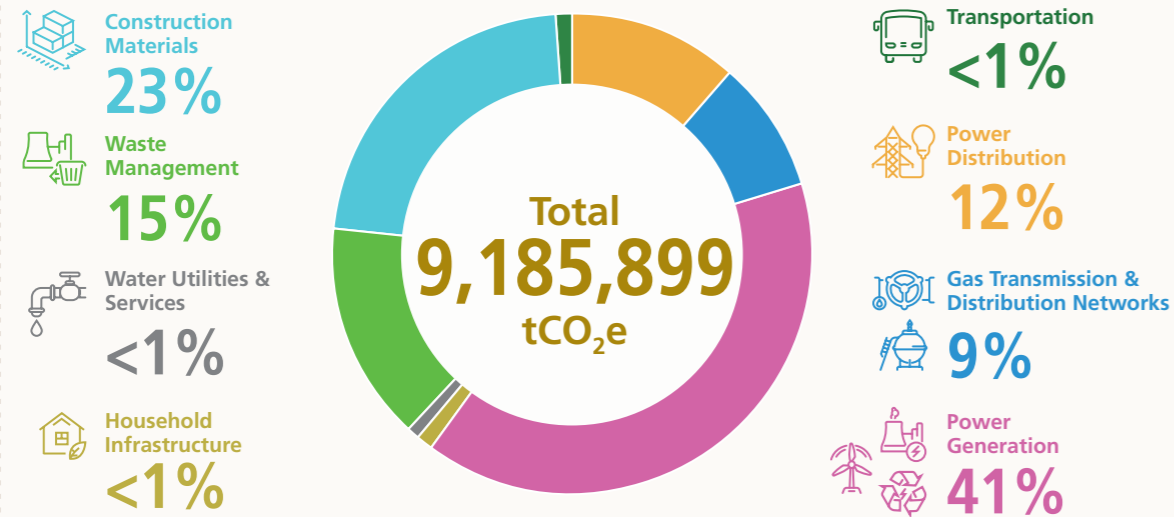
Role of sector
Explore low-carbon solutions, including those that can enable a modal shift to rail, and hydrogen power trains. Reduce emissions, when possible, for instance repurposing old vehicles.

Businesses in this segment
UK Rails, Shen-Shan Highway (Eastern Section), Shantou Bay Bridge and Panyu Beidou Bridge, Park'N Fly

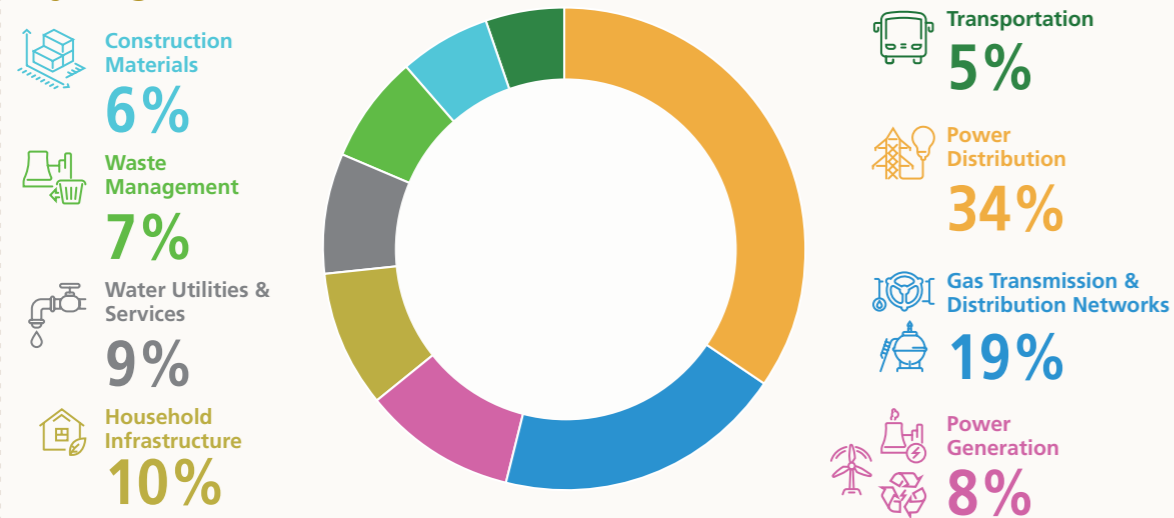
- Feature Story**
- UK Rails – Delivering a green portfolio

CKI's Low-carbon Transition Plan

GHG Scope 1 & 2 Emissions by Segment

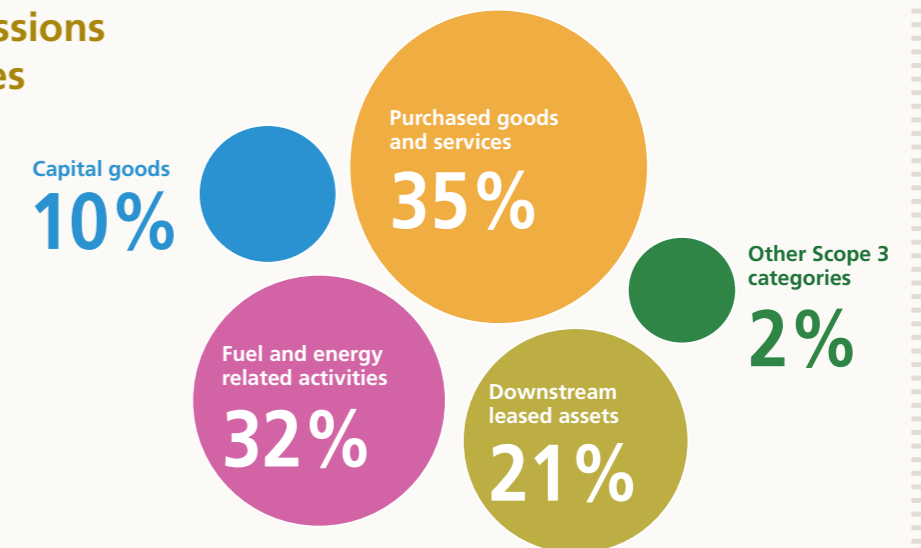


% of Attributable Revenue¹ by Segment



Note:
 (1) Percentage of attributable revenue by segment represents the revenue of each businesses in the segment multiple by the corresponding effective interests owned by the Group on a see through basis, divided by the sum of the attributable revenue by all segments. This is an illustration of the scale of each segment to the Group, the figures do not represent the consolidated turnover for the Group.

Scope 3 Emissions by Categories



In support of our GHG emissions reduction targets, we will continue implementing initiatives aimed at reducing our carbon footprint while building flexibility into our business. We aim to proactively support various government's decarbonisation plans and net zero commitments and abide by the corresponding changes in the regulatory landscapes. We see that the majority of our businesses such as electricity distribution networks and gas distribution networks are important "net zero" enablers for our customers, and we encourage continuous investment to get ready for the net zero world in the future. As technologies continue to evolve, there may be new viable solutions to reduce carbon emission across the portfolio. The Group will continue to monitor the trend and review the carbon emission reduction plan on a regular basis. For the hard-to-abate and residual emissions that we cannot reduce or remove, we will explore the options such as procurement of credible carbon credits and renewable energy certificates as a last resort.

Reaching the decarbonisation goals and net zero commitments set forth by the various governments will require not only our business meeting its own emissions, but also significant progress on reducing emissions across value chain. Scope 3 emissions are indirect emissions that occur upstream and downstream from the Group. In 2022, our estimated Scope 3 emissions were 766,768 tCO₂e, covering the Group's most significant businesses, which contribute to a total of 70% of our attributable revenue. As reporting Scope 3 emissions includes indirect emissions resulting from activities outside our control, our estimated Scope 3 emissions only cover a limited number of Scope 3 categories. The Group will continue to expand the coverage of our Scope 3 emission data in subsequent years.





CKI's management team and key personnel.

Sustainability at CKI



3.1 Approach to Sustainability

Our predominant principle for sustainability is operating our businesses in a responsible and sustainable way whilst remaining transparent and accountable to our stakeholders. The Group is committed to a wide range of stakeholders, including employees, shareholders, customers, suppliers, the local community, professional institutions, non-governmental organisations, and authorities.

Sustainability Pillars and Policies

The Group's overall sustainability approach and priorities are built on four pillars, namely, **The Business, The People, The Community** and **The Environment**. Each pillar is supported by Group-wide policies, leadership at the Group level and collective efforts across its businesses. These four pillars guide the Group in setting the overall direction of its sustainability strategy to integrate sustainability across all operations of the Group. The Group has policies, procedures and guidelines in place to support management in addressing material sustainability challenges across the Group, as described throughout this Report.

BUSINESS

Having a strong business model is essential to remaining competitive in the market and attracting new investment opportunities. It also allows us to retain top talent and motivate our staff to pursue sustainable development.

Core Principles:

-  Enhance long-term return for its shareholders.
-  Conduct business with uncompromising integrity and safeguard against unfair business practices.
-  Focus on sustainable development of its businesses and the communities it operates in.
-  Achieve a high standard of corporate governance and emphasise a quality board, sound internal control, transparency and accountability to all stakeholders.
-  Comply with all relevant and applicable laws and regulations within its operational frameworks.

PEOPLE

At the centre of our operations are our employees, which are a critical component of our corporate success. We strive to cultivate an inclusive, diverse and equitable work environment for all.




Core Principles:

-  Uphold a high standard of business ethics and the personal conduct of its employees.
-  Foster individual growth and achievement of business goals and offer a wide range of training and development programmes and interest courses and activities.
-  Adhere to non-discriminatory employment practices and procedures.
-  Maintain proper systems to ensure internal equity and external competitiveness of staff remuneration and recognition.
-  Provide a positive work environment that values the wide-ranging perspectives inherent in its diverse workforce.
-  Provide a safe workplace for all its employees.

COMMUNITY

Community engagement is critical to the achievement of our decarbonisation goals. We make an effort to connect with our stakeholders on a regular basis to enhance communication, understand their needs and ultimately improve our sustainability performance in the long run.







Core Principles:

-  Consult with local communities and undertake initiatives catered to the needs and benefits of the communities within which it operates.
-  Encourage employees to play a positive and active role in the community.
-  Implement internal guidelines and controls on donations and contributions to safeguard stakeholders' and shareholders' interests.

ENVIRONMENT

Environmental protection is a central aspect of our sustainable strategies. As a global utility company, we believe it is our responsibility to lead in the decarbonisation of our industry and to manage our assets in a responsible manner.

Core Principles:

-  Comply with or out perform the relevant laws and regulations to control any GHG emissions, discharges into water and land, and waste generation.
-  Minimise the impact of its business activities on the environment and natural resources.
-  Set targets and review and assess the results regularly to ensure the efficiency of the measures to control emissions.
-  Develop and implement environmentally-friendly products and processes with potential commercial applications.
-  Monitor and manage the use of resources.
-  Encourage and provide support for conservation and environmental protection programmes.

These principles are adopted group-wide and implemented by each business unit based on local social, economic and environmental needs. The execution and compliance are monitored continuously through regular management reviews and reporting.

For more information on relevant policies and procedures in place, please refer to the Sustainability Policies and Corporate Governance Policies posted on the Company's website.

Sustainability Policies



Corporate Governance Policies



Stakeholder Engagement

The Group endeavours to communicate openly and transparently with its key stakeholders to gather their views on the issues that concern them the most. Given the diversity of its businesses, the Group deals with different stakeholder groups including employees, shareholders, customers, suppliers, local communities, professional institutions, non-governmental organisations (“NGOs”) and authorities. The Group regularly collects their views through various channels, such as meetings, surveys, seminars and workshops.

The Group uses stakeholders’ input to understand the shifting market needs, which in turn helps to inform the Group’s decision-making in relation to its sustainability practices, initiatives and disclosures. Through our stakeholder engagement activities this year, we gathered comments from stakeholders in relation to the environmental, social and governance aspects of our business and turned them into actions.

Stakeholders’ concerns

Environment

More can be done to motivate carbon reduction

Our response

Many business units within our group have made net zero commitments that match or in advance of their governments’ agenda. The Group is also taking further step to tackle climate change. For the first time ever, we set a group-level carbon reduction target of 50% for Scope 1 and 2 emissions by 2035 compared to 2020 level, and has committed to the pursuit of net zero by 2050.

Social

Ensuring a just, inclusive, urgent, and orderly transition

As a global infrastructure company, we recognise the importance of ensuring that the transition to a more low-carbon economy is fair and equitable for all stakeholders, including our employees, customers and the communities in which we operate.

Alongside our decarbonisation journey, we continue to enhance the social well-being of our employees and stakeholders via different initiatives to respect human rights alongside our entire value chain and improve their quality of life.

Governance

Corporate governance and strategy are key areas

We believe that good corporate governance is key to achieving our sustainability goals and creating value for our stakeholders. Our governance framework, includes clear policies and procedures for decision-making, risk management, and accountability. This includes regular reporting on our sustainability performance and progress towards our sustainability goals.

Materiality Assessment

This year, the Group, with the assistance of an independent advisor, conducted a materiality assessment to review and inform its sustainability approach and reporting. The analysis reflected the material issues the

Group and its stakeholders deemed as significant and impactful to the business, stakeholders and strategy. The list of material issues was reviewed and validated by the Sustainability Committee.

Materiality Assessment Process

1 Identification

- Applied a 4-part analysis which looked at industry standards, industry peers, ESG ratings and the Group’s previous year’s findings.
- Identified a potential list of material sustainability issues that are considered relevant and important to our business and its stakeholders.

2 Evaluation and Prioritisation

- Engaged with institutional investors and ESG rating agencies via online survey to receive input on material issues and alignment with sustainability priorities.
- Prioritised issues that have a significant impact on the Group’s ability to create long-term and sustainable value based on results from stakeholder engagement and desktop research.

3 Validation

- Reviewed and approved the material issues by the Sustainability Committee.

Through the materiality review, twelve material sustainability issues were identified as material sustainability topics relevant to the whole Group or specific businesses based on their circumstances and are categorised as follows:

Environment

- GHG Emission
- Decarbonisation, Hydrogen Economy and Energy Transition
- Innovation and Digitalisation
- Preserving the Natural Environment and Environmental Management

Social

- Human Capital Management
- Occupational Health and Safety
- Reliability, Asset Integrity and Cybersecurity
- Customer Services and Helping Customer with Low-carbon Transition
- Community Engagement and Investment
- Supply Chain Management

Governance

- Corporate Governance
- Business Ethics

To better reflect the Group’s effort on low-carbon transition and align with the latest reporting standards, “GHG Emissions”, “Decarbonisation, Hydrogen Economy and Energy Transition” and “Innovation and Digitalisation” have been added to the list of material sustainability topics. “Customer Services and Helping Customer with Low-carbon Transition” have also been added as our business units and industry peers reflect rising concerns on these topics.

The materiality results set the focus of this Sustainability Report, as described in the sections below, including the disclosures on the material sustainability issues, key initiatives and performance in the reporting year.

The Group's sustainability governance structure provides a solid foundation for developing and delivering its commitment to sustainability, which is embedded at all levels of the Group, including the Board, the Sustainability Committee and the sustainability working group comprising all personnel responsible for key businesses. It guides businesses to implement their sustainability strategies, manage goals and target setting and reporting processes, strengthen relations with internal and external stakeholders, and ensure overall accountability.

The Company established its Sustainability Committee on 1st December, 2020. A majority of the Directors sitting on the Sustainability Committee are Independent Non-executive Directors. The Sustainability Committee, with delegated responsibility, oversees management and advises the Board on the development and implementation of the sustainability initiatives of the Group, including reviewing the related ESG policies and practices, and assessing and making recommendations on matters concerning the Group's sustainability development and ESG risks. Sustainability Committee meetings were held in March and November of 2022.

The following is a summary of the work of the Sustainability Committee during 2022:

1. Review the Group's sustainability objectives, strategies, priorities, initiatives, goals, targets, work progress and highlights for the year of 2021, in consultation with the external professional consultant;
2. Consider adoption the recommendations of the TCFD and other initiatives with a view to enhancing the Company's sustainability disclosures and ability to identify and address sustainability-related issues;
3. Consider rating agencies' analyses of the Group's sustainability performance;
4. Review the potential climate-related financial risks, i.e. physical risk and transition risk, that might affect the Group;
5. Review the Company's sustainability frameworks and sustainability related policies, practices and management approach;
6. Review the Company's standalone sustainability report for the year of 2021 prepared in consultation with the external professional consultant;

7. Review the progress of the Group in 2022 towards the sustainability targets and sustainability-related issues, trends and best practices;
8. Consider an introductory review of the exposure drafts of the International Sustainability Standards released by the International Sustainability Standards Board (ISSB) in March 2022;
9. Review of the Company's alignment to UN SDGs for the Group's sustainability targets and goals; and
10. Consider the plan and preparatory work for Company's sustainability report for the year of 2022.

To achieve the Group's sustainability ambitions, all businesses are accountable for execution of sustainability initiatives and management of relevant risks and performance. Most of the business units have set up sustainability teams with the management oversight to support business-level sustainability implementation. Regular discussion of sustainability topics is also conducted during meetings of their boards and/or board-level committees.

Annually, together with Power Assets, the Group hosts in-house sustainability conference to align efforts and manage sustainability performance across the Group. With the ambition to achieve a group-wide sustainability vision, the conference serves as an open platform for our business units to share their sustainability best practices. In August 2022, all business units participated in the Sustainability Colloquium, highlighting new updates in the ESG data collection template for greater consistency. Furthermore, a sharing on Scope 3 emissions reporting experience was made, facilitating the enhancement of sustainability disclosures across business operations.

In June 2022, the Group formed the CK Sustainability Council, intending to create a forum to discuss and debate sustainability topics, facilitate the coordination of responses and initiatives on sustainability and steer sustainability strategy and investor relations across the Group with its portfolio companies. During the year, the CK Sustainability Council conducted two meetings in July and October and addressed different sustainability-related major items, including understanding the upcoming regulations and their impact on our portfolio companies. Our Sustainability Committee also reviewed and updated sustainability-related policies during the year.

CKI's Sustainability Governance Structure

Top-down Strategy

The Board

- Has ultimate accountability for the Group's sustainability strategy, management, performance and reporting.
- Examines and approves the Group's sustainability objectives, strategies, priorities, initiatives and goals, targets as well as the related significant policies and frameworks that support their achievement.

Sustainability Committee

- Chaired by Mr. Ip Tak Chuen, Edmond, the Deputy Chairman and Executive Director, and comprised of Mr. Barrie Cook and Mr. Paul Joseph Tighe, Independent Non-Executive Directors, and Ms. Eirene Yeung, the Company Secretary, as members.
- Has an overarching role in supporting the Board on the matters of sustainability and oversees the implementation of the sustainability initiatives of the Group, including reviewing the related policies and practices, and assessing and making recommendations on matters concerning the Group's sustainability governance, strategy, planning and risks.
- Reports periodically to the Board on sustainability risks and opportunities, and their impact on business strategy and new investments.
- For more information, please refer to the Terms of Reference of the Sustainability Committee.

Sustainability Working Group

- Composed of key members of senior management of the head office and the business divisions of the Group.
- Focuses on proactively addressing sustainability issues and policies and driving strategic initiatives across the Group.
- Reports to and receives feedback from the Sustainability Committee regularly.
- Appointed an external advisor in 2022 to prepare for the adoption of TCFD recommendations. Discussions were also held to explore Group-level target setting feasibility.



Bottom-up Information Flow

3.3 Contribution to UN SDGs

As a global infrastructure company, we play an increasing pivotal role in helping our customers and our businesses transition to net zero. It's therefore important that we share our action and commit to the global objective set forth by the UN SDGs. While we contribute to many of the SDGs, we are making meaningful contributions towards the SDGs that we find to have clear alignment with our material sustainability issues, and we will work closely with key partners to further shape our contribution over the decades.

5
GENDER
EQUALITY

At the Group, we are dedicated to fostering a working environment that is free from all forms of discrimination, promoting a culture of diversity and inclusiveness. Our recruitment process is governed by the strictest equal opportunity guidelines, ensuring everyone is given an equal chance to succeed.

We have also established our Corporate Social Responsibility Policy and Human Rights Policy which articulates that the Group values diversity and commits to equal opportunity.

Material Issues Human Capital Management

7
AFFORDABLE AND
CLEAN ENERGY

The Group has publicly declared our aim to phase out coal-fired generation by 2035. To achieve this goal, HK Electric is collaborating with another energy provider in Hong Kong to construct an offshore Liquefied Natural Gas terminal. This new channel will allow a more diverse natural gas source to be received from international markets.

We have also established the Environmental Policy to illustrate our commitment to managing direct and indirect impacts arising from our operations and increase the use of innovative, clean and energy efficient technology.

Material Issues GHG Emission Decarbonisation, Hydrogen Economy and Energy Transition

8
DECENT WORK AND
ECONOMIC GROWTH

The Group has a strong commitment to providing a decent work environment for its workforce and an economic contribution to society. Our employee performance process emphasises two-way communication and links employee compensation to personal objectives and corporate goals. We also adhere to all relevant laws and regulations of health and safety and consistently track and report on health and safety performance.

We have also established the Corporate Social Responsibility Policy, Health and Safety Policy, Human Rights Policy and Modern Slavery and Human Trafficking Statement to ensure the delivering of our commitment.

Material Issues Human Capital Management Occupational Health and Safety

9
INDUSTRY INNOVATION
AND INFRASTRUCTURE

As we embrace innovative solutions and technology for decarbonisation, we are committed to fostering creativity, innovation and agility.

Our business units have continuously monitored and upgraded their operations to align with the Group's decarbonisation strategy. For example, Northumbrian Water's Organics Ammonia Recovery project aims to extract ammonia from wastewater and transform it into green hydrogen for beneficial use in the emerging hydrogen economy.

Material Issues Innovation and Digitalisation Decarbonisation, Hydrogen Economy and Energy Transition

11
SUSTAINABLE CITIES
AND COMMUNITIES

We are committed to ensuring resilient and sustainable infrastructures for cities and the communities where we operate such as implementing stringent measures to control air pollution and improve air quality, as well as providing sustainable waste management services in areas we operate.

The Group has established an Environmental Management System ("EMS") to improve our environmental performance, and overall, in 2022, 74% of the Group's attributable revenue¹ were covered by ISO 14001 or other EMS certificates. We also created tailored training and awareness programmes to deepen our employees' understanding of sustainability and the latest environmental initiatives.

Material Issues Decarbonisation, Hydrogen Economy and Energy Transition Innovation and Digitalisation
Occupational Health and Safety

12
RESPONSIBLE
CONSUMPTION
AND PRODUCTION

We collaborated with external parties, including working with waste contractors, to optimise our material management and enhance data capturing of waste streams. For example, EnviroNZ has partnered with Hamilton City Council and delivered a new rubbish and recycling service in the region, increasing the volume of waste diverted from landfill from 27% to 58%.

The Group has established the Environmental Policy to illustrate its commitment to encourage more reuse and recycling in day-to-day operations. We also encourage the use of sustainable materials and the adoption of technologies to streamline production and operation processes and enable better management of the environmental impact of our operations.

Material Issues Preserving the Natural Environment and Environmental Management

13
CLIMATE
ACTION

We have set a Group-level carbon reduction target of 50% by 2035 and our business units are also highly supportive of the global net-zero transition, through the development, operation, and investment in low-carbon infrastructure.

The Group is proactively supporting government initiatives towards decarbonisation, while also adhering to changes in the regulatory environment. For example, VPN is involved in the Victorian Government's Neighbourhood Battery Program Initiative to install battery systems in the local network, which provides benefits by improving energy reliability and reducing GHG emissions.

Material Issues GHG Emission Decarbonisation, Hydrogen Economy and Energy Transition

Note:
(1) Percentage of attributable revenue by segment represents the revenue of each businesses in the segment multiple by the corresponding effective interests owned by the Group on a see through basis, divided by the sum of the attributable revenue by all segments. This is an illustration of the scale of each segment to the Group, the figures do not represent the consolidated turnover for the Group.

We recognise that climate change poses physical and transition risks, as well as opportunities for our business. We routinely consider the effects of climate change in our strategic planning so that we can maximise the value we bring to our customers, investors, and the communities where we operate. To demonstrate how climate-related considerations intersect with our value proposition, we have adopted the TCFD recommendations to share our progress to date in responding to climate change. The goal of the TCFD is to improve the quality and comparability of climate-related disclosures, thereby enabling our stakeholders to better understand how our business strategy and risk management plans are responsive to the most significant climate-related risks and opportunities.

To advance transparency surrounding our climate change initiatives, we have been working towards alignment with the TCFD recommendations. In 2022, we preliminarily identified climate-related risks and opportunities that the Group is facing and initiated our first climate scenario analysis exercise to identify the potential financial impacts of these risks and opportunities on our business. We will complete the scenario analysis and also refine our metrics and targets based on the outcomes of the scenario analysis as we continue to evaluate our strategy and identify new opportunities.

This year's report reflects our progress towards incorporating TCFD recommendations, which we expect to bring to completion in 2023. Our latest TCFD disclosures are set forth in the following sub sectors which contain the 4 elements of Governance, Strategy, Risk Management, and Metrics and Targets.

Governance

Board oversight

The Group has made climate-related issues core to our overall business strategy. The Board has oversight of the Group's strategy and management's implementation of risk management and mitigation plans for identified risks related to the Group's business strategy.

To assist it in the governance and oversight of the risks and opportunities associated with sustainability matters including climate-related issues, the Board has given its Sustainability Committee the mandate to oversee the ongoing development and progress of the Group's sustainability plan and initiatives, as well as periodic reporting to the Board in regard to progress and performance. Oversight of climate-related issues includes discussion of physical and transition risks from climate change, such as extreme weather events, climate- and emissions-related government policies, incentives and regulations, emissions-reduction initiatives, renewable energy, trends and business plans, and emerging clean energy technologies, among others. In 2022, the Sustainability Committee met twice to review the Group's sustainability plans including the incorporation of TCFD and other relevant targets and metrics into the report system.

To set a clear course for the Group's activities with respect to sustainability, the Board's assessment of risk is reflected both in the strategic decisions it takes, and in the identification of the Group's key risks and material emerging risks at corporate and business unit levels. The Board, through the Audit Committee, reviews and monitor key risks, including climate-related risks faced by the Group. The Audit Committee has oversight of the material climate-related risks, as well as overview of the level and effectiveness of key controls in place to manage the risks, which are reported on a regular basis.

Please refer to section 3.2 "Sustainability Governance" on pages 28 to 29 for a concise overview of sustainability governance within the Group and the section "Board Committees" under section 4.1 "The Board" on pages 43 to 45 for more information on the functions of our board committees.

Management leadership

Strategy is implemented by the Sustainability Working Group, which is composed of key members of senior management of the head office and the business divisions of the Group. The Sustainability Working Group focuses on addressing sustainability issues proactively and monitoring of performance in line with the Group's strategic initiatives, and also provides feedback to the Sustainability Committee on a regular basis.

Our Sustainability Working Group initiated a climate-related risk and opportunity assessment in 2022, along with a scenario analysis to better understand the potential impact and mitigation measures of relevant climate-related risks and opportunities. Top climate-related risks are considered, and when applicable, integrated into the annual enterprise risk assessment, which is ultimately presented to the Board, informing climate-related strategy setting. Initiatives related to our climate-related opportunities, such as energy efficiency improvements and renewable energy deployments, are implemented by our operations at the local level.

Strategy

We analyse and report on what we are doing to understand and manage the impact of climate-related risks and opportunities on the Group. In alignment with the TCFD recommendations, we categorise climate-related impacts into physical and transition risks. Physical risks refer to the exposure of a business and/or value chain to physical hazards associated with a changing climate. Transition risks refer to the exposure of a business to regulator and market responses associated with a transition to low-carbon economy to address mitigation and adaptation requirements related to climate change.

Scenario development

To facilitate discussions and analyses on the potential impacts of climate-related issues under different conditions, a high emissions/business-as-usual pathway (4°C scenario) and a stringent pathway striving to achieve a lower-carbon economy (1.5°C scenario) are selected to serve as bookends to adequately consider both physical and transition risks and develop an understanding of how the key value drivers of our businesses might be affected under different future states. These scenarios align with the TCFD recommendations.



3.4 Reporting on TCFD

Scenario details	4°C business-as-usual scenario	1.5°C high-transition scenario
Decarbonisation trends	<ul style="list-style-type: none"> Emissions continue to increase in line with current business-as-usual pathway 	<ul style="list-style-type: none"> Global decarbonisation trajectory in line with achieving 1.5°C pathway
Policy expectations	<ul style="list-style-type: none"> Government or state intervention on climate change does not exceed current levels 	<ul style="list-style-type: none"> Up to 2030, Nationally Determined Contributions (“NDCs”) are successfully delivered by countries as pledged in the 2015 Paris Agreement and consolidated into a pledged pipeline Post-2030, cost-effective emission reduction measures are implemented by countries to achieve the global 1.5°C target, in proportion to their pledged NDCs
Physical impacts	<ul style="list-style-type: none"> Likely increased severity and frequency of climate change related weather events 	<ul style="list-style-type: none"> Reduced likelihood of severe climate change related weather events
Economic constraints	Aligned to Shared Socioeconomic Pathway 2 (“SSP2”) middle of the road assumption: <ul style="list-style-type: none"> Global population growth is moderate and levels off in the second half of the century GDP continues to grow in line with historical trends 	

Climate-related risks and opportunities identification

In 2022, we initiated a preliminary identification and assessment of climate-related risks and opportunities by review of the Group’s value chain to understand the potential revenue and cost exposure to climate-related risks and opportunities in order to select those which may be most significant to the financial performance of the Group. While we are still in the process of conducting climate scenario analysis to identify the potential financial impacts from relevant climate-related risks and opportunities, so far, we have identified the following key climate-related risks and opportunities for the Group in the short (up to 2026), medium (up to 2035), and long term (2050). We

considered a number of factors to select actionable time frames, including the rapid change we have seen in the last couple of years with new climate-related regulations, the volatility of energy prices, and the latest UN Intergovernmental Panel on Climate Change (“IPCC”) report.

Identification of physical risks

The identification process shortlisted 6 potential physical risks, which cover many of the key hazards which the Group is likely to be exposed to, based on historical data and expert judgement about the likely risk profile of the regions considered. The risks include a combination of chronic and acute physical hazards. For each hazard, the impact of business interruption and/or site damage was considered.

Risk Type	Hazard	Description
Acute/ Chronic	Coastal inundation	Sea water flooding due to high tides, wind, low air pressure and waves can damage coastal land, infrastructure, and buildings.
Acute	Surface water flooding	Surface water flooding can damage low-lying buildings or infrastructure assets. Increased frequency of extreme rainfall also leads to overland flooding.
Acute	Riverine flooding	Riverine flooding can damage low-lying buildings or infrastructure assets. Changes in precipitation in a catchment also causes a river to exceed its capacity, inundating nearby areas.
Chronic	Extreme wind	Changes in wind regimes, sea surface temperature and wind speeds. High-wind conditions may exceed a building’s design specifications.
Acute/ Chronic	Extreme heat	Electrical and mechanical components can fail or send spurious signals when their design temperature is exceeded.
Acute	Forest fire	A destructive fire that spreads via trees and forest. Flames and heat from burning vegetation can damage buildings and infrastructure.

Identification of transition risks and opportunities

The identification process shortlisted 7 transition risks and opportunities, and which the Group was considered to be potentially significantly exposed to each.

Risk Type	Risk/ Opportunity	Overview	Description
Market / Technology	Risk	Changing Demand for Electricity from the Grid	Reducing electricity consumption in an aggressively transitioning world and introducing solar panels as a local electricity source will reduce demand for electricity from the grid. This may be offset by other factors, such as the transition away from gas as a fuel source.
Market / Regulation / Reputation	Risk	Changing Demand for Gas	Limiting global temperature increases to 1.5°C requires a significant reduction in gas consumption as an energy source as an interim measure. The above is likely to be driven by changing social attitudes, economic activities, and governmental policies, reducing demand due to surge in gas prices, and introducing other zero-carbon gases, e.g., biomethane and hydrogen.
Market	Risk	Increasing in Operational Expense	Operational expenses, e.g., fossil fuel and labour costs, may change due to resource scarcity, changes in market needs, carbon price implications, and revamp in the fuel mix and technological innovation.

Risk Type	Risk/ Opportunity	Overview	Description
Policy and Legal	Risk	Introduction of Carbon Taxes	Carbon tax mechanism is often introduced to the market due to heightened carbon emission objectives. This mechanism will likely be instigated in markets where carbon markets do not currently exist, which could impact all organisations with a significant quantity of Scope 1 emissions.
Market	Risk	Increasing Prices of Raw Materials	Supply-side disruptions could significantly impact raw material costs, which drive up supply chain costs for each business unit. The increase in prices of raw materials may have a flow on effect on the costs of procurement activities.
Market / Technology	Opportunity	Increasing Demand for European Rail Transport	Increasing economic activity in Europe in a low-carbon environment could drive demand for new trains up, as could people turning away from highly carbon intensive mode of transport such as aviation.
Market / Technology	Opportunity	Increasing Demand for Zero-Carbon Energy	Fossil fuel will be significantly offset by the increasing demand for energy from renewable energy sources in power generation. Increased demand for green gas sources like green hydrogen and new technologies will also present new business opportunities.

Strategy resilience

Overall, these climate-related risks and opportunities are being integrated into our business strategy and objectives through policies, procedures, products, and services. The development of our GHG emission reduction targets is an example of how issues related to climate change have influenced our strategy, which enables group-wide engagement in actions that help us meet our GHG emission reduction targets.

Risk Management

Climate-related risks are predominantly managed via our enterprise risk management framework. The Board, through the Audit Committee, regularly reviews the significant risks and decisions that could have a material impact on the Group. These reviews consider the level of risk that the Group is prepared to take in pursuit of the business strategy and the effectiveness of the management controls in place to mitigate

the exposure to risk. They also regularly review the effectiveness of any remedial actions taken during the reporting period in order to respond to changes in its business and the external environment.

Identification and assessment of climate-related risks

The evolution of ESG topics as a robust dimension of business value creation makes it relevant in the Group's risk management framework and process. The importance of ESG in the context of evolving business and risk considerations is clear and reflected in our ESG risk management framework. Through a "top-down and bottom-up" risk review process, identification and assessments of ESG risks including climate-related risks are conducted at different levels within the Group. Each business unit has to perform risk assessment where the risks associated with achieving the business objectives are identified and analysed. It also includes a review of the control mechanism for each risk and

action plan is put in place to address the areas for improvement. The Chief Executive Officer and Chief Financial Officer of each business unit need to provide a formal confirmation to acknowledge the review of their control systems and highlight any weaknesses. Such confirmations are reviewed by the Audit Committee, through Internal Audit, and submitted to the Board for its assessment.

Management of climate-related risks

The Audit Committee, on behalf of the Board, regularly reviews the scope and quality of the risk management framework and effectiveness of the internal control systems. The senior management oversees the Group's risk profile and evaluate if major risks are appropriately mitigated and reviews the effectiveness of the risk management processes. The Risk and Control Monitoring Functions monitor the business units in the implementation of effective risk management and internal control systems. At the operational level, the business units provide reports and data relating to emerging risks to the Board, through the Audit Committee.

Integration of climate-related risks

These processes for identifying, assessing, and managing of climate-related risks balance the importance of having consistency of approach, measurement, and risk categorisation across the Group. Senior management of each business unit integrates the material ESG risks including climate-related risks into the Group's Enterprise Risk Management Framework for reporting to the Board via the Audit Committee on a regular basis.

Metrics & Targets

Climate change is an increasingly important issue for the Group and our business. Therefore, we have metrics and targets in place to help us management our impact on climate change which including monitoring of our GHG emissions. This year, we set GHG emissions reductions targets to signal the importance of doing our part of addressing climate change, ignite innovation in projects that may reduce emissions and drive

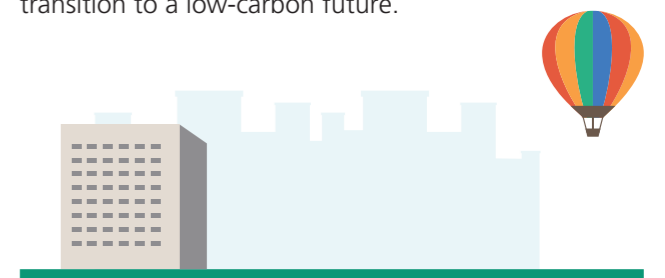
progress in the right direction. We are now targeting a 50% of reduction in our Scope 1 and 2 emissions by 2035 compared to 2020 levels. We also aim to proactively support various government's decarbonisation plans and net zero commitments proactively and abide the corresponding changes in the regulatory landscapes.

As we work to reduce our own emissions, we recognise that it is equally important to address emissions associated with our value chain as Scope 3 emissions provide the most significant opportunity to address climate change globally. Understanding the amount and sources of Scope 3 emissions better enables us to find ways to reduce them. We therefore begin to report on our estimated Scope 3 emissions as the first step to developing opportunities to reduce Scope 3 emissions.

Refer to the section 5.1 "Combating Climate Change" on pages 54 to 69 for details of our climate targets and the measurement of progress towards these targets.

Next Steps in our TCFD Journey

The adoption of climate strategies and targets and monitoring of the progress towards them are just the beginning of the transformation to a low-carbon society. We are in the process of evaluating how our businesses perform under the two selected temperature pathways through a climate scenario analysis to test the resiliency of our business strategy and help inform decision-making. The results of the scenario analysis will be used to analyse the factors that could influence the Group's enterprise value and its ability to achieve the sustainability strategies by capturing business opportunities created by the transition to a low-carbon future.





UK Rails showcasing RVL and SWIFT Demonstrators to key stakeholders at the Rail Live 2022 show in the UK.



Governance

The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholders' value. Therefore, the Company is determined to attain and maintain high standards of corporate governance best suited to the needs and interest of the Group. Accordingly, the Company has adopted and applied corporate governance principles and practices that emphasize a quality Board, sound internal controls, transparency and accountability.

It is the responsibility of the Board to direct and guide the strategic objectives of the Company and oversee and monitor managerial performance.

Role of the Board

Directors are charged with promoting the long-term sustainable growth for shareholders and delivering long-term values to all stakeholders and making decisions in the best interests of the Company.

The Board is led by the Chairman, Mr. Victor T K Li, who determines the broad strategic direction of the Group in consultation with the Board members and is responsible for the high-level oversight of management. Management is responsible for the day-to-day management and operation of the Group under the leadership of the Group Managing Director, with the support of the Executive Directors.

The Board is supported by five board committees, namely, Audit Committee, Remuneration Committee, Nomination Committee, Sustainability Committee and Executive Committee, with specific terms of reference.

Board Composition

As of 31st December, 2022 and up to the date of this report, the Board consists of a total of sixteen Directors, including eight Executive Directors, two Non-executive Directors and six Independent Non-executive Directors. Three Alternate Directors have been appointed. More than one-third of the Board

is made up of Independent Non-executive Directors and more than one of them possesses appropriate professional qualifications, or accounting or related financial management expertise as required by the Listing Rules. All Directors (including Non-executive Directors) are subject to retirement by rotation once every three years and are subject to re-election in accordance with the Company's Bye-laws and the Corporate Governance Code.

Biographical information of the Directors is set out in the Board and Key Personnel on pages 58 to 65 of the Company's Annual Report 2022. A list setting out the names of the Directors and their roles and functions is also posted on the websites of the Company (<https://www.cki.com.hk>) and Hong Kong Exchanges and Clearing Limited (<https://www.hkexnews.hk>).

Chairman and Group Managing Director

The positions of Chairman and Group Managing Director are currently held by separate individuals with a view to maintaining effective segregation of duties respecting management of the Board and the day-to-day management of the Group's business.

The Chairman is responsible for providing leadership to, and overseeing the functioning of, the Board to ensure that it acts in the best interests of the Group.

The Group Managing Director, with the support of the Executive Directors, is responsible for strategic planning of different business functions and day-to-day management and operation of the Group.

Review of the Board composition is made regularly through Nomination Committee to ensure that the Board has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company.

Board Effectiveness

Each newly appointed Director will receive an induction package, which has been compiled and reviewed by the Company's external legal advisers, setting out the duties and responsibilities as a director and board committee member under the Listing Rules and relevant regulatory requirements, as well as internal governance policies of the Group. Further information package comprising the latest developments in laws, rules and regulations relating to the duties and responsibilities of directors will be forwarded to the Directors from time to time for their information and ready reference. Guidelines for directors have also been forwarded to each Director for his/her information and ready reference.

To ensure an appropriate balance of knowledge and experience that allows the Board to fulfil its duty, the Company arranges at the cost of the Company and provides Continuous Professional Development ("CPD") training such as seminar sessions and relevant reading materials to Directors to help them keep abreast of current trends and issues facing the Group, including the latest changes in the commercial (including industry-specific and innovative changes), legal and regulatory environment in which the Group conducts its businesses and to develop and refresh their knowledge and skills on the roles, functions and duties of a listed company director.

Board Independence

The Company maintains the following mechanisms which are reviewed annually to ensure independent views and input are available to the Board:-

Board and Board Committees' Composition

The current composition of the Board (comprising 37.5% of Independent Non-executive Directors) and the Audit Committee (comprising all Independent Non-executive Directors only) exceed the independence threshold under the Listing Rules.

Separation of the role of the Chairman and the Group Managing Director ensures that there is a balance of power and authority.

The Audit Committee, the Nomination Committee and the Remuneration Committee, are chaired by Independent Non-executive Directors. The Audit Committee comprises Independent Non-executive Directors only. Independent Non-executive Directors comprise a majority of each of the Nomination Committee and the Remuneration Committee. A majority of the Directors sitting on the Sustainability Committee are Independent Non-executive Directors. During the year, the Audit Committee held two private sessions with the external auditor and internal auditor respectively without the presence of management.

The Company's Director Nomination Policy sets out the approach and procedures for the nomination and selection, and appointment/re-appointment of Directors (including Independent Non-executive Directors). The composition of the Board and Board Committees is regularly reviewed by the Nomination committee to ensure that they have a balance of skill set, experience and diversity of perspective appropriate for the strategies of the Company.

The Board has conducted an evaluation of its performance for the year 2022, including the aspects contributing to the effective implementation of the mechanism discussed hereto.

Assessment of the Independence of Independent Non-executive Directors

All Independent Non-executive Directors are required to provide the Company with an annual written confirmation confirming the independence of each of them and compliance with the requirements set out in the Listing Rules.

Independence of each Independent Non-executive Directors is assessed by the Nomination Committee upon appointment and annually on the basis of, among other things, the independence confirmations signed by all Independent Non-executive Directors.

Board Independence (Cont'd)

Assessment of the Independence of Independent Non-executive Directors (Cont'd)

Each Independent Non-executive Director is required to inform the Company as soon as practicable if there is any change of any of the matters set out in the annual confirmation of independence or circumstances which may affect his/her independence.

Remuneration of Independent Non-executive Directors

The Remuneration Committee reviews the remuneration of Independent Non-executive Directors and makes recommendation to the Board. No Director or any of his/her associates was involved in deciding his/her own remuneration at the meeting of the Remuneration Committee. Independent Non-executive Directors received fixed fee(s) for their role as members of the Board and Board Committee(s), such fee(s) are not based on performance of the Group.

Meeting between the Chairman and the Independent Non-executive Directors

The Chairman meets with Independent Non-executive Directors twice a year (without the presence of other Directors) which provides an effective channel for Independent Non-executive Directors to raise concerns and issues with respect to the Company or its business, such as corporate governance enhancement, effectiveness of the Board and any other matters they may wish to discuss.

Provision of Information and Professional Advice

All Directors (including Independent Non-executive Directors) and Board Committees may seek any information they require from key personnel of the Company and to have access to advice from the Company Secretary and/or independent professional adviser at the expense of the Company if the Director considers such advice necessary for discharge of their duties.

Directors' Training and Commitment

Newly appointed Directors receive an induction package explaining the duties and responsibilities of Directors. The Company provides, at the cost of the Company, Directors' training sessions on topics relating to Directors' roles, functions and duties.

The Board reviews the above mechanisms from time to time (at least annually) and monitors its implementation to ensure their continued effectiveness and compliance with regulatory requirements.

The Company maintains the view that a Director's independence is a question of fact and this is formally recognised in the Board Diversity Policy. The Board is committed to assessing this on an ongoing basis with regard to all relevant factors concerned. Some of these factors include: the ability to continually provide constructive challenge for management and other Directors and to express one's own views independent of management or other fellow Directors. These attributes and desired behaviour have been demonstrated by our Independent Non-executive Directors.

Board Process

The Board meets regularly and at least four times a year with meeting dates scheduled towards the end of the immediately preceding year. Between scheduled meetings, monthly updates and other information with respect to the performance and business activities of the Group had been provided to Directors on a regular basis. Whenever warranted, additional Board meetings are held by the Company. Further, Directors have full access to information on the Group and independent professional advice at all times whenever deemed necessary and they are at liberty to propose appropriate matters for inclusion in Board agendas.

In 2022, the Company held four Board meetings with a satisfactory overall attendance. All Directors attended the annual general meeting of the Company held on 17th May, 2022 ("AGM") and the Board meeting held on the same day.

Taking into consideration the various social distancing measures as strongly advised by the Hong Kong Special Administrative Region Government during the

COVID-19 situation, additional precautionary measures were implemented in the interest of the health and safety of the shareholders attending the AGM:

- Shareholders can attend the AGM and vote by means of electronic facilities instead of attending the physical AGM;
- Shareholders were able to submit questions online during the AGM and send questions by email before AGM;
- Attendees were required to wear surgical face masks throughout the AGM and compulsory

temperature screening/check before entering into the venue;

- Scanning of the "LeaveHomeSafe" venue QR code and presentation of vaccination record for the purpose of Vaccine Pass;
- No eating and dining is allowed within the venue and no provision of shuttle bus service;
- Attendees were assigned seats in partitioned meeting rooms at the AGM venue with video link up to ensure appropriate social distancing and facilitate contact tracing; and
- All Directors participated through video conferencing.

Directors	Attendance at Board Meetings	Attendance at 2022 AGM
Executive Directors		
Victor T K LI (<i>Chairman</i>)	4/4	1/1
KAM Hing Lam (<i>Group Managing Director</i>)	4/4	1/1
IP Tak Chuen, Edmond (<i>Deputy Chairman</i>)	4/4	1/1
FOK Kin Ning, Canning (<i>Deputy Chairman</i>)	4/4	1/1
Frank John SIXT	4/4	1/1
Andrew John HUNTER (<i>Deputy Managing Director</i>)	4/4	1/1
CHAN Loi Shun (<i>Chief Financial Officer</i>)	4/4	1/1
CHEN Tsien Hua	4/4	1/1
Independent Non-executive Directors		
CHEONG Ying Chew, Henry	4/4	1/1
KWOK Eva Lee	4/4	1/1
SNG Sow-mei alias POON Sow Mei	4/4	1/1
Colin Stevens RUSSEL*	2/3	1/1
LAN Hong Tsung, David	4/4	1/1
Barrie COOK	3/4	1/1
Paul Joseph TIGHE	4/4	1/1
Non-executive Directors		
LEE Pui Ling, Angelina	4/4	1/1
George Colin MAGNUS	4/4	1/1

* Retired as an Independent Non-executive Director with effect from 1st September, 2022.

In addition to regular Board meetings, the Chairman held meetings with Independent Non-executive Directors without the presence of other Directors twice in 2022. The Independent Non-executive Directors are encouraged to provide their independent views to the Board.

Board Committees

The Board has established five Board Committees: namely, Audit Committee, Remuneration Committee, Nomination Committee, Sustainability Committee and Executive Committee. Each committee is delegated with authority to deal with specific matters with a view to operating effectively and giving appropriate attention and consideration to these matters.

Board Committees (Cont'd)

The table below provides membership information of these committees on which the Board members serve:

Directors	Board Committee	Audit Committee	Remuneration Committee	Nomination Committee	Sustainability Committee	Executive Committee
LI Tzar Kuoi, Victor			M	M		C
KAM Hing Lam						M
IP Tak Chuen, Edmond					C	M
FOK Kin Ning, Canning						
Frank John SIXT						
Andrew John HUNTER						M
CHAN Loi Shun						M
CHEN Tsien Hua						M
CHEONG Ying Chew, Henry		M	C			
KWOK Eva Lee				C		
SNG Sow-mei alias POON Sow Mei		M	M			
LAN Hong Tsung, David		M				
Barrie COOK				M	M	
Paul Joseph TIGHE		C			M	
LEE Pui Ling, Angelina						
George Colin MAGNUS						

Notes:

C Chairman/Chairperson of the relevant Board committees

M Member of the relevant Board committees

Audit Committee

The role of the Audit Committee is to assist the Board in fulfilling its audit duties through the review and supervision of the Group's financial reporting system, risk management and internal control systems. The Audit Committee regularly reviews the scope and quality of the risk management framework (including ESG risks) and effectiveness of the internal control systems, evaluates the internal audit function by reviewing internal audit resources, plans, budgets and its work, as well as develops and reviews the Company's policies and practices on corporate governance including compliance with legal and regulatory requirements.

At the Audit Committee meeting held in March 2023, members of the Audit Committee had examined the Company's policies and practices on corporate governance and compliance with legal and regulatory requirements including Corporate Governance Policies, Anti-Money Laundering Policy, Competition Compliance Policy, Model Code for Securities Transactions by Directors, Privacy Policy and Personal Information Collection Statement and Sanctions Compliance Policy.

The Audit Committee, which comprises only Independent Non-executive Directors, is chaired by an Independent Non-executive Director and is comprised of three other Independent Non-executive Directors as members, at least one of whom possess the relevant financial and business management experience and

skills to understand financial statements and monitor the corporate governance, internal control, and risk management of the Company.

For more information, please refer to the Terms of Reference of the Audit Committee and the Corporate Governance Report included in Annual Report 2022 of the Company.

Remuneration Committee

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for the remuneration of Directors and the senior management, determining the remuneration packages of all Executive Directors and the senior management, and making recommendations on the remuneration of Non-executive Directors with reference to the corporate goals and objectives of the Board resolved from time to time.

The Remuneration Committee, with a majority of the members thereof being Independent Non-executive Directors, is chaired by an Independent Non-executive Director and is comprised of one Executive Director and one other Independent Non-executive Director as members.

For more information, please refer to the Terms of Reference of the Remuneration Committee and the Corporate Governance Report included in Annual Report 2022 of the Company.

Nomination Committee

The Nomination Committee is responsible for reviewing the structure, size, diversity profile and skills matrix of the Board and independence of the Independent Non-executive Directors and making recommendations on the appointment or re-appointment of Directors and succession planning for Directors.

The Nomination Committee, which comprises a majority of Independent Non-executive Directors, is chaired by an Independent Non-executive Director and is comprised of one Executive Director and one other Independent Non-executive Director as members.

The nomination process is conducted in accordance with the Director Nomination Policy and Board Diversity Policy, which are available on the website of the Company.

For more information, please refer to the Terms of Reference of the Nomination Committee and the Corporate Governance Report included in Annual Report 2022 of the Company.

Sustainability Committee

The Sustainability Committee, a majority of the Directors sitting on which are Independent Non-executive Directors, is chaired by an Executive Director and is comprised of two Independent Non-executive Directors and the Company Secretary as members. The Sustainability Committee was set up by the Board to oversee management and advise the Board on the development and implementation of the sustainability initiatives of the Group, including reviewing the related ESG policies and practices, and assessing and making recommendations on matters concerning the Group's sustainable development and ESG risks.

For more information, please refer to section 3.2 "Sustainability Governance" on pages 28 to 29 and the Terms of Reference of the Sustainability Committee.

Executive Committee

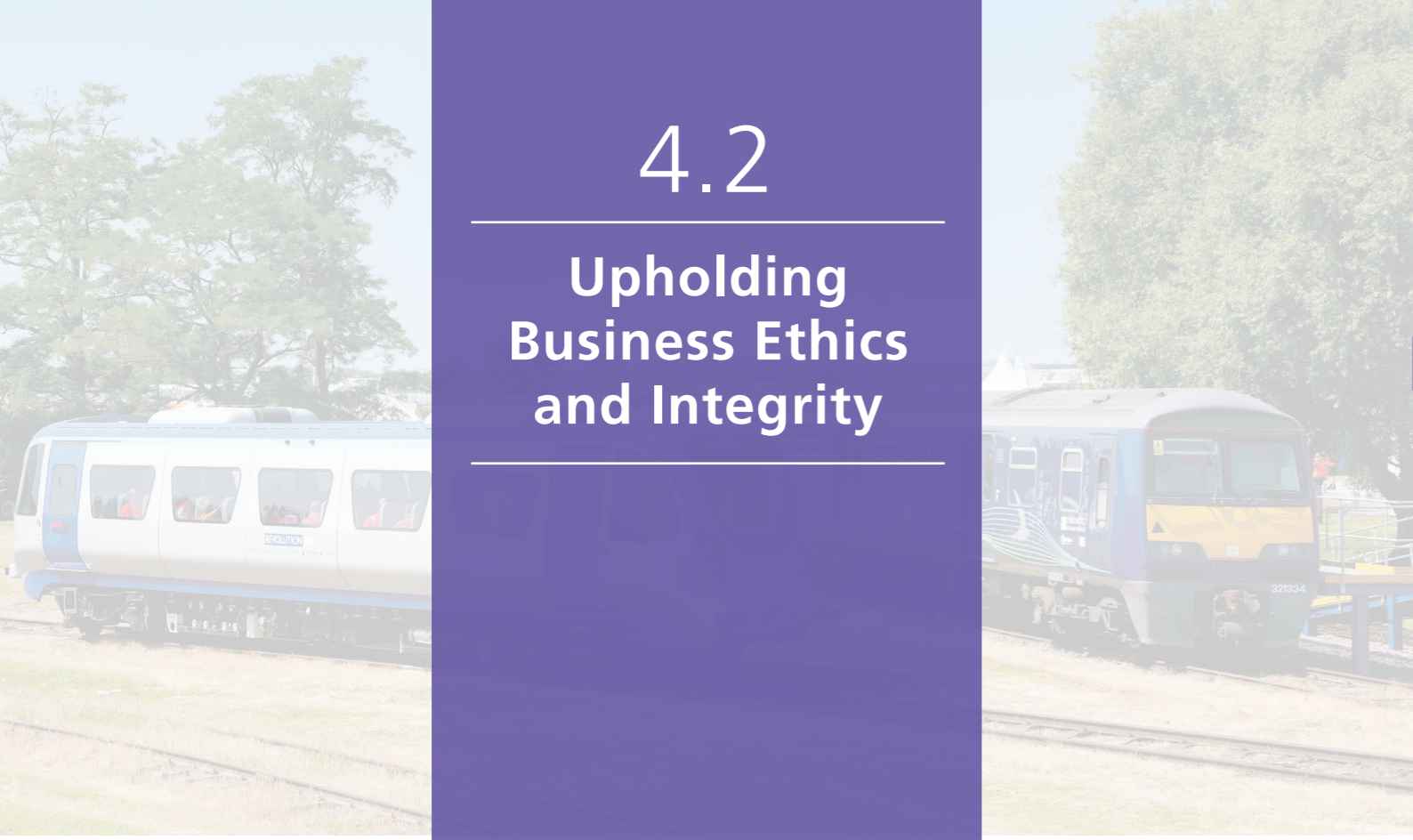
The Executive Committee is responsible for reviewing the financial information of the Company, discussing and making decisions on matters relating to the management and operations of the Company including but not limited to financial/treasury planning and strategy formulation, and assessing and making recommendations to the Board on acquisitions of or investments in businesses or projects.

The Executive Committee comprises the Chairman of the Board (Chairman of the Executive Committee), five Executive Directors and six key personnel of the Company.

For more information, please refer to the Terms of Reference of the Executive Committee.

4.2

Upholding Business Ethics and Integrity



Our Management Approach

Governance Policies

Relevant policies for our stakeholders are established to stipulate the Group's expectations and requirements on maintaining fair competition in all business activities.

The Employee Code of Conduct (the "Code") sets out the professional and ethical standards for the Directors and employees of the Company to observe in all business dealings, including provisions dealing with conflict of interest, fair dealing and integrity, corruption, political contributions, personal data protection and privacy, as well as requisite reporting of illegal and unethical behaviour. The Code applies to all subsidiaries and controlled affiliates of the Group, where every Director adheres strictly to the Code including all applicable laws, rules and regulations within the jurisdictions in which the Group operates. For non-controlled affiliates, employees serving as directors should, to the extent possible, encourage those affiliates to adopt and follow the Code.

Business partners and suppliers of the Group are encouraged to maintain the highest standards of ethical conduct and professionalism in accordance with the Supplier Code of Conduct. They are required to implement appropriate anti-fraud and anti-corruption policies as well as compliance programmes to verify their compliance with the policies. Relevant anti-fraud and anti-corruption clauses are incorporated into the contracts with business partners and suppliers to ensure that they are fully aware of the Group's requirements.

The Anti-Fraud and Anti-Bribery Policy outlines the Group's zero-tolerance stance against bribery and corruption and assists employees in recognising the circumstance that may lead to or give the appearance of corruption or unethical business conduct. It includes provisions dealing with kickbacks, political and charitable contributions, facilitation payments, gifts and hospitality, and procurement of goods and services. It is the Group's general policy to avoid any form of donations to political associations or individual politicians.

Other policies relevant to ethics and compliance including:

- Information Security Policy;
- Media, Public Engagement and Donation Policy;
- Policy on Appointment of Third Party Representatives;
- Policy on Handling of Confidential Information, Information Disclosure, and Securities Dealing; and
- Whistleblowing Policy – Procedures for Reporting Possible Improprieties.

Communication and Training

The Code forms part of the mandatory induction training which all employees attend upon joining the Group. It is the responsibility of every Director and employee (whether full-time or part-time, contract or temporary staff) to familiarise themselves and comply with the Code. During the year, the Group provided three seminars relating to data privacy, M&A and global minimum tax respectively to the Directors to help them keep abreast of current trends and issues facing the Group. Regularly, tailor-made training on specific topics such as anti-fraud and anti-corruption are assigned to employees based on their role and area of responsibility.

Why It Matters

Bribery and corruption risks are inherent in the power and utility sector. The Group has close ties with regulators, third-party contractors, suppliers and customers as we provide fundamental infrastructures to the local communities. Certain communities may pose risks of unethical behaviour due to their regulation and control system.

Despite most of our operating businesses are regulated by the jurisdictions in which we operate, we still strive to take a proactive and holistic approach to avoid any incidents of bribery and corruption. Our pursuits of a low-carbon future demands a robust governance structure and responsible practices that align with the interests of our stakeholders, reflect our values, and encourage our supply chain partners to adopt similar standards in their operations.

Our Commitment

The Group is committed to upholding the highest ethical standards including business integrity, honesty and transparency across all operations and businesses. We have zero tolerance on any form of fraud or bribery, and is committed to the prevention, deterrence, detection, and investigation of all forms of fraud and bribery.

The Board holds the overall responsibility for business ethics as an essential part of its corporate governance responsibilities. The Executive Directors assist the Board in overseeing the Group's legal and regulatory compliance efforts.

Our Management Approach (Cont'd)

Communication and Training (Cont'd)

For example, AGIG appointed external training providers to prepare learning modules on anti-bribery and corruption, fraud, and other corrupt business practices. Training modules are available to all employees via the internal Learning Management System ("LMS") and are mandatory for new hires in certain teams. HK Electric communicated and provided trainings on anti-corruption policies and procedures to the board members and employees regularly. In addition, anti-corruption is also covered as part of the United Energy, UK Rails, UKPN, VPN, WWU induction process for new employees. On top of induction training, EDL, ista and UK Rails have set up online portals for all staff to take regular mandatory refresher awareness training on anti-corruption matters.

On-going Assessment

Business practices and controls for preventing and combating corruption and other misconducts are continually assessed at both the Group and business unit levels.

At the Group level, an anti-bribery and anti-corruption control assessment is conducted biannually to evaluate the effectiveness of controls for managing bribery risks.

At the business unit level, each operating company conducts a risk-based audit to ensure the focus remains on key risk areas. These audits also consider the design and operating effectiveness of processes and controls. Deficiencies with potential for fraud and other corruption would be covered during the audit. To combat corruption and bribery risks, ista's Corporate Internal Audit and Compliance department monitors the adherence to all relevant external requirements and internal policies. As part of the Global Compliance Management, a comprehensive Anti-Bribery and Anti-Corruption Policy has been implemented; and as part of the Compliance Risk Assessment, potential corruption risks have been evaluated and necessary steps of prevention will be defined and implemented.

Due Diligence

Moreover, the Group adopts a comprehensive set of procurement and tendering procedures to ensure that related activities are carried out in a fair and transparent manner. The appointment of third party representatives requires approval from the relevant functional/department heads of the business units/operating companies in accordance with the respective guidelines and procedures of the business unit or Group company concerned prior to engagement of the third party representative.

For more information, please refer to the Policy on Appointment of Third Party Representatives.

Whistleblower Programmes

All directors, employees and other relevant stakeholders are expected to report any potential violation of the Code or other Group policies. Escalation channels are set up to allow reporting of improprieties or business conduct concerns, with the option of anonymous reporting. All reported incidents are treated confidentially, and informants are protected from any retaliation such as unfair dismissal, victimisation or unwarranted disciplinary action. All breaches are recorded, investigated, and reported to the Board through the Audit Committee, and substantiated violations would result in appropriate disciplinary actions, including termination of employment.

In addition to Group-level processes, each core business derives its own set of internal escalation procedures to cater to its operational needs.

SA Power Networks has a Whistleblower Policy available to access internally on its intranet, providing guidance on how to access the Speak Up Anonymous whistleblower service via different means including by phone, email and internet webform. The Policy also lists external whistleblower reporting mechanisms including with regulators and external auditors. Quarterly

reporting is submitted to the Chief Executive Officer ("CEO") and Audit Committee, any material fraud and misconduct received from the whistleblower service.

NGN provides an independent, confidential, and free service line called Safecall for employees to report on misconducts. The whistleblowing channel is available 24 hours a day, 7 days a week, ensuring employees are accessible to the line at any time.

Risk Management

The Group has in place an Enterprise Risk Management framework which is consistent with the COSO (Committee of Sponsoring Organisations of the Treadway Commission) framework. The framework facilitates a systematic approach in identifying, evaluating and managing significant risks (including ESG risks) within the Group, be they of strategic, financial, operational or compliance nature.

Risk management is integrated into all business and decision-making processes, where striking a sensible balance between risk and opportunity is critical to the longer-term growth and sustainability of the Group's business. It is also a continuous process carried out at all levels of the Group.

In terms of formal risk review and reporting, the Group adopts a "top-down and bottom-up" approach to manage risk exposures which works as follows:

Managing Risk from Top-down:

The Board and Audit Committee

1. Assess and determine the nature and extent of the risks that the Group is willing to accept in pursuit of its strategic and business objectives; and
2. Ensure appropriate and effective risk management and internal control systems are in place.

Senior Management

1. Oversee the Group's risk profile and evaluate if major risks are appropriately mitigated; and
2. Review and confirm the effectiveness of the risk management processes.

Managing Risk from Bottom-up:

Risk and Control Monitoring Functions

1. Establish relevant policies and procedures for the Group; and
2. Monitor business units in the implementation of effective risk management and internal control systems.

Operational Level

1. Identify, assess, mitigate, and report the risks; and
2. Provision of reports and data relating to emerging risks to the Board, through the Audit Committee.

Through this "top-down and bottom-up" risk review process, the risks identified in each business unit will be presented in the Group Risk Register, where they are considered significant on a group level. This Register, of which the content is confirmed by the Group Managing Director and the Chief Financial Officer, forms part of the Risk Management Report for review and approval by the Audit Committee every half-yearly. The Audit Committee, on behalf of the Board, reviews the Report to ensure that all the significant risks are identified and appropriately managed. Pages 185 to 192 of the Company's Annual Report 2022 provide a description of the Group's risk factors which could affect the Group's financial condition or results of operations to differ materially from expected or historical results.

4.2 Upholding Business Ethics and Integrity

Our Management Approach (Cont'd)

Internal Control Environment

The Group's internal control system is embedded in its day-to-day business activities and is carried out at all levels of the Group. The Group has a well-established organisational structure with defined levels of authority and responsibility, as well as reporting procedures.

The Group's governance structure, comprising the Board, Audit Committee, Senior Management, Operational Level, and Risk and Control Monitoring Functions, has been established with defined roles and responsibilities to enhance the Board's ability to exercise proper oversight.

In terms of a formal review of the Group's internal control system, each business unit has to perform a risk assessment on a bi-annual basis where the risks associated with achieving the business objectives are identified and analysed. It also includes a review of the control mechanism for each risk, and an action plan is put in place to address areas for improvement. The Chief Executive Officer and Chief Financial Officer of each business unit need to provide a formal confirmation to acknowledge the review of their control systems and highlight any weaknesses. Such confirmations are reviewed by the Audit Committee, through Internal Audit, and submitted to the Board for its assessment.



4.3 Regulatory Compliance



As mentioned above, the Group recognises the importance of regulatory compliance and has established respective preventive, monitoring and control measures to ensure compliance with relevant laws and regulations relating to bribery, extortion,

fraud and money laundering in respective industries. The Group is not aware of any material breach of laws and regulations relating to bribery, extortion, fraud and money laundering that would have a significant impact on the Group during the Reporting Period.

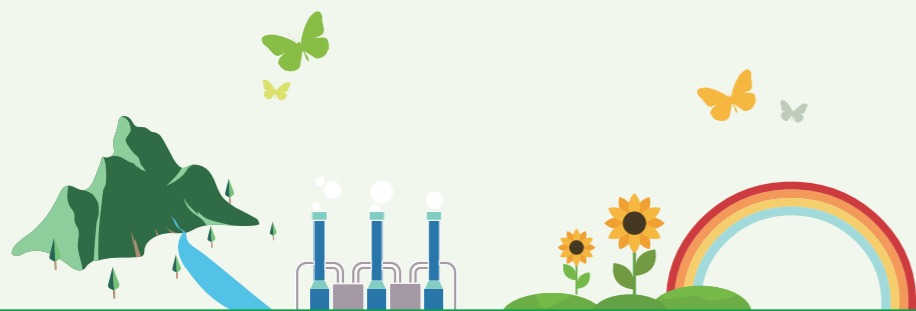


The nature environment is our partner in providing the resources for our regions. Supporting its health and biodiversity is vital for our future. We develop a climate adaption strategy to address the present challenges posed by climate change. As we witness weather growing more extreme and more people across the globe being affected by climate change, we believe working to address this challenge to steer our customers towards a sustainable future and support their journeys towards net zero.

While gearing towards the continuous growth of green and innovation solutions, our strategic environmental initiatives also include respect for the environment and protection of biodiversity. By promoting efficient and responsible use of natural resources and preventing pollution through continuous improvement of technologies, these measures enable us to control and minimise our impact on nature and continue to be an exemplary environmental steward of the biospheres and landscapes near our operations.



EDL's Agnew Hybrid Renewable Microgrid, a ground-breaking energy solution for Gold Fields' Agnew Gold Mine in Western Australia.



Environment

5.1

Combating Climate Change



Why It Matters

Human-induced climate change can be detrimental to the nature and livelihood of humans. Although many countries worldwide have taken tangible steps to limit the spread of impacts of climate change, the GHG concentration in the atmosphere still continues to rise and thus inevitably intensifies the impacts of climate change. The most recent UN climate change conference (COP27), held in Egypt in November 2022, aims to deliver pragmatic actions on various issues critical to tackling the climate emergency – which include more ambitious emission-reduction targets and new funding schemes to help vulnerable countries cope with climate-induced damage. In particular, the transformation and decarbonisation of the energy sector remain as the prerequisites for the implementation of the Paris Agreement and for limiting the average global temperature increase to 1.5°C compared to the pre-industrial revolution. Energy is a key sector for each jurisdiction to accomplish their respective climate goals by mid-2100.

The Global Methane Pledge (“GMP”) was initially introduced in the COP26 to invite countries to take voluntary action to contribute to a collective effort in reducing global methane emissions. The commitment of GMP further intensified in COP27, with 150 countries signed up for the pledge, including Australia, Canada, the UK and the USA. Building upon the aims set out in COP27 and the GMP, we are boosting our commitment to fight against climate change by adapting our services to be inclusive and accessible to everyone, accelerating emissions reduction, including methane, by modernising, digitalising and upgrading electricity and gas networks, and expanding renewable energy, waste-to-energy, renewable natural gas and carbon capture capacity.

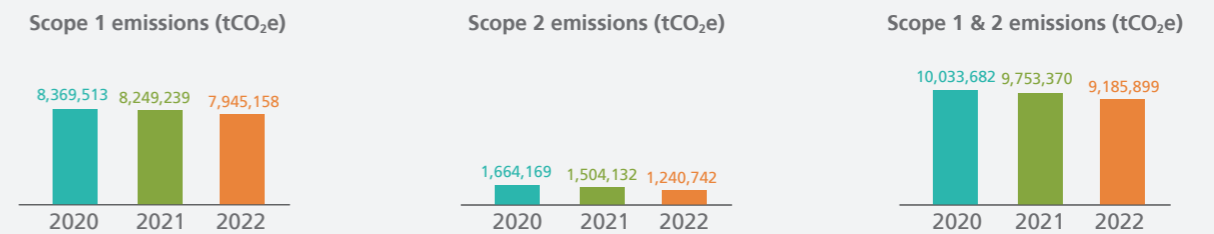
It is more important than ever for companies to show how they are doing their best to act on climate change. A successful transformation to a low-carbon economy will require far-reaching and permanent structural changes across society. These changes pose challenges for our operations but also create new opportunities for us to grow and make our business more resilient and innovative.

Our Commitment

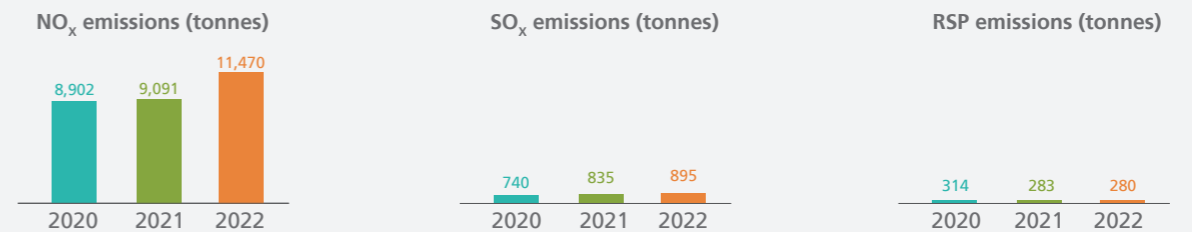
Given the umbilical connection between energy and the environment, energy systems must transform radically. The Group made a clear public commitment last year to phase out coal-fired generation by 2035. Recognising the importance of decarbonising the power sector, we further iterate our ambition and

are now targeting 50% reduction in our Scope 1 and 2 emissions by 2035 compared to 2020 levels. We also aim to support various government’s decarbonisation plans and net zero commitments proactively and abide the corresponding changes in the regulatory landscape.

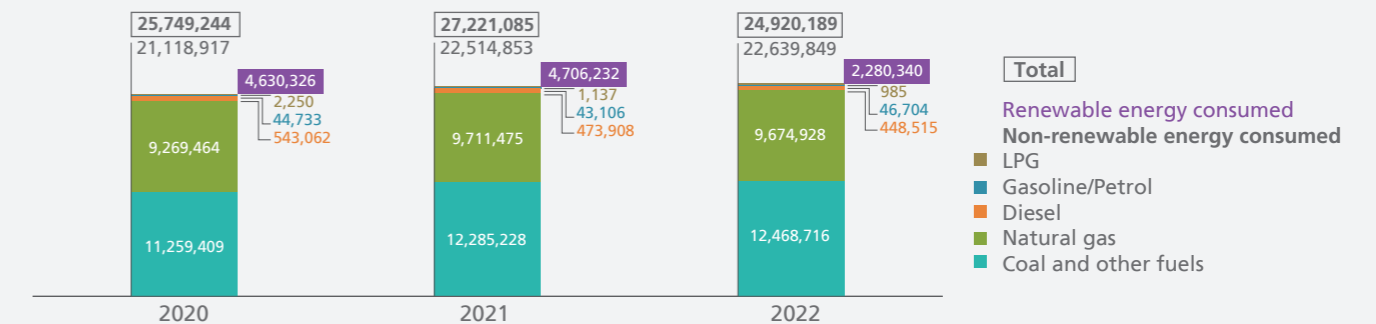
GHG Scope 1 and 2 emissions (tCO₂e)



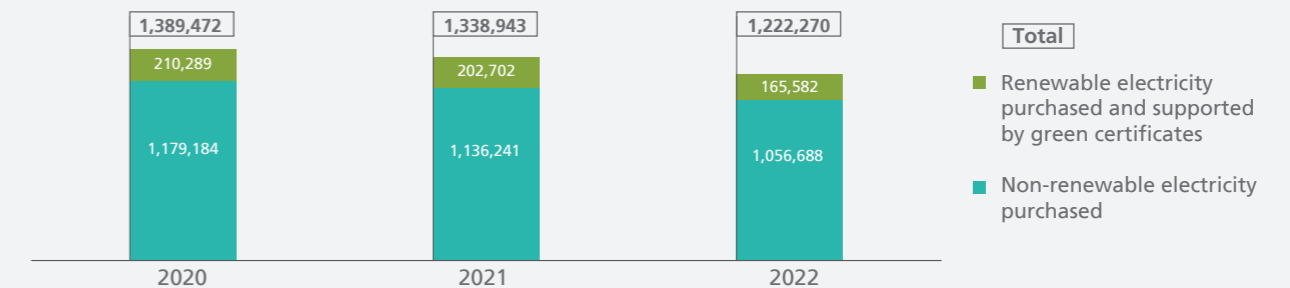
Air emissions



Energy consumption (renewable energy and non-renewable energy consumed) ('000 kWh)



Purchased electricity for own consumption ('000 kWh)



Our Management Approach

In 2022, we observed a noteworthy reduction in the Group's overall GHG emissions. Our Scope 1 and 2 GHG emissions decreased by 5.8%, with a significant 17.5% reduction in Scope 2 emissions. This substantial decrease in Scope 2 emissions can be attributed to two key factors: grid decarbonisation and reduced electricity consumption. The grid decarbonisation results from an increased integration of renewable energy sources in the electricity networks of the UK and Australia. This shift towards cleaner energy options has contributed to a lower carbon intensity of the electricity consumed by our operations.

Furthermore, our business units have made conscious efforts to reduce electricity consumption, leading to a decrease of approximately 8.7% in the amount of electricity purchased in 2022.

We recognise that there are short- and long-term steps towards decarbonisation, and on that pathway, we must continue to create value for shareholders and effectively execute our business strategy. Our focus has been on continual monitoring and modernising our businesses to align with the Group's decarbonisation strategy through the following measures.



Decarbonising generation portfolio



Modernising & digitalising electricity networks



Embracing hydrogen economy



Promoting reduction & recovery of methane



Developing cleaner ways to produce products & deliver services



Operating in a resource-saving manner

Decarbonising Generation Portfolio

UKPN

Engaging with Stakeholders to Decarbonise the Heat Sector

The heat sector must decarbonise to enable the UK to achieve net zero by 2050 and UKPN plays a vital role in facilitating this. A core pillar of our heat strategy is to inform heat decarbonisation policy development through research, data and evidence. As proposed by the UK Government, UKPN is utilising the opportunities of a blended pathway – decarbonising heat through hydrogen and electricity for our customers.

UKPN engaged with 1,000 customers across Great Britain to explore attitudes and barriers to adopting hybrid heating and found that comfort and reliability are key concerns in making the switch. Almost 60% of respondents also said they had little to no understanding of heat pumps and even fewer understood other low carbon heating technologies. Therefore, UKPN expanded the range of heat guidance to give customers more information.

UKPN then engaged with manufacturers to combine the gas boiler and heat pump into a first-of-a-kind hybrid unit and install these in customers' homes, significantly reducing the space requirements and installation disruption compared to existing separate-unit alternatives.

HK Electric

Decarbonising Fuel Mix

To combat climate change and improve local air quality, HK Electric has been increasing the proportion of natural gas in its fuel mix for many years. In 2022, gas constitutes around 53% of the company's fuel mix. To help realise the government's carbon neutrality goal before 2050, HK Electric plans to further increase gas-fired generation and phase out coal-fired generation by 2035.

Fuel security also goes in conjunction with energy transition. To ensure the operational viability of the coal-to-gas transition, HK Electric is partnering with another energy utility in Hong Kong to build an offshore Liquefied Natural Gas terminal using the Floating Storage and Regasification Unit ("FSRU") technology. This terminal will bring an array of benefits to the city's green energy future, including strengthening fuel security and cost competitiveness of fuel supply by creating a new channel to receive natural gas from diverse international markets.

To help realise the government's

carbon neutrality goal

before 2050, HK Electric plans to further

increase gas-fired generation

and

phase out coal-fired generation

by 2035.

Our Management Approach (Cont'd)

Decarbonising Generation Portfolio (Cont'd)

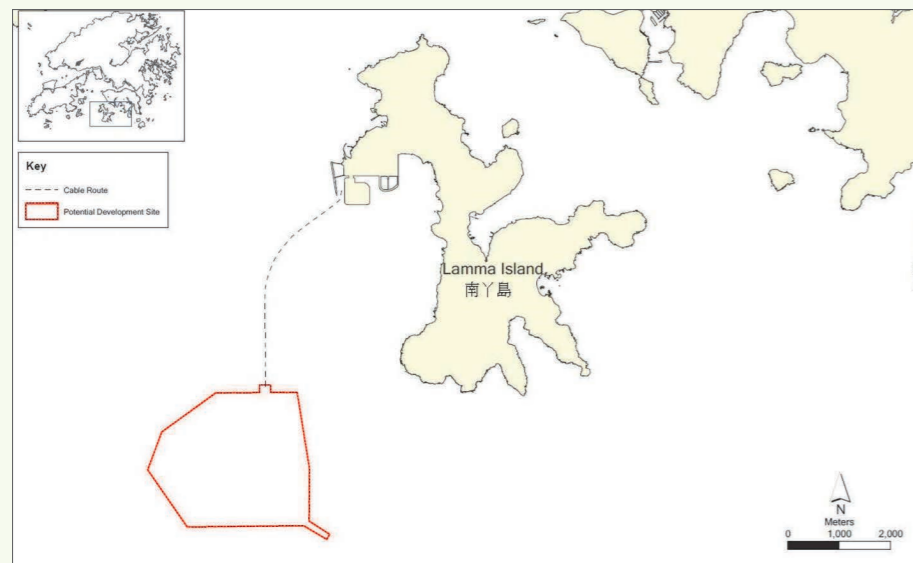
In terms of renewables, HK Electric is installing additional PV systems at its premises and planning to develop an offshore wind farm southwest of Lamma Island, allowing the harnessing of wind resources in Hong Kong.



Photomontage of Offshore Wind Farm (View from Lamma Island).

We believe that these measures will help Hong Kong progressively achieve carbon neutrality before 2050.

HK Electric launched a Feed-in Tariff ("FiT") Scheme under Smart Power Services to support the local development of renewable energy in 2018. Under the Scheme, HK Electric will purchase all the electricity generated from customers' renewable energy power systems at FiT rates that are higher than the normal electricity tariff rates. In addition, HK Electric provides Renewable Energy Certificates ("RECs") for purchase by customers who want to show support to the development of renewable energy in Hong Kong or make use of the Renewable Energy Certificates for achieving their environmental targets. RECs enable customers to support locally-generated renewable energy to offset their own carbon footprint.



Proposed location of Offshore Wind Farm (Area inside Red Boundary).

Modernising and Digitising Electricity Networks

AEO

Strengthening the Power System to Increase Renewable Energy Capacity

AEO has been awarded a contract by the Australian Energy Market Operator and the Victorian State Government to provide system strength services to the Western Renewable Energy Zone in Victoria. The project involves the development and construction of a 250 MVA synchronous condenser, which is expected to provide up to 600MW of additional renewable generation capacity in the Western Victoria region to be deployed. The project is expected to be operational in the latter half of 2025 to support the Victorian Government's efforts to reach its target of 50% renewable energy by 2030.

to support the Victorian Government's efforts to reach its target of

50%
renewable energy by 2030.



HOW synchronous condenser support the power system?

The Synchronous condenser has been a proven technology, which is coupled electromagnetically to the power network via its rotating shaft, to provide the power system with energy and support system strength, inertia and voltage control. However, renewable generator are often connected to the power system via power electronics without synchronous connection, which leads to reduced system strength in some parts of the network, making it less able to respond effectively to disturbances and more difficult to control the frequency and voltage.

To address these challenges, a synchronous condenser provides improved voltage regulation and stability by continuously generating and absorbing adjustable reactive power as well as improved short-circuit strength and frequency stability. Its purpose is not to convert mechanical power to electric or vice versa, but to make use of the machine's reactive power control capabilities and the synchronous inertia.

Our Management Approach (Cont'd)

Modernising and Digitising Electricity Networks (Cont'd)

VPN

Enabling Access to More Renewables

VPN is involved in the Victorian Government's Neighbourhood Battery Program Initiative to install a 120kW/360kWh battery system in Tarneit. Tarneit and the surrounding community are leading Victoria's renewable energy boom with more than 40% of local homes connecting solar panels to the network. The battery system will store any excess solar power being generated by households during the day and deliver it back to all customers when electricity demand is high. The battery system is expected to enable up to an additional 129,600kWh of solar power and provide benefits to up to 170 homes connected to the local network by improving energy reliability and reducing GHG emissions as more households gaining access to more renewables.



VPN participated in Victorian Government's Neighbourhood Battery Program Initiative, installing a battery system in Tarneit to store excess solar power and improve energy reliability for up to 170 homes.

To enable more large-scale renewables onto the grid and reduce the connection costs of wind and solar farms, VPN, together with other industry partners, have developed the High Voltage Distributed Energy Resource Management System ("HV-DERMS"), which allows new renewable generators to access existing network capacity more efficiently without requiring poles and wires upgrades. The system also provides real-time operating limits to dynamically adjust the energy output of generators based on the network conditions. Commenced in March 2022, the system in August included 36 existing wind and solar generators totalling 1.07GW of renewable energy capacity, which supports Victoria's clean energy transition and carbon reduction targets by enabling more solar and wind connections within the capability of existing assets with flexible exports.

UKPN

Distribution System Operator ("DSO") Transition

UKPN is supplementing its traditional role of being a DNO by establishing and implementing a separate DSO function, and has the ambition to be the leading DSO and the vision of a dynamic distribution system, with electricity demand and supply flexing in response to distribution-level conditions and market signals. DSO focuses on leveraging the latest smart grid technologies and advanced metering infrastructure to ensure safe and reliable power flows as a result of the increase in distributed renewables generations contributed by heightened awareness of climate change within the community. This will lead to a smarter and more highly utilised distribution network, with faster and cheaper access to the low carbon technologies needed to achieve net zero.

Ambition as the leading DSO

UKPN's DSO strategy builds on its strengths and its achievements in RIIO-ED1. It is an ambitious plan through which UKPN will continue to lead the way in establishing a DSO, both in the UK and globally:

1 It will deliver the first independent DSO and set the benchmark in transparent decision-making. UKPN will deliver a clear separation of market development and network ownership roles by establishing the DSO as a separate legal entity within the UK Power Networks Group – a first in the UK market, designed to build confidence and trust in response to our stakeholder feedback.

2 It is committing UKPN to deliver significant cost savings whilst enabling unprecedented low-carbon technology growth. UKPN will deliver a £410 million reduction in load related expenditure during RIIO-ED2. On top of this, UKPN have estimated that the DSO can deliver between £780 million to £2.6 billion of wider system savings to 2040 for our regions.

3 It will formalise a joint whole system planning approach that considers factors beyond UKPN's immediate control. This will be achieved through partnership with key stakeholders such as the Electricity System Operator ("ESO"), Gas Distribution Networks and local authorities, as well as institutionalising a "whole systems mind-set" by incorporating explicit consideration of whole systems solutions within the investment governance process for all investment schemes.

4 It will facilitate an open marketplace for distribution flexibility services. UKPN's strategy sets out a vision for a digital, independent, coordinated-access platform on which DSO, ESO and distributed energy resources ("DER") participants can buy and sell flexibility services. UKPN's vision is that the Distribution Market Platform will be integrated with the wider energy and Balancing Services markets via open application programming interface ("APIs"), providing market 'inter-operability' and coordination. This will allow UKPN's DER customers to maximise the value of the flexibility they can offer to the whole system. The Distribution Market Platform will be provided and operated by a third-party and will coordinate with initiatives such as the ESO Single Markets platform. UKPN does not believe the DSO's should have "closed" digital monopoly platforms.

Also, UKPN is committed to collecting real time data through monitoring in all low voltage ("LV") networks where the company is forecasting constraints over 2023-2028 and will target 100% coverage of the rest of the network through advanced analytics using smart meter data. This will give better insight to run the network at higher utilisation and to defer reinforcement actions for as long as possible.

Our Management Approach (Cont'd)

Embracing Hydrogen Economy

Northumbrian Water

Generating Green Hydrogen Fuel from Wastewater

Using a multi-strand approach to green energy and through the adoption of a wide range of innovative practices, Northumbrian Water is planning to achieve net zero in 2027. Having led the industry on creating “gas-to-grid” technology, Northumbrian Water’s Organics Ammonia Recovery project will recover ammonia from wastewater and directly convert it into green hydrogen for beneficial use in the emerging hydrogen economy, for fuel cell powered business, heavy goods vehicles and trains.

Traditional wastewater treatments are energy-intensive and only produce nitrogen which, though harmless, wastes the intrinsic value in ammonia. By converting the recovered ammonia into hydrogen fuel, this will contribute to the UK Government’s green gas and renewable fuel agenda and help Northumbrian Water accelerate towards net zero.



Northumbrian Water aims to achieve net zero in 2027 through innovative practices, including the Organics Ammonia Recovery project that converts recovered ammonia into green hydrogen.

NGN

Aiding the Community to Safely Transition to a Hydrogen Economy

Pioneering the safe use of blended hydrogen in gas networks to reduce GHG emissions, NGN is involved in the UK’s first hydrogen blending deployment project, HyDeploy, establishing the safety case for blending up to 20% hydrogen by volume within natural gas networks. Running from August 2021 to July 2022, NGN has been actively delivering blended gas containing up to 20% hydrogen to over 650 properties in the local region to receive blended gas via public network. This exciting project is a vital step towards using hydrogen in the public gas network and the results will be submitted to the UK Government to help form policies about the future of gas to demonstrate the potential of this energy solution.

Since 2016, NGN has partnered with other industry peers on a series of bespoke research projects to establish the safety case for conversion of the UK gas networks to 100% hydrogen. To aid this transition, NGN has recently established a pair of demonstration homes fuelled by 100% hydrogen appliances to enable stakeholders to experience this new technology. NGN has also been awarded by the UK government to undertake the front-end engineering design work and stakeholder engagement for the UK’s first 100% hydrogen village trial, which would see up to 2,000 homes and businesses in part of a local town in North Yorkshire being converted to 100% hydrogen for a period of two years to further demonstrate the possibility of hydrogen being used as a fuel.



NGN explores plans for the UK’s first hydrogen village in Redcar, with proposals to switch gas supply from natural gas to hydrogen for around 2,000 homes and businesses.

Our Management Approach (Cont'd)

Embracing Hydrogen Economy (Cont'd)

WWU has announced plans for a

MAJOR HYDROGEN PIPELINE

in South Wales to accelerate decarbonisation plans for industry and gas customers in the region.

WWU

Supporting the Transition to Hydrogen Economy

WWU has participated in the Redcar Hydrogen Community Project which will be supplying around 2,000 homes in the area of Redcar and parts of Kirkleatham with locally produced, clean-burning hydrogen from 2025. The project also serves as a demonstrator of the viability of hydrogen in a UK setting.

During the year, WWU has also announced plans for a major hydrogen pipeline in South Wales to accelerate decarbonisation plans for industry and gas customers in the region. The pipeline is anticipated to pave the way for commercial scale hydrogen production in the region while also providing infrastructure for energy intensive industrial customers to begin fuel-switching their processes to hydrogen in the 2030s or earlier. The project could also facilitate the conversion of home heating to hydrogen, enabling South Wales towns to go green while keeping disruption to homes and communities to a minimum.

Promoting Reduction and Recovery of Methane

EDL

Avoiding Methane Emissions and Displacing Further Emissions Through Methane Recovery

EDL's landfill gas and waste coal mine gas sites across Australia, North America and Europe have helped landfill and coal mine customers capture and convert methane into electricity or renewable natural gas.

EDL's operations, including generation of electricity and renewable natural gas from landfill gas and waste coal mine gas, and remote renewable energy collectively abate approximately 4 million tCO₂e per year, avoiding 2 million tCO₂e of methane that would have been emitted directly to the atmosphere and displacing 2 million tCO₂e from electricity grids or gas networks by converting the captured methane to produce electricity or renewable natural gas.

NGN and WWU

Reducing Methane Leakage from Gas Distribution Pipe Network

Gas leakage makes up the majority of the carbon footprint of gas transmission and distribution operations. To proactively reduce gas leakage and the associated methane emissions, NGN and WWU, our gas distribution companies in the UK, have deployed gas mains replacement programmes to replace vintage metallic gas pipes with modern plastic pipes. These replacement programmes have significantly reduced the number and frequency of gas leaks from mains and services.

NGN is also working to further reduce its gas leakage by effectively managing the pressure of gas passing through the network, to avoid putting unnecessary strain on the pipes and thereby reduce leakage, and by adding a chemical called monoethylene glycol to the gas to saturate and swell metallic joints which otherwise might leak gas. These efforts are expected to help reduce gas leakage by 24% between 2021 and 2026. NGN is also collaborating with WWU to conduct a research project to investigate alternatives to gas venting to reduce the impact of gas transmission operations.

NGN's gas leakage reduction initiatives anticipated

24%
reduction in gas leakage from 2021 to 2026.



HOW we support the Global Methane Pledge?

The Global Methane Pledge is a key component of efforts to address the climate crisis, as methane is a potent greenhouse gas that contributes to global warming, and reducing methane can have a significant impact on mitigating the effects of climate change. To reduce methane emissions, our gas distribution companies implement practices such as regular equipment maintenance, leak detection and repair, and the use of low-emission technologies. Other businesses have also invested in technologies that reduce methane emissions, such as capturing and utilising methane from landfills and coal mines, as well as collaborating with industry peers to share best practices. By taking these steps, we are able to create collective solutions to reduce methane emissions and support the Global Methane Pledge.

Our Management Approach (Cont'd)

Developing Cleaner Ways to Produce Products and Deliver Services

ista

Committing to Climate Neutrality

Committed to be operating net zero by 2030, ista has been developing clear ways to produce and deliver its products and services. Started in Germany, ista adopted a new company car policy to speed up the transition to electric vehicles across all international locations. It is anticipated that the share of electric vehicles will continue to grow with the entire fleet entirely replaced with electric vehicles at the latest by 2030.

By the beginning of 2023, ista will be purchasing electricity from renewable energy at 95% of all its German locations. Meanwhile, the company continues to carry out energy-efficient refurbishment of its properties by improving the insulation on the buildings and installing new lighting systems. Moreover, the company devises many ways to help its employees take actions by organising join-in campaigns and activities to raise awareness of sustainability and motivate its employees to use less electricity and water.

Park'N Fly

Supporter of Plug'N Drive

To support the low-carbon transportation transition, Park'N Fly offers complimentary charging services for EVs at all of their valet locations. The installation of charging stations at the Park'N Fly Valet locations provides users the convenience of coming home to a fully charged vehicle upon their return trip, which promotes the adoption of EVs with zero emissions.



Park'N Fly promotes low-carbon transportation by offering complimentary EV charging services at all valet locations, encouraging the adoption of zero-emission EVs.

UK Rails

Delivering a Green Portfolio

In the UK, a significant modal shift to rail will be a key element of the Government's overall transport decarbonisation strategy. With around 80% of its asset portfolio being electric or bi-mode trains, UK Rails is a majority-green asset owner, and well-placed to support the industry in delivering this modal shift. The company also continues to explore opportunities for low-carbon solutions, such as battery modifications for both diesel and electric trains, and the feasibility of hydrogen as an alternative fuel. UK Rails is also an active member of industry forums that consider how the Government's net-zero ambition can be responded to and met.



With a majority-green asset portfolio, UK Rails is committed to supporting the government's transport decarbonisation strategy and exploring low-carbon solutions such as battery modifications for both diesel and electric trains, and the feasibility of hydrogen as an alternative fuel.

Our Management Approach (Cont'd)

Developing Cleaner Ways to Produce Products and Deliver Services (Cont'd)

Northumbrian Water

Racing to Net Zero

Achieving net zero is a key element in delivering sustainable water and wastewater services. Northumbrian Water continues to foster partnerships to produce green energy for itself and other users. In 2022, Northumbrian Water started operating an array of 3,600 solar panels at its Lumley Water Treatment Works, commissioned solar arrays at Sedgeleth Sewage Treatment Works, and arranged works to construct solar arrays at 4 other sites. In addition to the existing solar power system at Bran Sands and Lowestoft, a total of 2,143,000kWh of energy will be generated from the solar arrays. With the addition of solar at all the new sites, it is anticipated that the solar arrays will generate 12 million kWh per year, which will be used to power the treatment works, further reducing the company's GHG emissions.

In addition to solar energy, Northumbrian Water utilises 100% of the sewage sludge from its wastewater treatment facilities to create energy. The advanced anaerobic digestion plants on Tyneside and Teesside process around 2 million cubic metres of sludge to generate 10MW of energy, which is enough to power around 20,000 homes. The residual sludge cake from the anaerobic process can then be transported to be used as fertiliser. The switch from moving liquid sludge to transporting solids has also reduced the transportation needs, reducing the GHG emissions even further.

Operating in a Resource-saving Manner

Providing

60,000
households with
electricity and

100,000
households with heat.

AVR

Increasing Efficiency Through Simultaneous Production of Electricity and Low-pressure Steam

AVR commenced the operation of its new back-pressure turbine at the Rozenburg facility to deliver electricity, process steam and district heat. The new turbine also ensures that far less energy is discharged unused as the hot, high-pressure steam drives the turbine, which produces electricity, is still hot enough for district heat. Operating at full power the turbine will enable AVR to supply process steam to businesses in its immediate vicinity and, at the same time provide 60,000 households with electricity and 100,000 households with heat. The new turbine has also given AVR more possibilities to respond flexibly to customers' heat demands.

WWU

Modernising Buildings to Support Energy Efficiency



WWU's Property Strategy prioritizes energy efficiency, as seen in the consolidation of several outdated buildings into an energy-efficient depot in Bristol.

WWU completed the development of its depot in Bristol in 2022 as part of its Property Strategy. The depot was consolidated into a single, energy-efficient building as opposed to the several, temporary, single-glazed and insufficiently-insulated buildings that were spread out across the site. In addition to modernising buildings, WWU continues to identify opportunities for improving energy efficiency.

5.2

Preserving the Natural Environment



Climate Change Management	Use of Natural Resources	Biodiversity
<ul style="list-style-type: none"> Addressing climate change risks as part of the Group's risk management process. Setting up long-term targets to reduce GHG emissions as appropriate, while enacting processes and systems to monitor the Group's carbon footprint. 	<ul style="list-style-type: none"> Reducing energy and water consumption and waste, managing effluent and facilitating ways to encourage more reuse and recycling in day-to-day operations. Encouraging the use of sustainable materials and the adoption of technologies to streamline production and operation processes. 	<ul style="list-style-type: none"> Conducting operations with a life-cycle approach to land and habitat stewardship. Minimising disturbance and mitigating impact in natural landscapes by avoiding operating in areas with high biodiversity value.

Why It Matters

The preservation of the natural environment is integrated into the strategies and operations of our Group. According to the IPCC, it is of very high confidence that adverse impacts of climate change on biodiversity and nature increase with increasing warming. It is also stated that through the strengthening of biodiversity and nature, climate change mitigation can be achieved. This has sparked global interest on companies' environmental management systems, especially in the power and utility sector which correspond to over 40% of global emissions.

Furthermore, the recognition of risks on businesses and supply chains from the loss of nature and biodiversity has become more prevalent and urgent in recent years. Upcoming reporting standards including Task Force on Nature-related Financial Disclosure ("TNFD") in 2023 and Corporate Sustainable Reporting Directive ("CSRD") in 2024 reflect the increasing concern from investors, governments, and the public on companies' approaches to nature preservation.

Our Commitment

The Group is conscious of the potential adverse impacts our business activities may incur on the surrounding ecosystem of our operation sites. It is our responsibility to manage our environmental footprint and protect the natural environment through the encouragement of groupwide behavioural changes and efficient use of innovative technology.

The Group's Environmental Policy clearly outlines our practices and key efforts at environmental stewardship. Below are the related strategic priorities emphasised in the policy:

Our Management Approach

2022 Performance Highlights

74% of the attributable revenue¹ were covered by ISO 14001 or other EMS certificates

80% of the attributable revenue¹ conducted external environmental/energy audit during the year

Note:

(1) Percentage of attributable revenue by segment represents the revenue of each businesses in the segment multiple by the corresponding effective interests owned by the Group on a see through basis, divided by the sum of the attributable revenue by all segments. This is an illustration of the scale of each segment to the Group, the figures do not represent the consolidated turnover for the Group.

Environmental Management

The Group implements an EMS to ensure regulatory compliance, minimize environmental impacts arising from daily operations and promote engagement of employees. It allows a systematic approach to monitor and measure environmental performance, thereafter, identify potential areas of improvement. Overall, in 2022, 74% of the attributable revenue were covered by ISO 14001 or other EMS certificates. Also, 80% of the attributable revenue conducted external environmental / energy audits during the year, highlighting the emphasis placed on improving our environmental performance.

To facilitate the implementation of EMS in all sites, bespoke training and awareness programmes are developed for our employees. Internal education such as e-learning modules and theme talks are held to deepen staff's understanding of sustainability and the latest environmental arrangement installed. Furthermore, business units like EnviroNZ and Green Island Cement publish articles regarding green practices and sustainability trends in intranet channels to raise environmental awareness among employees.

Protecting Biodiversity

The Group is committed to minimising our negative impact on biodiversity. All business units have management oversight of environmental management strategy including biodiversity issues, land closure and rehabilitation projects. Most of the managers or committees take responsibility of managing and accessing the risks and opportunities of the relevant issues. Moreover, we have been engaging with third-party experts to develop management plans at high ecological risks sites on top of regular impact assessment processes. This enhances the integration of biodiversity into planning considerations. We also strive to having a "net positive impact" on biodiversity, giving back more than what we take from the environment.

One of the many approaches to realising our commitment is through setting stringent requirement of own operations and supply chain to avoid operational activities in proximity to World Heritage areas and IUCN Category I-IV protected areas. Furthermore, mitigation hierarchy of "avoid, minimize, restore and offset" has been applied to all business units when operating in areas close to critical biodiversity. In addition, to support site closure and rehabilitation work, the Group has also set aside sufficient funds for the purpose.

Our Management Approach (Cont'd)

Protecting Biodiversity (Cont'd)

SA Power Networks

Individual and Collaborative Initiatives on Wildlife Protection

SA Power Networks has implemented a wide range of measures to mitigate against the risk of harm to wildlife and conserve habitat. A robust EMS is maintained which outlines procedures for wildlife management, and an environment assessment process is applied to new projects and significant infrastructure upgrades, reducing impacts to the environment including minimized clearance of native vegetation. They work closely with Fauna Rescue, Bat Rescue SA, Koala Life, Birds SA, and the Department of Environment and Water to ensure that the welfare of wildlife is being appropriately managed during work activities and innovative solutions are sought for high risk issues. For instance, nest rings are installed on poles to offer birds an alternative location to build their nests, installing animal guards to stop access to powerlines, and engaging specialist ecologists to undertake fauna assessments and develop management plans for projects at sensitive sites. In 2022, an Asset Coverup Program commenced, with the aim of covering electrical infrastructure at high risk of impacting native fauna.



SA Power Networks implements EMS, innovative solutions, and partnerships with wildlife organizations to prioritize wildlife conservation.

SA Power Networks is in the process of developing a Biodiversity Action Plan. The plan will align with the guidance of the TNFD and is expected to be established in 2023. In addition, the Protocol for vegetation management near powerlines has been revised in 2022, mitigating bushfire risk and better bushfire management process.

WWU

Biodiversity Net Gain Enhancements at New Depot

WWU is working closely with local ecologists to undertake a variety of biodiversity net gain ("BNG") enhancements at the new depot at Bristol. The site is part of the Bristol wildlife Network Sites, which provide wildlife corridors in designated areas in the region.

The enhancements may potentially attract and home a range of species such as bats, reptiles, great crested newts and specially protected birds.

It is the long-term ambition of WWU to achieve BNG across all activities by 2039.

VPN

Biodiversity Management Approach

VPN has in place a Network Environment Strategy which provides guidance for the management of environmental risks throughout electricity network assets' lifecycle.

Other than pre-project risk and impact assessments, management plans, land contamination assessments are being conducted for high risk sites. These assessments allow the identification, management and mitigation of any legacy environmental impacts arising from VPN's operations.

EDL

Biodiversity and Reconciliation

On the recent Jabiru solar project in the Northern Territory Australia, EDL engaged the local Djurrubu Rangers to manage site clearing and wildlife relocation during construction. The Jabiru site is adjacent to the environmentally sensitive, World-Heritage listed Kakadu National Park, and the partnership both enhanced biodiversity protection and provided an opportunity for EDL to learn more about local culture, flora and fauna from the traditional custodians of the land.

This activity aligns with the objectives of EDL's Innovate Reconciliation Action Plan ("RAP"), which describes EDL's goals, targets and approaches in the reconciliation journey.



EDL partnered with local Djurrubu Rangers for site management and wildlife relocation in the Jabiru solar project, enhancing biodiversity protection and learning about local culture.

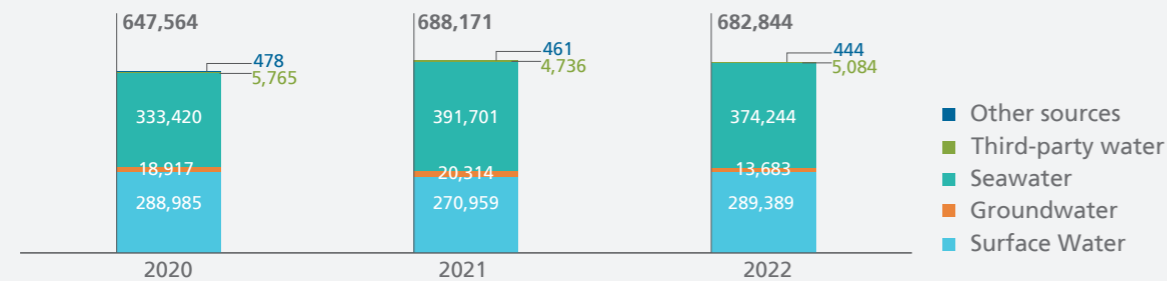
Our Management Approach (Cont'd)

Water Management

The Group is committed to providing water stewardship and security through responsible management and the identification of risks posed by water scarcity. All business units have managerial oversight on environmental topics which involve water use in operations. Water scarcity has been integrated into regular risk assessments and business strategy, such that plans on conservation of water can be devised accordingly.

We are reducing the use of freshwater in operations through encouraging the collection, recycling and reuse of wastewater and rainwater wherever possible. Water-saving installations and water-efficient appliances which reduce discharge are also adopted in our offices.

Water consumption in past three years ('000 m³)



Summary of water reduction targets by our business units:

Business Units	Details of Target	Progress
Green Island Cement	<ul style="list-style-type: none"> Reduce domestic water consumption to less than 2021 level 	The domestic water consumption in 2022 reduced by 3.6% as compared with that of 2021. The specific water consumption was 0.175m ³ /ton of cement production
Northumbrian Water	<ul style="list-style-type: none"> Reduce water consumption of domestic customers by 5.3% per capita by 2025 as compared to 2019 Reduce leakage by 12% and 14.1% in the north and the south respectively by 2025 as compared to 2019 	
HK Electric	<ul style="list-style-type: none"> Reduce total water consumption of key office premises by 1% in 2025 as compared to the baseline figures in 2020 	
UKPN	<ul style="list-style-type: none"> Reduce 10-15% water consumption at top 6 depots by 2023 as compared to 2018/19 Reduce 10% water consumption during the next price control period 2023-2028 	15,327m ³ (41% reduction)

HK Electric

Water Saving across Business

In 2022, HK Electric collected around 89,000m³ of plant effluent and rainwater for reuse purpose at Lamma Power Station ("LPS").

HK Electric also targets reduce total water consumption of key office premises including Hongkong Electric Centre, Electric Tower, Electric Centre and seven main buildings at LPS by 1% in 2025 as compared to 2020.

reduce total water consumption of key office premises including Hongkong Electric Centre, Electric Tower, Electric Centre and seven main buildings at LPS by

1%

in 2025 as compared to 2020.

UKPN

Monitoring of Water Use, Leak Detection and Metering

It is a standard procedure in UKPN to install water reduction technology at offices and depots when they are refurbished. These water-saving devices include push taps, sensor taps, instant hot water taps, etc.

To enable speedier resolution to water leaks, regular monitoring is adopted by our water service provider, and where required we have installed automated meter readers that provide more regular and accurate readings. Furthermore, constant flow reports are published to flag up potential leaks that can be timely investigated and resolved when necessary.



Our Management Approach (Cont'd)

Water Management (Cont'd)

Northumbrian Water

Development of Water Resources Management Plan

Every five years, Northumbrian Water develops its Water Resources Management Plan ("WRMP") which sets out how it will provide a secure supply of water to customers, while protecting and enhancing the environment.

The next plan – WRMP24 is currently under development for each of its Water Resource Zones. The draft included a plan to increase resilience of its water supply. By 2039, Northumbrian Water would not need to implement an emergency drought order more than 1 in 500 years on average, compared to 1 in 250 years in WRMP19.

A discussion with key stakeholders had been held in January 2022 on the development of the plan including topics such as the latest baseline supply and demand forecasts with climate change taken into account, level of resilience planned for and supply deficit forecast. Draft documents were published in November and December 2022 for consultation. The final report is expected to be published in May 2023 which will meet Northumbrian Water's water resource demands and reflect how stakeholders and customers want Northumbrian Water to tackle these issues.



Northumbrian Water prioritizes secure water supply and environmental protection with the development of WRMP every five years, with the upcoming WRMP24 aiming to increase water supply resilience.



Effluent and Waste

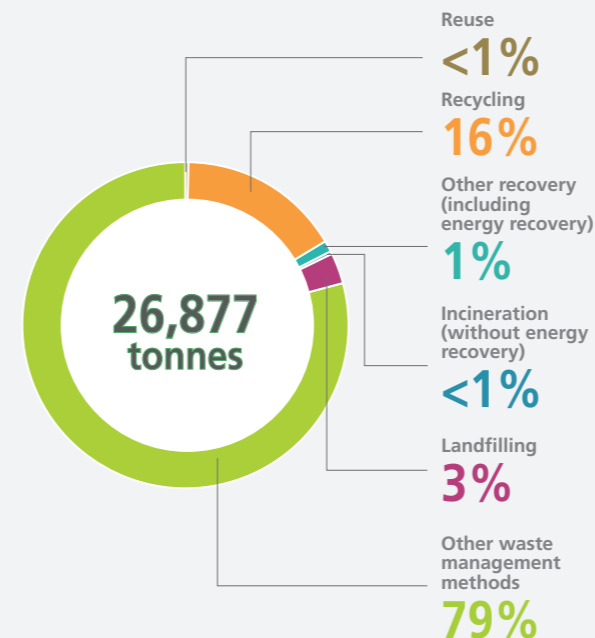
The Group is committed to minimising our waste footprint. We proactively encourage recycling and reusing of materials throughout operations, while setting waste reduction and recycling targets where viable. A waste management plan is in place to guide our operations in handling waste responsibly and efficiently. We also continuously search for waste reduction opportunities through enhancing the measurement of waste generated and the monitoring of waste management methods.

Moreover, we are committed to streamlining procedures and processes, increasing efficiency, and reducing consumption of day-to-day operational inputs such as paper, electronic equipment, etc.

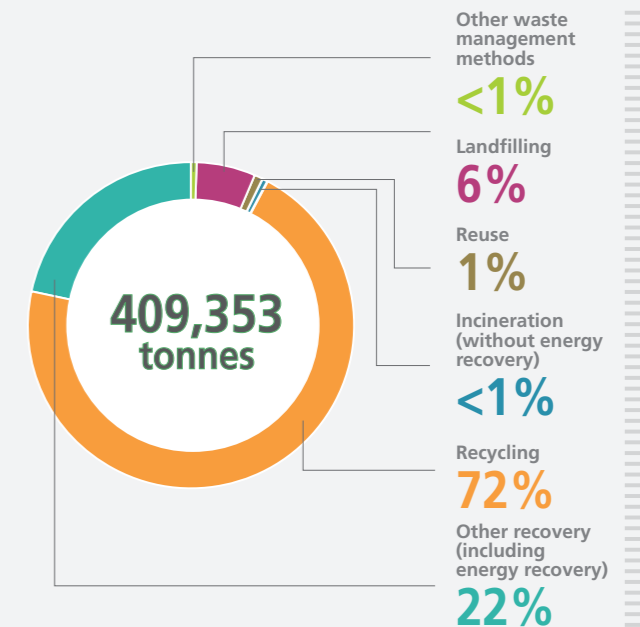
Several business units are looking into embedding circular economy principles into business activities. Collaborations with external parties are also essential in improving our materials management, including working with waste contractors to enhance data capturing of waste streams.

In 2022, we continued to focus our efforts on recycling and resource recovery when possible. For hazardous waste, the majority is comprised of AVR's fly ash (~78% of total hazardous waste). This waste is managed by specialized waste processors who possess the necessary expertise and equipment to treat such materials in an environmentally responsible manner. In terms of non-hazardous waste, we also endeavor

Total hazardous waste produced



Total non-hazardous waste produced



Our Management Approach (Cont'd)

Effluent and Waste (Cont'd)

to divert as much waste as possible from landfills by implementing recycling, energy recovery, and other waste reduction strategies. This approach is in line with our broader sustainability objectives and supports our ongoing efforts to minimize the environmental footprint of our operations. As we progress, we will consistently monitor our waste generation and management practices, seeking continuous improvement and exploring innovative solutions to further lessen our impact on the environment.

Summary of waste reduction targets by our business units:

Business Units	Details of target	Progress
Alliance Construction Materials	<ul style="list-style-type: none"> Reduce solid waste to 0.02T/m³ concrete produced 	<ul style="list-style-type: none"> 0.018T/m³
Green Island Cement	<ul style="list-style-type: none"> Reduce used machine lubrication oil and grease to less than the average of last 5 year 	<ul style="list-style-type: none"> The grease usage reduced to 29% of the 5 years average, but the oil increase to 148% of the 5 years average due to water leak in one of the oil heat exchanger
NGN	<ul style="list-style-type: none"> Send less than 0.1% of excavation spoil by mass to landfill annually by 2026 Reduce amount of office and depot waste created by 20% between 2018 and 2026 Use no more than 2.5% virgin aggregate annually by 2026 	<ul style="list-style-type: none"> 0.11% in 2021/22 14% in 2021/22 8% in 2022
HK Electric	<ul style="list-style-type: none"> Reduce production of ash and gypsum at LPS by 37% in 2024 as compared to the baseline figures in 2019 Reduce waste generation of its key office premises by 10% in 2025 as compared to the baseline figures in 2020 	
Reliance Home Comfort	<ul style="list-style-type: none"> Recycle 70% of residential and commercial waste 	Achieved 67.2% in 2022
SA Power Networks	<ul style="list-style-type: none"> 80% waste diverted from landfill in 2022 	Achieved
WWU	<ul style="list-style-type: none"> Send a maximum of 20% excavated spoil materials to landfill by 2026 as compared to 2019 	12% in 2021/22

AVR

Upgrading Flue Gas Treatment Material

AVR is currently running a feasibility study to upgrade flue gas treatment material, such that it can be applied as a construction material.

Through the recovery of minerals and metals from fly ash, the treatment materials can be diverted from landfills, reducing hazardous waste produced by business activities.

The feasibility study is expected to be completed by 2024.

UK Rails

Swift Express Freight

As of early 2023, UK Rails has converted five of its Class 321 passenger trains to Swift Express Freight Train, providing a cost-effective and low-carbon solution for high-speed light goods delivery across the UK. Trials were conducted with real-life parcels in late 2022, and since then, UK Rails has reached a lease agreement for the first-in-class unit, for a major parcel carrier.

As of early 2023, UK Rails has converted

five

of its Class 321 passenger trains to Swift Express Freight Train.



Our Management Approach (Cont'd)

Effluent and Waste (Cont'd)

NGN is committed to decontaminating and demolishing the remaining

18

gas holders by 2026.

NGN

Decommissioning of Low-pressure Gas Holders

Between 2013 and 2022, NGN fully decontaminated and demolished 29 gas holders. Each contains significant sources of liquid and semi-solid contamination which could have polluted the environment if left in-situ or, not treated with the appropriate procedures on removal.

The contaminated water underwent a sophisticated onsite treatment process before being released to the public sewers under consent to avoid the use of road tankers to remove the water off site. The oil/water mix and sludge are dewatered on site to reduce their volume and then the concentrate is removed offsite for disposal to a permitted waste management facility. Furthermore, all metals from the demolished gas holder structures are collected and recycled.

The initiative delivers long term environmental enhancement by permanently removing the contamination source and minimising the adverse environmental impacts arising from the decommissioning work. NGN is committed to decontaminating and demolishing the remaining 18 gas holders by 2026.

EnviroNZ

Facilitation of Community Waste Recycling



Conversion of food waste into compost.

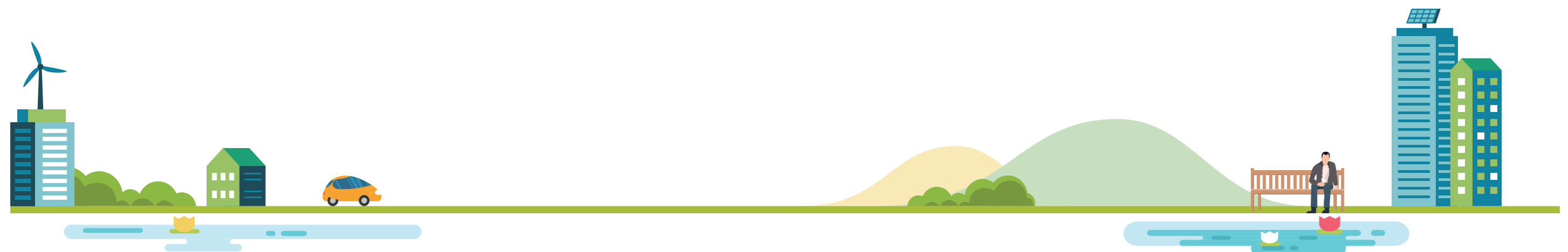
Partnering with Hamilton City Council, EnviroNZ delivered a new rubbish and recycling service, doubling the volume of waste diverted from landfill in the city, from 27% to 58%.

Food waste collection services are also provided to New Plymouth, Tauranga, Western Bay of Plenty and Ruapehu District Councils, which allow the conversion of food waste into compostable materials.

5.3 Regulatory Compliance

Compliance with laws and regulations is our utmost priority. To ensure regulatory compliance across operations in all business units, established policies and accountability mechanisms are in place. The management is committed to staying abreast of the latest regulatory developments and providing all necessary training for relevant personnel. We also dedicate extensive efforts to ensure effective monitoring and detection measures to track regulatory compliance.

During the reporting period, we were not aware of any non-compliance with laws and regulations having a significant impact on the Group relating to air and GHG emissions, discharge into water and land, and generation of hazardous and non-hazardous wastes.



To be a desirable employer, we work to establish a secure and fulfilling work environment for all our employees. We also aim to use our broad influence to positively impact society, focusing on the well-being of everyone with whom our operation interacts.

We value our relationships with employees, customers and communities and strive to positively impact society. We protect our employees' rights by maintaining good relationships, promoting human rights, and making every workday healthy and safe. We also ensure to play an active role in supporting and developing the communities in which we operate by listening to and advocating for their needs.

Taking into account the imperatives of "Just Transition" of the workforce and the creation of decent work and quality jobs, the Group recognises that the transition to a green economy is not only environmentally sustainable but also socially sustainable. Together with our decarbonisation journey, we continue to enhance the social well-being via different initiatives to respect human rights alongside our entire value chain.



SA Power Networks attended the Clare Show and together with their contractor Active Tree Services entered a team in the Tug-of-war competition.



Social

6.1

Empowering Employees in the Workplace



Our Commitment

The Group believes human resources are the key to our continued success and are committed to equally employing our talent and providing them with the right tools and environment in which they can professionally grow and develop. We also instil in our employees the ideals of candour, courtesy, and the ability to deal with change and respect for humanity, personal dignity and privacy.

The Group clearly outlines our position on employees' employment and development in our Corporate Social Responsibility Policy, with several key points as below:

- providing a positive work environment that values the wide-ranging perspectives inherent in our diverse workforce and fostering individual growth and achievement of business goals;
- providing a positive work environment where people can grow, and offering a wide range of training and development programmes and interest courses and activities;
- ensuring internal equity and external competitiveness of staff remuneration and recognition; and
- providing a safe workplace for all our employees.

Why It Matters

Motivating employees is vital to the long-term success of the Group's business. The breadth of our operations requires manpower to provide the goods or services we offer. Together with the fast expansion of the utilities industry in recent years, it has created new demand for employees with the IT and data analytics capabilities to promote the modernisation of the grid. The risk of increased turnover and associated costs of rehiring, loss of intellectual and lack of training and career development may pose threats to the ability to attract and retain talent.

According to International Labour Organisation ("ILO") report on Transforming Enterprises Through Diversity

and Inclusion, a more diverse workforce, supported by inclusive cultures, has the potential not only to increase the productivity and performance of individual enterprises but also to contribute to increasing the annual global income growth rate and overcome global talent shortages.

Since the global outbreak of the COVID-19 pandemic, there has been a growing demand for employers to provide remote and hybrid work opportunities. Together with the increasing participation of women in the utilities sector, concentrating on diversity and inclusion, and promoting workplace flexibility are likely to improve the industry's ability to meet its workforce needs and facilitate a more engaged workforce.



Awards & Recognitions

Alliance Construction Materials

- Caring Company 15 years Plus
- Good Employer Charter
- Partner Employer Award

EDL

- Employer of choice for women endorsed by WORK 180

Green Island Cement

- Good MPF Employer 5+ & Best All-round Good MPF Employer
- Caring Company Award 15 Years Plus
- Manpower Developer Award
- Good Employer Charter
- Joyful @ Healthy Workplace Best Practice Award
- Happy Company 2022
- Heart to Heart Company

Our Commitment (Cont'd)

Awards & Recognitions (Cont'd)

Northumbrian Water

- CIPD People Excellence Award
- North East England Chamber of Commerce – Chamber Inspiring Females Awards – Employer of the Year



HK Electric

- Ranked 4th among the top 10 most attractive employers in Hong Kong according to the Randstad's employer brand research finding in 2022
- Recognised as one of the Happy Companies in Hong Kong under the Happiness-at-Work Promotional Scheme for the 8th year in a row
- Good MPF Employer 5 Years +

Seabank Power

- Investor's in people award – reaccreditation

UKPN

- Employer of the Year - Utility Weeks Awards 2021

WWU

- Silver level Investors in People accreditation
- Chartered Institute of Personnel & Development 2022 – Highly commended HR Team of the Year

Our Management Approach

Our goal is to create a supportive and empowering work environment that encourages our employees to reach their full potential.

The Group offers equal and fair employment and aims to foster a respectful and inclusive workplace. Our recruitment process adheres to the strictest guidelines on equal opportunity, and we are committed to providing a work environment that is free from all forms of discrimination on the basis of race, ethnicity, sex, religion, age, and disability. We also enforce anti-discrimination policy to respect and promote diversity and inclusion. A Diversity Committee, made up of representatives from various business units, is established and acts as a liaison to increase our employees' understanding of diversity in our operations worldwide.

Beyond providing jobs on fairness, we employ a well-structured performance review process and invest significantly in training to upskill our employees to form the foundations of positive, long-term employee relations. Our employee performance review process encourages two-way feedback and connects our employees' compensation with individual goals and business objectives. We also embrace all kinds of talents and make good use of various recruitment

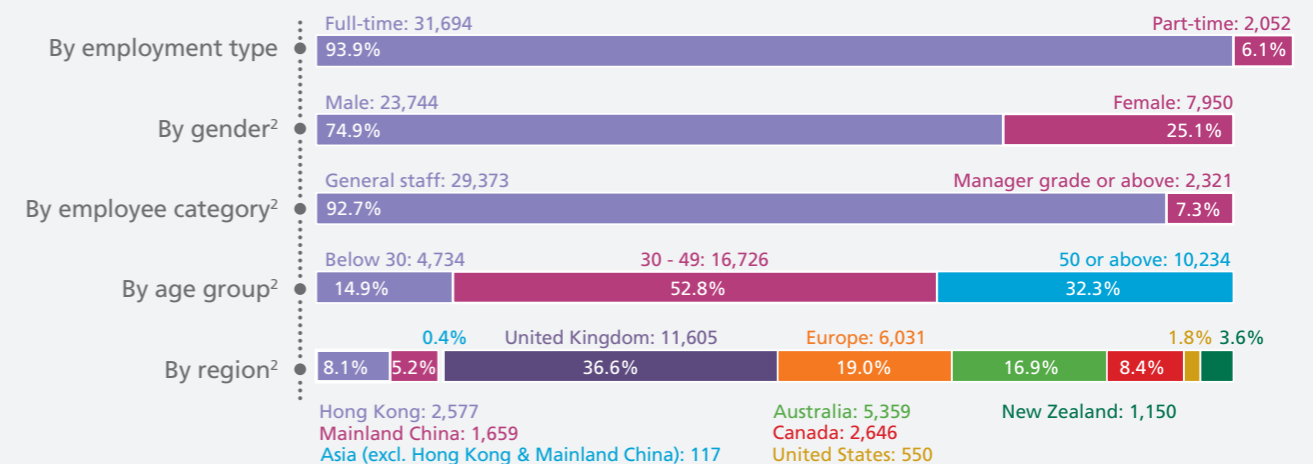
activities such as campus recruitment and providing apprenticeship programmes to seek and gather high-end talents from all around the world.

To understand the needs and concerns of our employees and facilitate a more engaged workforce, the Group maintains flexible working for applicable employees, provides flexible benefits schemes, and offers various effective communication channels to shape a work environment that promotes employee engagement and inspires their work performance.

Additionally, we regularly assess and evaluate our human capital development initiatives to ensure that they are meeting the needs and expectations of our employees, and making a positive impact on the company. Also, we invest in our employees through training and development programs, mentorship, and career advancement opportunities, in order to build a highly skilled and motivated workforce.

By taking a comprehensive approach to human capital development, we believe that we can attract and retain the best talent, and ensure that our employees are equipped with the skills and knowledge they need to drive the company forward in an ever-evolving landscape.

Employee Profile¹

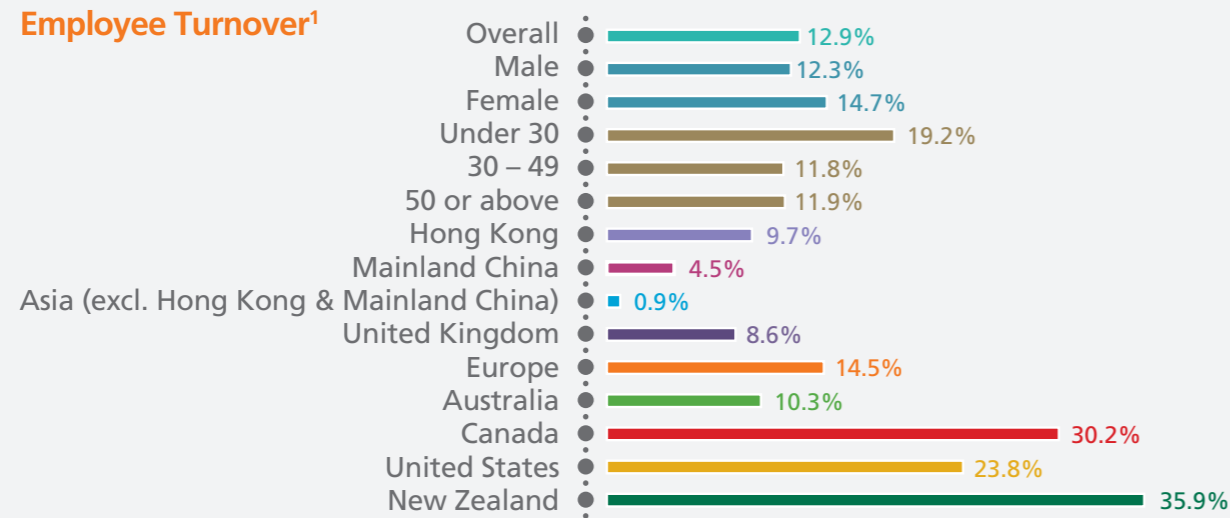


Notes:

(1) In-scope entities only; while Canadian Midstream Assets is excluded, as all the employees are outsourced from Cenovus Energy

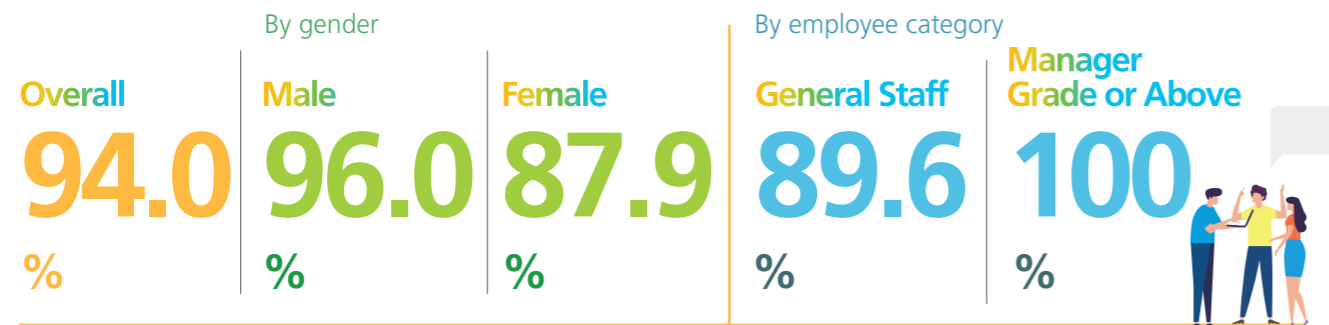
(2) Full-time employees only

Our Management Approach (Cont'd)

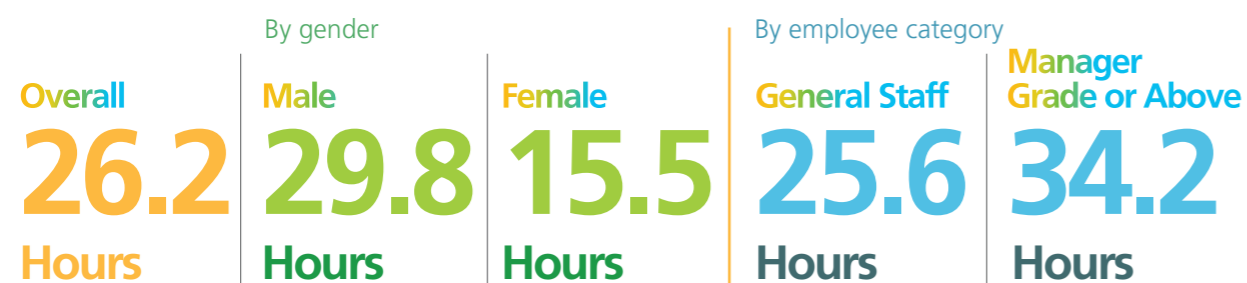


Note:
 (1) Turnover rate refers to full-time employees of the in-scope entities (excluding Canadian Midstream Assets) only. It is calculated as "total number of full-time employees leaving employment during the reporting year divided by total number of full-time employees as of 31 December of the reporting year and then multiplied by 100%".

Percentage of full-time employees who received training²



Average hours of training per full-time employee



Note:
 (2) Full-time employees including terminated employees who left the Company during the reporting period. It is calculated as "total number of full-time employees who received training divided by total number of full-time employees as of 31 December of the reporting year and then multiplied by 100%". The percentage of employees who received trainings may exceed 100%.

Recruiting and Retaining Diverse Talent

United Energy and VPN

Building a Pipeline of Diverse Future Talent

United Energy and VPN organise University Graduate Program every year, and the program expanded in 2022 to include corporate graduates for rotations in Strategy, Health and Safety and Corporate Affairs. It is a comprehensive three-year program that offers a high level of support, skills and development, and career advancement. Graduates will be working with the most experienced and respected people across the business on some of the most important projects in the energy sector. In 2022, United Energy and VPN hired engineering and IT graduates in April/ May and completed the recruitment for corporate graduates in September.



A dedicated Diversity and Engagement Lead was engaged by United Energy to coordinate and expand United Energy's activities to build a pipeline of diverse future talent. The Diversity and Engagement Lead has introduced a program of work in 2022 focusing on attraction strategies to target female and other diverse candidates for the business.

United Energy and VPN expand talent pipeline with annual graduate program and attraction strategies targeting diverse candidates.



Our Management Approach (Cont'd)

Recruiting and Retaining Diverse Talent (Cont'd)

EDL, ista, SA Power Networks and WWU

Fostering Work-life balance Through Flexible Work Arrangement

EDL prides itself on having a flexible workplace. It provides options for its office staff to work from home and work flexible hours. EDL also provided IT equipment for its staff to support flexible working opportunities throughout the year across all office locations.

ista offered various working time models at its branches to enable its employees to balance work and private life well. Nearly all of its branches have implemented a flexible time system and have provided the possibility for its employees of part-time work, a home office or trust-based working hours.

SA Power Networks and WWU have launched a Hybrid Working Guideline outlining the introduction of a hybrid working arrangement offered to eligible employees. They are optimistic that these guidelines will bring various benefits to their employees, such as providing them with the flexibility to arrange their working hours and locations while continuing to improve the commitment to uplifting their employee well-being.



WWU introduces a Hybrid Working Guideline to provide eligible employees with flexibility and improve their wellbeing.

Alliance Construction Materials, NGN and Northumbrian Water

Maintaining Competitive in the Market for Employees

Alliance Construction Materials has conducted research and participated in various benefits and welfare surveys to benchmark and assure the remuneration package is competitive to attract and retain talent. To tailor development plans for young talents for their long-term personal growth and career advancement. This is made in tandem with the organisational review and restructuring to create more opportunities for them. It is driving digitalisation and ESG initiatives and involves the young talents in the planning and implementation to keep them interested and widen their job exposure for their career growth.

NGN operates a Performance Review Process that is guided by a policy to guide managers on how to discuss performance development goals with their colleagues. The colleague and manager will meet up at the start of the year to set the objectives and targets on performance expectations for the calendar year. A final review will take place at the end of the year to provide an overall performance score. Colleagues who present a good performance that meets business expectations will receive a bonus payment through this process.

Northumbrian Water introduced a new appraisal system – “Connect” in January 2022. Each colleague has three appraisal conversations over 12 months with their manager to discuss performance and development goals, aiming to improve staff engagement and performance.



Northumbrian Water improves staff engagement with “Connect”, a new appraisal system and proactive talent management.

Also, Northumbrian Water held weekly board meetings to ensure that new recruits were in the right place across the organisation. The CFO and Group HR Director signed off on all vacancies to closely monitor the headcount and hiring budget. To proactively predict current and future talent needs, Northumbrian Water also held monthly meetings to discuss recruitment statistics to monitor the levels of internal and external promotions and new recruits into the business.

Our Management Approach (Cont'd)

Fostering a Culture of Continuous Learning

HK Electric and EnviroNZ

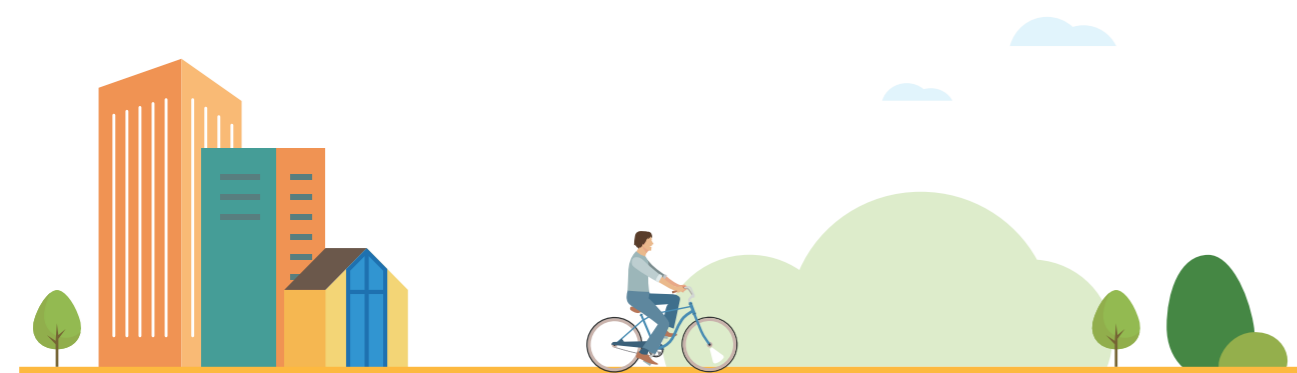
Investing in Employee Development Through Job-specific Training Programmes



HK Electric organised training about innovative problem-solving and decision-making for employees.

EnviroNZ offered a Driver Academy, which equipped staff with the training and qualifications required to safely operate specialist trucks.

HK Electric offers a wide range of competency-based training programmes for nurturing its employees. For example, workshops on presentation skills, problem-solving, supervisory skills, strategic thinking and decision-making are provided to equip staff with the skills they need to meet the demands of their current role.



HK Electric, EDL, Northumbrian Water, UK Rails and Wellington Electricity

Providing Apprenticeship, Internship and Mentorship Opportunities



Tailor-made Course for recruitment of Technician Trainees for Lamma Power Station.

HK Electric, UK Rails, and Wellington Electricity have provided internal mentor programmes to promote internal involvement within their business operations, providing valuable insights and unique perspectives that mentees can apply throughout their careers. For example, HK Electric has offered internal mentorship programme support to over 40 participants of its trainee and talent programmes to broaden their exposure and provide guidance on their career development.

Northumbrian Water has launched a reverse mentoring programme with its executive team and an underrepresented group within its operation. Its employees from the underrepresented group mentor the executive team to expand their thinking of different experiences and perspectives to drive a more diverse and inclusive organisation.

To encourage new generations of expertise and innovation, EDL has developed an apprenticeship programme for female high-school students who would like to develop a career in non-traditional mechanical or electrical trade roles and a graduate engineering programme targeting female STEM students. EDL also provides internship programmes through nonprofit organisations CareerTrackers and Career Seekers to support Indigenous university students, refugees, and asylum seekers in professional employment.



EDL supports gender diversity and new talent through female apprenticeship and engineering programs, as well as internship opportunities.

Our Management Approach (Cont'd)

Fostering a Culture of Continuous Learning (Cont'd)

Alliance Construction Materials

Supporting Colleagues to Obtain Additional Professional Qualifications

To upgrade employees' knowledge and skills, Alliance Construction Materials offered capable staff with good development potential an education allowance to take degree and sub-degree courses related to their job responsibilities to enhance their job knowledge and competence.

The executive leadership team also organised the annual

People Day

in March to identify and develop key successors within the business operation.

Northumbrian Water and Wellington Electricity

Implementing Effective Succession Planning

Northumbrian Water offered different external leadership programmes (e.g. the Women in STEM programme) throughout 2022 to hone their skills and prepare for future career progression. The executive leadership team also organised the annual People Day in March to identify and develop key successors within the business operation.

Wellington Electricity has introduced development plans for all staff, and they are reviewed on a half-year basis with the management. During the year, a full induction programme is developed and implemented for its new employees and management, which provides a systematic succession plan for individual roles to motivate talent.

Ratchaburi Power

Managing Career Endings

Ratchaburi Power has provided compensation upon retirement for employees nearing retirement age, subject to the local labour law and its company's regulation, which aims to value the contribution of its elderly employees.

NGN

Inclusion & Belonging strategy and Inclusion & Belonging Steering Group

NGN has developed an Inclusion & Belonging strategy document outlining short- and long-term objectives to combat its diversity and inclusion challenges. It also created colleague communities for employees to set their ambitions relating to the needs of their group. For example, a travel policy review is conducted to consider the needs of less able colleagues and females traveling alone.

Furthermore, NGN also created an Inclusion & Belonging Steering Group, along with setting up colleague-led community groups. The colleague-led community groups are comprised of various employees as members and allies of ethnic minorities, LBTQ+, women groups, parents/carers, etc., aiming to improve inclusion in the workplace for these groups and attract other underrepresented groups into the business.



NGN prioritizes gender diversity with an Inclusion & Belonging Steering Group, colleague-led community groups and policies to support the needs of its employees, including members and allies of ethnic minorities, LBTQ+, women groups, parents/carers, etc.

Our Management Approach (Cont'd)

Promoting Diversity and Equal Opportunities

EDL and WWU

Providing Opportunities for Personal and Professional Development for Individuals from Diverse Background and Experiences

EDL was endorsed as a WORK180 Employer for Women globally. WORK180 is a global job network with a vision to create a world with fair and equal representation, opportunities, and pay for all women. This endorsement demonstrates EDL's commitment to supporting women at work by providing equal pay, flexible working, equal opportunities, and paid parental leave, allowing EDL to advertise jobs on WORK180's website to connect with women for vacancies filling.

WWU newly launched colleague group – "Women's Inclusion Network". It is a colleague-led initiative that brings together colleagues who want to address the issues and bring new opportunities for women. WWU's management development programme also covers the topic related to unconscious bias and diversity, and it requires all newly promoted and externally recruited managers to participate in the programme to promote diversity in the workplace.

United Energy, VPN and UKPN

Providing Training and Education to Employees

To better integrate diversity and inclusion into the workplace, United Energy and VPN have launched and delivered Inclusion in Action training sessions in 2022. These training sessions were conducted with all people leaders to enhance their knowledge about inclusive behaviours and how to create an inclusive workplace.



United Energy and VPN prioritize diversity and inclusion with Inclusion in Action training for all people leaders.

In an effort to ensure that employees understand the importance of diversity, UKPN has organised a neurodiversity awareness-raising campaign which commenced in October 2022 and will reach a target audience of 2000 field employees. Diversity data is also gathered at the directorate roadshows and operational wellbeing events by the learning and development team with the aim of increasing the directorate's data disclosure by 40%.

AGN, DBP, Multinet Gas and EnviroNZ

Regularly Assessing and Evaluating Diversity, Equity and Inclusion Performance

AGN, DBP, and Multinet Gas have launched a Diversity and Inclusion ("D&I") Action Plan, which outlines a series of initiatives and actions against existing D&I strategies and policies. Diversity data in the Employee Self-Services ("ESS") portal provides annual diversity data to enable us to set relevant D&I strategic targets for setting future metrics.

To uphold the principle of human rights and ensure it is the basis of its business and operations, EnviroNZ applies the Human Rights Act to its pre-employment practices. Candidate attraction and selection are based on the Human Rights Act's objective criteria throughout the recruitment process. EnviroNZ also regularly reviews and revises its Harassment and Discrimination Policy and develops guides for its managers to ensure proper respect for human rights in its daily business operations.

To uphold the principle of human rights and ensure it is the basis of its business and operations, EnviroNZ applies the

Human Rights Act
to its pre-employment practices.

Seabank Power, United Energy and VPN

Encouraging Open and Respectful Communication

Significant effort has been made within Seabank Power to canvas views on current working practices and processes. A number of one-to-one meetings were held between employees and senior management, with views and concerns recorded and filtered by employee priority. The results of the review have led to further management empowerment for engineering grades and greater flexibility in relation to working hours and place of work.

United Energy and VPN conduct an annual Employee Opinion Survey ("EOS"), and all employees are invited to participate and confidentially provide their opinions and views. This aims to create an organisation where all their people feel valued and trusted and fosters two-way communication.

6.2

Maintaining a Safe and Healthy Environment for All



Why It Matters

Given some of the industries in which the Group operates, our employees and contractors may be exposed to various health and safety risks. According to the Global Risk Report 2023 published by the World Economic Forum, the post-COVID-19 condition is impacting the occupational status of individuals, contributing to work absences, early retirements, tighter labour markets and a decline in economic retirements.

Inadequate safety measures can increase a company's operation costs and damage its corporate reputation by increasing the likelihood of work-related incidents, injuries, diseases and deaths. Therefore, health and safety are a huge consideration for our operations, and the vast majority of our operation-associated risks can be avoided with proper health and safety measures.

Our Commitment

We understand that maintaining a safe and healthy work environment is not only a legal requirement, but also a moral obligation. We believe that every employee, contractor and visitor has the right to work in a safe and healthy environment and we take every measure to ensure that this is the case. The Group is firmly committed to promoting health and safety in our operations and continuously works to improve and monitor the health and safety mechanisms within our business activities. We make every effort to provide our employees, contractors, customers and other stakeholders with a safe and healthy environment when they are at the Group's facilities and premises.

Our top management commitment to health and safety is clearly outlined in the Group's Health and Safety Policy, which provides the framework and sets out minimum requirements on health and safety that each Group business unit shall adopt, subject always to the applicable legal requirement. As stated in our Health and Safety Policy, we are committed to:

- complying with all applicable laws and regulations in the relevant jurisdictions;
- meeting industry-specific standards or referencing relevant best practices;
- adopting local or international health and safety guidelines for goods and services purchased;
- maintaining a safe working environment;
- providing employees and contractors with guidelines or training and development specific to their job requirements;
- assessing the health and safety performance of contractors and suppliers on a regular basis;
- engaging employees and contractors through information sharing and programmes to improve their health and well-being; and soliciting feedback for continuous improvements;
- monitoring and reporting health and safety performance;
- providing adequate resources to implement this Policy; and
- enforcing the implementation of this Policy with regular reviews and internal audits.



of employees covered by OHSAS 18001/ ISO 45001 (2.2% increase from 2021)



lost day due to work injury (13% decrease from 2021)



lost time injury rate ("LTIR")¹ (1.7% decrease from 2021)

Note:
 (1) LTIR represents the number of injuries per 100 employees per year. It is calculated as "total number of injuries multiplied by 200,000 and then divided by total hours worked".

Health and Safety ("H&S") Awards received

Alliance Construction Materials

- OSHC Safety Performance Award
- HKCA Proactive Safety Contractor Award
- HKCA Safe Supervisor Award
- HKCA Safe Person-in-charge Award

Green Island Cement

- OSHC Safety Performance Award
- OSH Annual Report Merit Award
- Mental Health Workplace Charter
- HK Smoke-Free Award

EnviroNZ

- Award for Excellence 2022 – Health & Safety – "I've Got Your Back" mental wellbeing programme presented by WasteMINZ

WWU



- Royal Society for the Prevention of Accidents (ROSPA) Gold Award

Northumbrian Water

- CIPD Health and Wellbeing Award

6.2 Maintaining a Safe and Healthy Environment for All

Our Management Approach

The Group complies with the certification standards and legal requirements for health and safety within the countries we operate and has adopted well-established Health and Management Systems (“HSMS”) to maintain health and safety working conditions beyond mere regulations. Internal and external audit programmes are also performed and undertaken across different business units throughout the year to assist in the continuous improvement to protect our stakeholders from harm.

We also leverage Health and Safety Committees to effectively manage and lead risk assessments for their respective operations to monitor and address our work-related injury risks. Role-specific and safety awareness training is provided to further build our employees’ health and safety awareness and knowledge. Topics covered include health and safety-related trends, occupational health and emergency rescue.

Beyond caring for our employees, the Group also places great effort in protecting our contractors’ safety within our operation. We employ several mechanisms to manage our contractors’ safety performance, including pre-screening contractors for their safety performance and requesting contractors to comply with baseline health and safety policies, and only work with approved contractors with good health and safety performance. Various trainings and forums are organised to ensure all contractors are aware of the Group’s safety policies and requirements.

Due to the nature of the Group’s operation, our employees and contractors are exposed to various health and safety risks that could be mitigated through proper management. For example, AVR’s employees may be exposed to dangerous substances in their everyday work, and their ways of handling them must be approved by inspection in order to maintain a safe working environment.

The Group cares about our employees and takes a holistic approach to address and support their wellness and mental health. During the year, we organised different wellness initiatives such as online interest classes and provided health tips for employees to improve both their physical and emotional wellness, as well as maintain a work-life balance.

Health and Safety Risk Assessment

EDL and SA Power Networks

Regularly Assessing the Risks Associated with its Operations via Internal and External audits

EDL has a HSMS comprising Policies, Standards, Procedures and Guidelines. It developed new documentation based on risks, which is scheduled for review on an annual and biannual basis. The Global EDL workforce also has access to the document library, and it encourages regular feedback from the workforce to facilitate the effectiveness of H&S documents.



SA Power Networks conducts regular internal and external audits for work-related hazards and compliance with ISO 45001.

SA Power Networks carries out external and internal health and safety audits to identify potential work-related hazards, including engaging an external consultancy firm to certify and monitor compliance with ISO 45001. Internal health and safety audit activities are scheduled on a three-yearly basis and covered within the Corporate Risk Framework, including the review of directives, policy, and procedure, as well as the application and compliance in different fields. 20 fields are covered for the internal audit period between 2021-2023, including safety management systems, working at heights, hazardous substances, and excavation work.



6.2 Maintaining a Safe and Healthy Environment for All

Our Management Approach (Cont'd)

Health and Safety Risk Assessment (Cont'd)

Shantou Bay Bridge

Regular Maintenance

To enhance the safety of the road, Shantou Bay Bridge has upgraded its corrugated beam barriers to three beam safety barriers which are particularly suitable for hilly terrain and labour crossing with a length of 4,779 metres, which offers more strength and better collision protection. That ensures the best possible safe environment for labour and the road users. The construction took 129 days and cost RMB6.7 million, and Shantou Bay Bridge will continue to monitor the safety issues closely.



Shantou Bay Bridge has upgraded its corrugated beam barriers to three-beam safety barriers for better collision protection and safety.

Training and Education for Employee and Contractor

Reliance Home Comfort, Northumbrian Water and UKPN

Employee Training

Reliance Home Comfort provides online H&S trainings combined with role-specific in-person trainings such as defensive driving, to enhance its team member's health and safety awareness. The H&S team manages training records with the internal Learning Management system, and bi-weekly training compliance reports are published to managers to ensure a high-level training compliance.



Reliance Home Comfort enhances health and safety awareness through online and in-person trainings.

All directorates and departments of Northumbrian Water have training matrices covering Environmental Health & Safety ("EHS") training, which follows the Health and Safety Executive guidelines, regulatory practice, and guidance of the H&S team or the industry best practice guidelines. These trainings are covered by a mixture of internal and external parties, and they are all vetted before being permitted to deliver training. The training records are monitored by an online learning system, and the technical training team runs monthly KPIs to ensure the system progresses, and the workforce is competent and compliant to carry out its daily tasks from both technical and H&S perspectives.

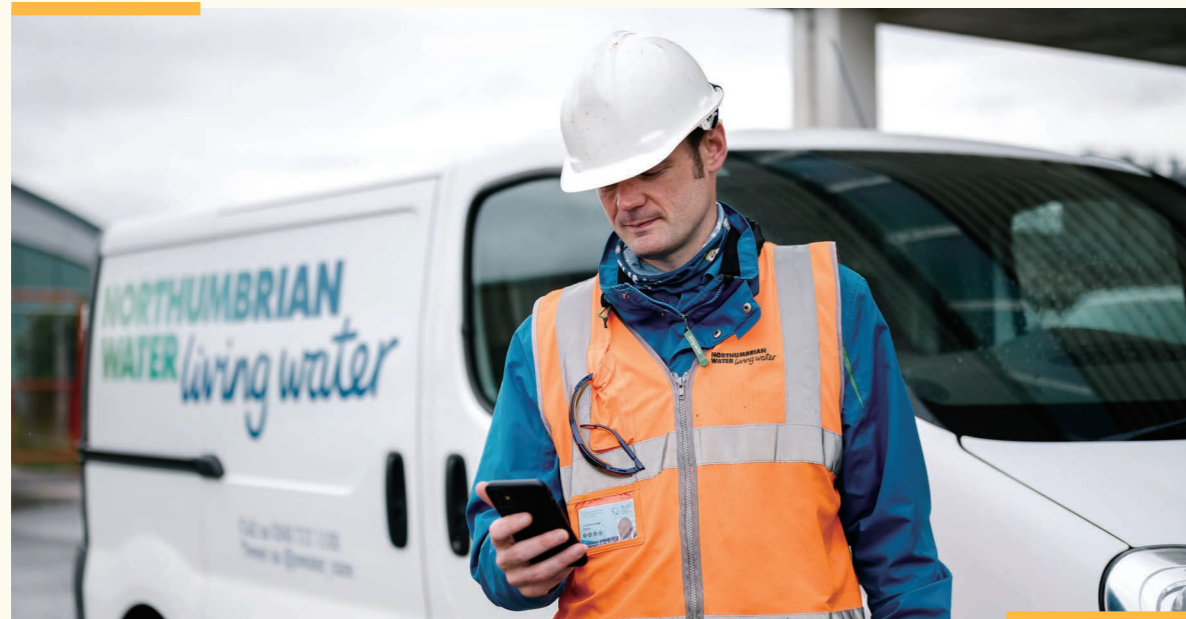
6.2 Maintaining a Safe and Healthy Environment for All

Our Management Approach (Cont'd)

Training and Education for Employee and Contractor (Cont'd)

UKPN holds Emergency First Aid Training for all operational teams, including contractors and nominated first aiders, which is completed every three years. The training is required as part of the employee competence to work on the network and checked at audit to ensure that staff can carry out basic first aid on colleagues should the situation arise.

Besides, UKPN provides various refresher training to ensure its employees remain up-to-date with the Distribution Safety Rules. Furthermore, regular audits will help to ensure compliance with competency requirements and monthly reports will help to monitor performance.



UKPN ensures staff competence in first aid and safety rules through training and audits.

EDL and SA Power Networks

Contractor Training

EDL requires contractors to submit their health and safety performance data, such as Lost Time Injury Frequency Rate ("LTIFR") and Total Recordable Injury Frequency Rate ("TRIFR"), and to report if they have had any improvement notices or fines issued by the regulators onto the system before contracting with EDL. Contractors without approval will not be allowed to start their work with EDL.

Prior to commencing work, EDL also requires its contractors to undertake a suite of training courses that are allocated on EDL's training portal. The contractor's training records are monitored by supervisors and shared service support staff to ensure all training sessions are completed in order to maintain a safe working environment by promoting safety awareness.

SA Power Networks requires all potential contractor companies to submit a Supplier Information Form which includes statistics on their health and safety performance, such as Reporting of Injuries Diseases and Dangerous Occurrences, Lost Time Injuries ("LTIs"), Health & Safety Executive actions, etc., and request them to state whether they are accredited to a known health and safety standard. A copy of the contractors' health and safety policy is also requested to determine the contractor's suitability. The returned forms are reviewed by SA Power Networks' Contract Officer, and only contractors with good health and safety performance will be approved and allowed to be engaged within SA Power Networks.

Furthermore, SA Power Networks implements a partnered approach to contractor engagement and organises Contractor Forums for contractors from all service areas. These forums are intended to provide up-to-date corporate strategic news, guest speakers, delivery of corporate programs, e.g., elements of the Safety Leadership Academy, as well as sharing information relating to serious events that have operational implications or significant lessons learned in order to enhance contractors' knowledge of health and safety.

SA Power Networks implements a

partnered approach

to contractor engagement and organises

Contractor Forums

for contractors from all service areas.

6.2 Maintaining a Safe and Healthy Environment for All

Our Management Approach (Cont'd)

Investing in Our Employees' Health and Well-being

A **24-hour employee assistance programme is offered by NGN to provide a platform for its employees to share their health-related concerns and increase morale in the workforce.**

HK Electric, NGN and UK Rails

Health and Wellbeing Programmes

As a continuous effort to promote employees' wellbeing and health, HK Electric has organised a wide range of initiatives, including online interest classes, and provided health tips for its employees to improve both their physical and emotional wellness and maintain a work-life balance.

NGN designed various programmes to address its employees' mental health and wellbeing. For example, a 24-hour employee assistance programme is offered by NGN to provide a platform for its employees to share their health-related concerns and increase morale in the workforce.

Furthermore, a two-day mental health training course was designed to build awareness of mental health and educate managers on the signs and symptoms of adverse mental health and how to proactively reduce mental health issues in the workplace and ensure its employees are focused on tasks to be carried out and work in a safer manner.

To ensure wellbeing programmes continue to be meaningful for its employees, UK Rails held a series of employee wellbeing feedback workshops. These were co-facilitated by the human resources department and an independent wellbeing consultant to explore what wellbeing means to its employees, understand their views, and what initiatives they value. Information gathered during these workshops will be critical in shaping the future wellbeing programme.

Working with External Stakeholders to Improve Safety Practices

HK Electric, United Energy and VPN

Mechanisms for Stakeholders to Report Emergencies

HK Electric provides a 24-hour emergency services hotline for its customers to report any abnormality in electricity supply and follows the Electrical and Mechanical Service Department ("EMSD") for the reporting of power company incidents to ensure a timely reporting to the EMSD on the cause of the incidents, the remedial actions taken, and what will be taken to prevent its recurrence in the future.

United Energy and VPN have a 24/7 Australian-based Contact Centre available for all external stakeholders to report on or obtain updated information on any planned or unplanned electricity outages. Their website also provides real-time interactive outage mapping to allow customers and the general community to track outages. Customers can also subscribe to their SMS service to receive individual-specific outage advice, including outage notifications, outage progress, expected restoration times, and outage completion.

United Energy and VPN have a

24/7

Australian-based Contact Centre available for all external stakeholders to report on or obtain updated information on any planned or unplanned electricity outages.



6.3

Serving Our Customers with Excellence

Why It Matters

As the Group currently serves a total of over 35 million customers across four continents, our customers are the foundation of our businesses, it is crucial for us to understand our customers' demands and needs, which

enables the Group to continue maintaining strong and enduring relationships with the customers, improving our product and achieving or even exceeding services targets.

Our Commitment

The Group takes every customer seriously, thus we must focus on all the processes that may influence on our customers. Our approach to customer service is also driven by our commitment to transparency and honesty, as we believe that by openly and honestly communicating with our customers, we can build trust and foster a culture of mutual respect and understanding. To ensure the satisfying services and products, our business units take different dimensions of factors into consideration and develop diverse policies about the customer's demands, including:

- Customer Privacy – Understanding the importance of customer privacy, Green Island Cement is committed to protecting its customer data as stated in the Customer Data Privacy Policy, while all personal data is appropriately handled in accordance with local regulatory requirements.

- Customer Service – EDL works closely with its customers to ensure the Company understands and meets their needs, with the aim of enhancing customer satisfaction. It has developed a Quality Management System Policy and a Customer Charter, designed to understand, meet or exceed customer requirements through consistent and effective provision of services. EDL regularly surveys customers to assess satisfaction.
- Complaints Handling Policy – HK Electric is committed to increasing customers' and other stakeholders' satisfaction through continuous improvement. It aims to build trust with the stakeholders and establish strong and long-term relationships with them. To accomplish this, HK Electric will listen to stakeholders' concerns carefully, take any complaints against its operations seriously and will take a series of actions to solve problems.

2022 Performance Highlights



Conducted different activities and measurements, including privacy impact assessments and customer privacy awareness training, across our business operation



0 substantial complaints received concerning breaches of customer privacy

Awards & Recognitions

AGN together with Multinet Gas

- Energy Networks Australia ("ENA") – 2022 Energy Networks Consumer Engagement Award (joint winner with AusNet Services)

NGN

- Best Use of Customer Insight Engage Awards

AGN

- South Australian Premier's Community in the Energy Sector Award

UKPN

- Top Customer Service Provider in the UK Customer Service Index

Our Management Approach

Implementing Strict Privacy Policies

We understand that customer information is sensitive and must be handled with care. Our employees are required to maintain the confidentiality of all proprietary information they may be exposed to and are informed that all customer information can only be used for legitimate business purposes. The Group invests in educating our employees on the importance of respecting customer privacy and protecting

customer information. We have provided customer privacy awareness training and conducted customer privacy impact assessments across our operations. We also regularly engage with our customers to understand their needs and gain insight into areas of concern.

Our Management Approach (Cont'd)

Implementing Strict Privacy Policies (Cont'd)

United Energy, VPN and WWU

Customer Data Protection Training

United Energy and VPN undertake regular privacy training. Training for office-based employees is via an online module, while field-based staff receive a presentation pack. This training covers privacy legislation, what is personal and sensitive information, the main causes of data breaches, and what to do if you suspect a data breach has occurred. All internal employees and external contractors are required to complete this privacy training module every two years, while high-risk employees, including IT and Strategy and Customer Group employees, are required to complete this training annually. New employees must complete the privacy training module as part of their induction.

WWU has developed a New Data Protection Impact Assessment policy which states that it should consult the Data Protection Officer when making any changes to the way it collects, shares or transfers personal data.

Furthermore, WWU's intranet has all data protection policies and employee privacy notices to raise its employees' awareness of the importance of data privacy and safety. These policies are constantly reviewed by WWU, especially when considering new projects or procedures.

Regularly Updating Our Customers on Health, Safety and Environmental ("HSE") issues

To maintain a safe and secure environment for our customers, we take various measures to regularly update our customers on information relating to HSE hazards and safety risks associated with our products and services. Emergency plans and report hotlines are in place and designed to incorporate best practices regarding safety management.

SA Power Networks

Rolled Out Community Media Campaign to Enhance Public Awareness of Electrical Risks and Hazards

SA Power Networks works hard to ensure it has a safe and secure electricity network that minimises risk to the community. It has a dedicated safety section on its website which illustrates common potential community safety hazards, handy tips, and other useful information. Recently, SA Power Networks rolled out a community media campaign under the theme "You'd be shocked by what you don't know about electricity". The campaign aims to enhance public awareness of electrical risks and hazards, and the actions that should be undertaken in various emergency situations.

Establishing a Systematic Process for Responding to Customer Inquiries and concerns

We place a strong emphasis on customer service and are committed to responding to customer inquiries in a timely and efficient manner. Our systematic process ensures that all customer inquiries are addressed in a consistent and transparent manner, providing our customers with the information they need to make

informed decisions about our services and products delivered. Our business units have established a dedicated customer service team who are trained to handle customer inquiries and provide accurate and up-to-date information.

AGN, Multinet Gas and NGN

Complaint and Dispute Resolution Procedure

AGN Complaint and Dispute Resolution Procedure outlines the set of procedures that AGN will apply to "small customer" complaints and disputes. The inquiries, claims, and customer complaints are provided with a resolution and timeframe within two business days by AGN's call centre and customer complaints team. In addition, information regarding Ombudsman Schemes is also included in that procedure. The relevant energy ombudsman will nominate timeframes by investigation and case type. As a result, the complaint handling process is clearly defined and accessible to customers, which clarifies what to expect within its dispute resolution processes.

All internal colleagues of NGN are trained to acknowledge customer complaints, and those processes are audited every 2 years. NGN has published the details of the procedures in which complaints are recorded and handled 24/7, and the out-of-hours operational dispatch team also fully complies with the complaints handling process. In addition, NGN sets external and internal targets for its complaint handling procedure, referring to 90% of complaints agreed to a resolution within 60 minutes and 95% of complaints dealt with within D+1 separately.

NGN's approach to customer complaints handling is externally assessed and has full accreditation every 3 years, with a mid-term check at 18 months. Furthermore, its customer satisfaction is measured through a customer survey, and the recent reaccreditation was achieved in 2021, with improved results from 2018.

NGN sets external and internal targets for its complaint handling procedure, referring to

90%
of complaints agreed to a resolution within

60
minutes and

95%
of complaints dealt with within D+1 separately.

Our Management Approach (Cont'd)

Implementing a Comprehensive Complaint and Feedback System

To build a long-term relationship with our customers, the Group endeavours to provide exceptional customer experience by actively engaging with them to collect feedback and further our understanding of their expectations. We also ensure all employees are trained to acknowledge our customers' complaints and procedures are in place to guide our employees in the process of complaint handling.

AGN, Multinet Gas and Northumbrian Water

Customer Engagement

AGN, together with Multinet Gas (both part of AGIG) and peer AusNet, were awarded the 2022 Energy Networks Consumer Engagement Award, for their joint engagement program in Victoria to inform and shape the Victorian Final Access Agreement proposal.

An industry first, their joint engagement approach delivered benefits in breadth, depth, and delivery of their engagement activities in Victoria. As three businesses together, they designed and delivered a single, integrated consumer and stakeholder engagement program to deliver valued services for the long-term interests of all customers.



The AGIG Stakeholder Engagement and AusNet teams receiving the award.

Northumbrian Water has invited its customers to meet the project team of "Project Pipeline: Durham and Tees Valley", which is responsible for upgrading and futureproofing the water supply network across the south of County Durham and into Teesside. This project includes replacing some sections of the network that are more than 100 years old and installing 28km / 17 miles of new pipe, connecting Lartington Water Treatment Works with Sildon to make sure around 200,000 customers continue to receive clean, clear, and great tasting tap water, each day.

Northumbrian Water's customers have learned more and discussed the plan with the project team at a series of community events before Northumbrian Water submitted the planning application as it would like to ensure that its customers understand the aim and process of the project. Northumbrian Water also set up a web page for customers who couldn't attend the events so that they could have their say online.

200,000

customers continue to receive clean, clear, and great tasting tap water, each day.



6.4

Embedding Sustainability in Our Supply Chain



Why It Matters

The Group is aware of its responsibility as a global investor who has collaborated with over 30,000 suppliers in energy and utility-related businesses. We are keenly aware of our influence, and always use our broader knowledge to encourage our suppliers to operate more sustainably.

It is a necessary requirement for our suppliers to share the Group's commitment according to human rights, working conditions, occupational health and safety ("OHS"), non-discrimination, business ethics and environmental stewardship.

The post-COVID 19 era has brought new challenges for the utility sector, particularly in the supply chain. The pandemic has disrupted global trade and transportation, causing shortages and delays in the delivery of essential equipment and materials. Thus, effective collaboration with all stakeholders in the supply chain is a key factor to success and we strive to build a more robust and sustainable supply chain that is better equipped to handle future challenges and maintain the delivery of essential services to the community. In addition, with the trend of globalisation, the Group takes a stand to enhance the ways of working and operating sustainably in this everchanging environment.

Our Commitment

As a pillar of our commitment, the Group's Supplier Code of Conduct serves as a guideline for all our business units and suppliers. We encourage all of them to comply with the items in the Supplier Code of Conduct to work up sustainability practices and performance for all the stakeholders and the communities the Group serves.

It applies to all our business units and products and service providers (i.e. suppliers), and we take various international charters and conventions into consideration while developing the content of this Supplier Code of Conduct, such as the United Nation's Declaration on Human Rights and the International Labour Organisation Core Conventions.

There are also several other policies supporting our commitment to promoting supply chain sustainability, including:

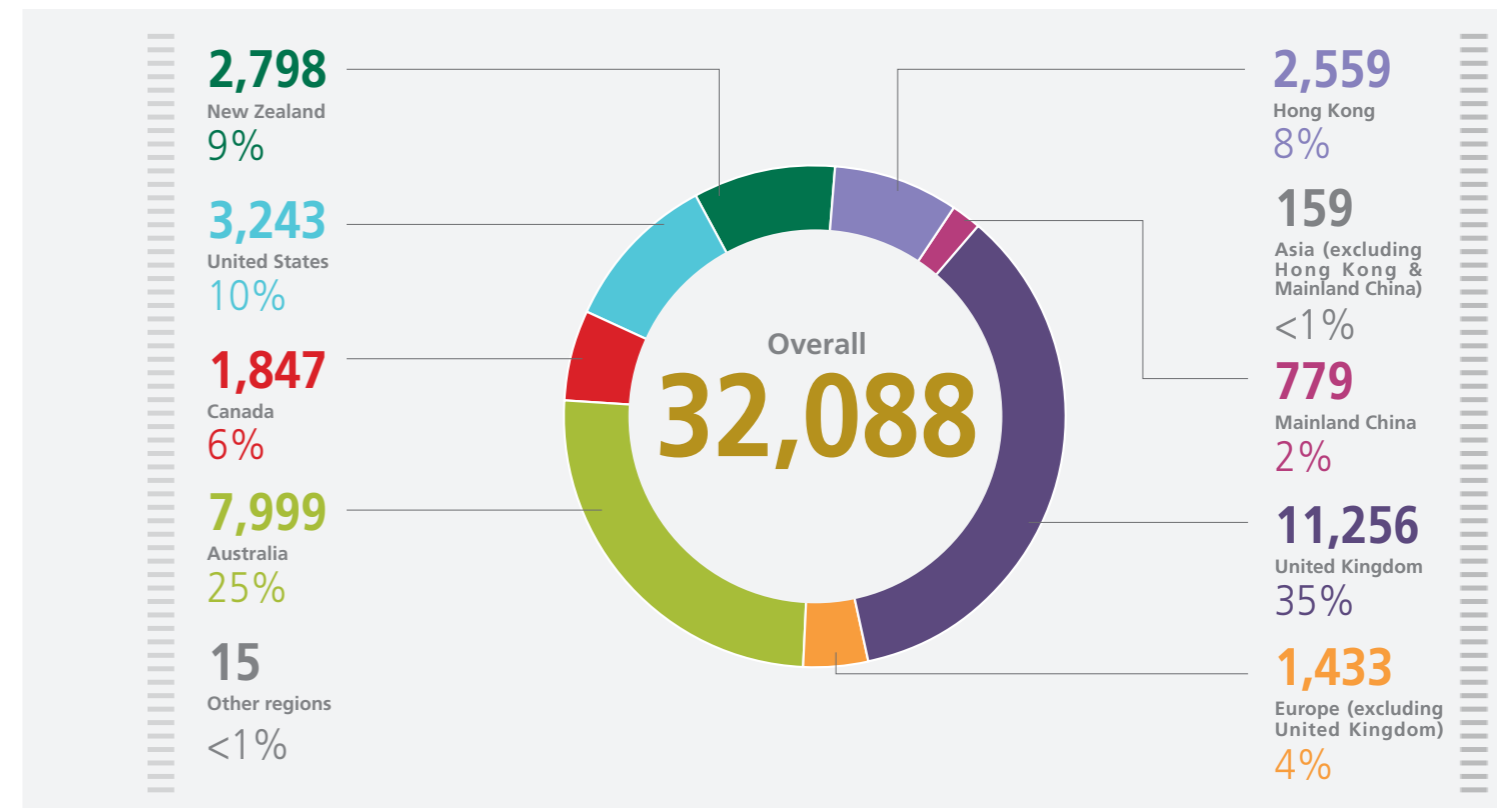
- Human Rights Policy – It highlights the respect and promotion of human rights as a fundamental value of the Group and explains our expectation of operating companies and suppliers to uphold the principles in our Human Rights Policy and adopt similar policies within their own businesses.
- Modern Slavery and Human Trafficking Statement – Among these obligations, it is the requirement that the Group ensures its contractors and supply chain

is free from modern slavery and human trafficking practices. Transparency in operating companies' and suppliers' approaches to tackling modern slavery is also expected to be maintained in all our business relationships.

- Environmental Policy – States the Group's awareness of the direct and indirect impacts arising from its ability to influence environmental performance within its value chain and in its investments, and how it endeavours to influence suppliers by raising awareness of environmental issues, eco-friendly practices and professional environmental considerations.

2022 Performance Highlights

Number of Suppliers by Geographical Region



6.4 Embedding Sustainability in Our Supply Chain

Our Management Approach

The Group is well aware of the environmental and social impacts that may ensue along the supply chain and is committed to minimising such risks in the collaborations with suppliers. ESG-related factors form an important part of the assessment process and have a due weighting in our consideration of potential suppliers and contractors.

We carry out regular monitoring, audits and evaluations to assess the performance of our suppliers. Our business units have developed a number of approaches to ensure the implementation of the monitor systems, and almost all suppliers will be involved in the assessment.

In addition to enforcing our Supplier Code of Conduct, we actively communicate with our suppliers to help improve their sustainability performance. As they

are the closest stakeholders to these Codes, the engagement of our suppliers is of great significance. The operating companies under the Group hold regularly meetings to hear their suppliers' voices, which can motivate sustainable development among the Group.

We also accentuate our respect for employees' human rights and are committed to fighting against modern slavery and human trafficking across our business operations. For example, EDL has introduced a global Human Rights Policy, which covers human rights as described in the UN Guiding Principles on Business and Human Rights. This policy sets out the expectations of EDL employees in how they conduct business, expects its suppliers to uphold these principles and urges them to adopt similar policies within their own businesses.

Adopting Comprehensive Supplier Chain Management and Assessment Procedures

HK Electric

Implementing Code of Practice for Suppliers

All HK Electric suppliers and contractors would be required to register under the Company's Recognised Tenderers Register before tendering for the Company's major contracts. For entry, suppliers and contractors must comply with HK Electric's Code of Practice for Suppliers and submit information in relation to ethical, integrity and governance, human and labour rights, physical and information security, EHS policies and arrangements for the environmental management system, if any. A review of suppliers and contractors is also conducted regularly to obtain updated information from suppliers and contractors to ensure the fulfilment of HK Electric's latest requirements.

The Transmission & Distribution ("T&D") Division Contractor Handbook has been compiled with detailed guidelines for contractors on the requirements of environmental protection, health and safety, quality assurance, housekeeping and security for all contractual activities and works in T&D contracts. It will be regularly reviewed by HK Electric to incorporate the latest legislative and other industry best practices for contractors to follow. HK Electric also held regular progress meetings and contractor EHS meetings and implemented the Merit and Demerit Point System to monitor contractors' performance closely.

United Energy

Implementation of Supplier Monitoring Through an Online Portal

During the year, United Energy implemented an online portal, Field Services Contractor Application ("FSCA"), to manage its contractors' onboarding procedures and HR data.

The FSCA produces a monthly report of compliance of United Energy contractors to their contract and conducts system monitoring to ensure the appropriate access to the system. There are currently 15 suppliers' information recordings in the system.

NGN

Pre-qualification Questionnaire for Suppliers

All significant NGN suppliers must complete a pre-qualification questionnaire ("PQQ") to meet its standards and essential requirements in different areas, including financial standing and insurance levels, health & safety, environmental management, and sustainable procurement. These suppliers need to reach a certain % threshold to progress through the tender stage. PQQ is assessed internally by relevant teams on different indicators, e.g. health & safety, environment, legal, etc. Business assurance reviews and internal and external audits are also in place to monitor the completeness and fairness of the assurance process.

WWU and EnviroNZ

Evaluating Suppliers Based on Criticality

WWU has adopted an approved vendor list, in which high-risk suppliers are assessed via desktop assessment, site audits, and validation of accreditations for their health, safety, and environmental credentials on an ongoing basis to mitigate and prevent any potential risks in the workplace.

EnviroNZ evaluates all contractors based on activities and risks through its Contractor Management Procedure. Around 100 of EnviroNZ's contractors, such as those involved in the procurement of infrastructure construction activities and plant and equipment maintenance, were prequalified by external parties throughout 2022 to assess their health, safety, environment, and quality compliance. The system-based reporting plus real-time contractor induction, provides visibility and supports compliance to formalise the contractor management process.

6.4 Embedding Sustainability in Our Supply Chain

Our Management Approach (Cont'd)

Enhancing Interaction and Communication with Suppliers

UKPN

Internal Meeting/External Lecture

On 10 February 2022, the CEO and the Director of Health and Safety of UKPN held the "UK Power Networks Supply Chain Safety Conference – Delivering Zero (safety)" with 60 suppliers. This meeting was brought to align the supply chain through safety lessons learned and have the supply chain see and understand where UKPN is and where it wants to go.

Furthermore, UKPN utilises different external events to communicate and share its requirements for the supply chain. For example, UKPN gave a keynote address at the BEAMA Networks Event – Electricity Networks Infrastructure Supply Chain, with the aim of motivating its supply chain to bring innovative solutions to UKPN and helping drive continuous improvement of delivery, safety and cost. It also outlines UKPN's expectations of the supply chain and shares what UKPN is doing to drive down its Scope 3 GHG emissions through using low-carbon technologies such as energy-efficient equipment and low-carbon concrete in construction.

NGN

Supplier Workshops

NGN's Supplier Code of Conduct covers its key principles, expectations and requirements, which it applies to all its significant suppliers. It covers different topics, including anti-bribery and corruption, fair labour and working conditions and data protection, etc. NGN has developed a stakeholder group to be part of discussions and development of the Supplier Code of Conduct. NGN also communicated with its suppliers via different workshops to understand their comments and views on its requirements.

NGN also held discussion sessions with Yorkshire Water and Northumbrian Water and calls were held with the Supply Chain Sustainability School to see how NGN can utilise their platform to monitor compliance with the Code.

Northumbrian Water

Updated Responsible Procurement Strategy

Northumbrian Water launched an updated Responsible Procurement Strategy in May 2022, including a series of key activities designed to minimise and, where possible, eliminate the negative impact its supply chain activities have on the environment. This was followed up from November 2022 with a series of seminars to engage suppliers on delivering against these actions.

In 2021/22 Northumbrian Water achieved its goal of 60% local spending, reaching 60.3% in the year. Following this, it commissioned research showing this supported suppliers to create 3,922 jobs and 443 apprenticeships.

In 2021/22
Northumbrian Water
achieved its goal of

60%
local spending,
reaching

60.3%
in the year.



6.5

Ensuring Reliability, Asset Integrity and Cybersecurity



- installation of internet security/anti-virus software in workstations to prevent attacks from malicious software;
- installation of firewall to limit data access from the outside network;
- encryption of key business information and personal data; and
- regular security updates on operating systems.



Worked with external parties to conduct external audits to identify the current gap and implement further actions to improve our cybersecurity management process

Our Management Approach

The Group has a dedicated Group Information Security Officer (“ISO”) responsible for establishing and improving the information security culture across the Group. Internal and external information security trends are monitored by our ISO regularly, and our ISO also keeps the Group’s senior management informed of information security-related issues and activities affecting the organisation.

To ensure the effective enforcement of relevant policies and procedures and better protection of our corporate information assets, a number of the Group’s business units have implemented the ISO 27001 standard. It is a leading cybersecurity standard globally for information security management systems covering infrastructure support, network support, application maintenance and system operation.

The Audit Committee of the Group regularly reviews the cybersecurity risk to ensure that mitigation actions are effectively implemented. This includes updating the cybersecurity policy on a regular basis, enhancing cyber protection measures, conducting penetration tests to identify and address system vulnerabilities, and conducting internal and/or external audits of application systems.

The Group also works with external parties to enhance our management of cybersecurity risks by conducting external audits to identify the current gap and implement further actions to improve our cyber security management process. Cybersecurity awareness programmes are provided to all new hires as part of the orientation process and conduct regular refresher training for current staff to strengthen information security awareness among our contractors and employees.

Why It Matters

With cyber-attacks becoming more frequent, targeted and sophisticated and the increasing reliance on digital infrastructure, cybersecurity risks can pose immense challenges to companies. According to The Global Risk Report 2023 published by the World Economic Forum, alongside a rise in cybercrime, attempts to disrupt critical technology-enabled resources and services will become more common, with attacks anticipated

against the energy industry. The need to operate in agile work modes and use home networks due to the COVID-19 pandemic also led to a further increase in security events worldwide. Organisations are becoming more vulnerable to cyber threats, which could result in financial and reputational risks without a proper cybersecurity plan.

Our Commitment

The Group is committed to adopting industry best practices to protect our critical corporate information assets and data by enhancing cybersecurity and preventing malicious attacks. We have established an Information Security Policy to define and help communicate the fundamental principles for information confidentiality, integrity, and availability to be applied across the Group.

As stated in the Information Security Policy, cybersecurity measures should be implemented by business unit executives to protect systems and data from cyber-attacks and unauthorised access, with several key measures as below:

6.5 Ensuring Reliability, Asset Integrity and Cybersecurity

Our Management Approach (Cont'd)

Implementing Cybersecurity Measures

EDL

Third-party Review of Cybersecurity Practices

EDL conducted a third-party review of its cyber security practices and information security management system in June and July this year. While this third-party review was not a full external audit, it reviewed EDL's current cyber security practices against the National Institute of Standards and Technology ("NIST") framework and the Australian Energy Sector Cybersecurity Framework ("AESCSF"). The review provided EDL with an overview of its cyber security controls in both the information technology and operational technology environment and suggestions for how EDL might improve its cybersecurity practices.

HK Electric

Cybersecurity Management Framework

HK Electric has established a cybersecurity management framework to address the technical, regulatory, and managerial aspects of cybersecurity on an ongoing basis. Based on a defence-in-depth strategy, the framework ensures the confidentiality, integrity, and availability of all critical infrastructure and information assets. Within this framework, multiple layers of security technologies have been deployed and integrated with different cybersecurity processes to enable its employees to identify, protect, detect, respond to, and recover from cybersecurity incidents.

Strengthening our Cybersecurity Capabilities

United Energy and VPN

Cybersecurity Awareness Training

United Energy and VPN have provided cybersecurity awareness training for new starters in all locations. This training covers a broad range of topics. Completion of this module is required in order to allow access to their network, and all new starters must complete the training within 3 months of onboarding.

Reliance Home Comfort

Refresher on Cybersecurity Policy

Reliance Home Comfort conducted yearly refreshers for all its teams on the Cyber Security Policy to ensure data security. It also provided quarterly phishing exercises and annual user awareness training to help its employees identify cyberattacks and the security risks associated with their actions.



6.6

Fostering Community Involvement in the Energy Transition



Why It Matters

As a global infrastructure company that aims to make the world a better place, fostering community involvement in the energy transition is crucial for us as it helps to increase awareness and support for the transition, create partnerships, and ensure an equitable and inclusive transition.

By engaging with communities, we can create a sense of ownership and responsibility for the energy transition, resulting in a more effective and efficient

implementation of the transition. We believe that the Company, in particular, is responsible for engaging in meaningful relationships with local communities by recognising their views and advocating for their needs, ensuring that the transition is inclusive and benefits everyone, regardless of their background or circumstances.

By working together with communities, we can create a more sustainable and equitable future for all.

Our Commitment

The Group strives to protect communities' rights and help to ensure their economic and social success by interacting regularly with a wide range of stakeholders. We continued to step up our community engagement efforts and have established a Corporate Social Responsibility ("CSR") Policy that guides our interactions with the communities in which we operate. The Sustainability Committee of the Company regularly reviews the CSR practices and performance and reports to the Company's Board of Directors.

As stated in the CSR Policy of the Company, the core responsibility of each business unit's management team is required to consider relevant CSR initiatives and programmes based on the needs of the place where they operate. As a whole, several of our main focuses are stated below:

- undertakes a wide range of philanthropic efforts as well as community initiatives that are catered to the needs and benefits of the communities where we operate;

- encourage our employees to play a positive and active role in the communities where they live and work, and in cities and town around the world;
- donation and contributions are subject to internal compliance guidelines and controls so as to safeguard stakeholder and shareholder interests.

Awards & Recognitions

EDL

- Finalist in 2022 Australian Mining Prospect Awards – Indigenous and Community Engagement Award

Northumbrian Water

- North East England Chamber of Commerce – Chamber Awards – Community Business of the Year



Our Management Approach

The energy transition is not just about transitioning to cleaner sources of energy, but also about fostering a sense of community and collaboration. As a responsible utility company, we understand that the success of the energy transition depends on the involvement and support of our communities. This is why we are committed to working closely with our customers, local organizations, and stakeholders to create a shared vision for a sustainable future.

The Group has outlined various ways to support and serve our community. We have organised different programmes to support community development, such as providing community funds and grants, and partnerships with not-for-profit organisations to understand the need and improve living standards for underprivileged communities.

With the macroeconomic pressure and high energy price inflation, the Group is concerned with the hardship families face and their access to affordable energy. We have partnered with local charities and organisations across our operations to provide different initiatives, such as one-off subsidies, customer support funds, and concessionary tariff schemes to support our customers who are in vulnerable situations.

We also strive to engage with the communities where we operate. Our team has always been dedicated to supporting our customers and maintaining strong ties with local communities. A number of community engagement groups are established across different business units to provide an opportunity to engage with the communities, and we also organised different activities to promote the importance of protecting our environment.

The Group strongly encourages our employees to participate in volunteer activities and play a positive and active role in their communities. To facilitate this, we have provided a variety of volunteering opportunities for our employees, and some of our business units have offered paid days each year to encourage employees to participate in volunteering work.

We believe that by coming together and working towards a common goal, we can create a more sustainable and resilient landscape for everyone. By fostering a sense of community in the energy transition, we can ensure that everyone has a role to play and that the transition is inclusive and equitable.

6.6 Fostering Community Involvement in the Energy Transition

Our Management Approach (Cont'd)

Providing better access to affordable energy and enhancing home energy efficiency

HK Electric

Smart Power Care Fund ("SPCF") and Smart meters

HK Electric has established a SPCF to fund initiatives targeting needy families and small businesses. Subsidies are provided under the SPCF to underprivileged families, NGOs, schools, and small and medium enterprises to adopt smart, low-carbon lifestyles and improve living environment while conveying care to the community.

For example, eligible households may apply for a one-off subsidy of up to HK\$5,000 for replacing electrical appliances with more energy-efficient models and appliances, provision of new energy-efficient appliances, and provision of handy improvement works for safe use of electricity.

In addition, HK Electric has continued to implement concessionary tariff schemes for the most vulnerable members of society and offer a super saver discount to encourage our customers to save energy.



HK Electric hands out a new round of dining coupons to help the needy while bringing extra income for eateries hard hit by the pandemic.



The deployment of smart meters will help transforming Hong Kong into a smarter and cleaner city.

Meanwhile, HK Electric has been deploying smart meters for customers since 2020, which provide customers with more consumption details, facilitating them to optimise energy use so that appropriate measures can be taken to save energy.

In addition, its customers who have smart meters installed at their premises can login to the "Account-On-Line" Service via the HK Electric App to check their electricity consumption and project the usage for the next bill anytime. The App also provides various options for personalised settings, including an alert when the electricity consumption has reached a selected percentage of the consumption of the last billing cycle. These services could help customers better understand their consumption habits and patterns and optimise energy use by taking corresponding measures.

Wellington Electricity

Empowering our Customers to Make Informed Choices: The launch of Smart Power Portal Site

During the year, Wellington Electricity introduced a Smart Power Portal Site for its customers to seek guidance on energy efficiency. The portal also provides a suite of animations, resources, and references to other providers to enhance its customers' knowledge and increase their home energy efficiency.

UKPN

Fuel Poverty Support

UKPN's ambition is to be the most socially responsible network operator in delivering services that support diverse communities and all of its customers in vulnerable circumstances today and in the future.

As the number of customers in or entering fuel poverty grows, UKPN provides an energy advice line called UK Power Networks Energy Advice Line to provide additional help to customers living in vulnerable circumstances. The Energy Advice Line will assess customers' circumstances, provide practical advice, and help them access targeted support.

UKPN's customer service staff will identify households eligible for the service. They will then refer the customer to the Energy Advice Line, where experts will provide practical advice and tailored support on energy efficiency, utility bills, and household finances. Eligible customers will receive personalised guidance and one-to-one support to tackle financial and energy matters at the root cause of fuel poverty. Support includes fuel poverty advice, income maximisation guidance, ensuring customers are on the best energy tariff, and helping them apply for the Warm Home Discount and available grants.

NGN

A Fund to Support the Customers in Need

NGN has provided a Customer Support Fund to improve the financial stability of customers in need and is committed to donating £150,000 annually from 2021 to 2026. In order to provide additional support for customers with a cost-of-living crisis, NGN has doubled the fund to £300,000 this year and is aiming to raise the donation to £600,000 in 2023. The fund aims to increase support for customers in vulnerable situations by helping them to repair and replace gas appliances, assisting customers whose health is made worse by living in cold and damp homes, as well as helping customers who do not meet the eligibility criteria for an assisted gas connection.

In order to provide additional support for customers with a cost-of-living crisis, NGN has doubled the fund to

£300,000
this year and is aiming to
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to
£600,000
in 2023.

6.6 Fostering Community Involvement in the Energy Transition

Our Management Approach (Cont'd)

Implementing community development programmes and initiatives

EnviroNZ

Collaboration with a Food Surplus NGO Reduces Waste and Feeds Those in Need

EnviroNZ has partnered with NZ Food Network (“NZFN”), a not-for-profit organisation that aims to prevent good food from going to landfills and redirect it to communities that need it most. EnviroNZ’s largest food production clients distribute surplus food that cannot be sold to NZFN food hubs to support communities in need across the country. Remaining inedible items are securely repurposed,



EnviroNZ partners with the not-for-profit organisation the NZ Food Network.

processed, or recycled by EnviroNZ’s Product Recovery team. This partnership with the NZFN has received the excellence award in organics at the annual WasteMINZ Awards for Excellence.

AGIG

Honoured to Receive Recognition for Its Community Efforts



AGIG has been recognised for its sponsorship, fundraising and volunteering programs in 2022, placing 23rd in Australia’s Top 40 Best Workplaces to Give Back in 2022.

Australia’s Top 40 Best Workplaces to Give Back recognises outstanding corporate giving achievements by companies and businesses large and small. Whether it’s volunteering, donating, fundraising, pro bono or sponsorships we know that every dollar, every hour, every action makes a difference.

Reliance Home Comfort

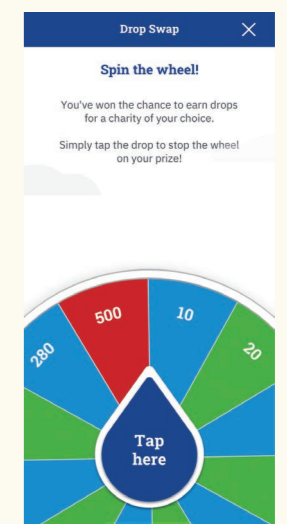
Planting Roots for a Sustainable Future

In 2022, Reliance Home Comfort made a commitment to planting 20,000 trees to offset its paper billing, consumption, and paper marketing materials. Supported by One Tree Planted, it has planted 20,000 trees during the year.

Northumbrian Water

Introduced “Drop Swap”

During the year, Northumbrian Water has introduced a new initiative Drop Swap, through which its customers can use its mobile apps to decide which local good causes receive charitable donations. For example, customers using the apps are rewarded with “e-drops”, which they can allocate to one of three charities that deliver against one of the themes in its Community Investment Strategy. Customers can also nominate charities and community groups to be part of the initiative in future months. Through this approach, tens of thousands of UK pounds will be donated every year.



Northumbrian Water empowers customers to donate to local charities through innovative mobile app initiative, “Drop Swap”.

6.6 Fostering Community Involvement in the Energy Transition

Our Management Approach (Cont'd)

Encouraging employee volunteering

EDL

Ongoing Commitment to Supporting Charitable Causes and Building Stronger



EDL encourages community involvement with paid volunteer days and fundraising matching.

To encourage employees to make a difference in the community, EDL has an ongoing Charity and Community Involvement Policy in place and offers two paid days each year for volunteer work and provides matching fundraising for approved charities and donation programmes. During the year, EDL staff supported a range of worthy causes, including support to colleagues and community members affected by the February floods in Brisbane and a range of local community programmes.

AGN, DBP and Multinet Gas

Empowering Employees to Give Back: Increasing Volunteering Leave to Strength Communities



AGIG team members volunteering at Foodbank during National Volunteer Week.

AGN, DBP and Multinet Gas support community groups, projects, events and programs that are socially and environmentally responsible as part of their Community Partnerships Program. To support their staff to make a difference in the community, in 2022, they increased the volunteering leave from 1 to 2 days per annum. Their total volunteering leave for 2022 accounted for 358.5 hours.

Wellington Electricity

Bringing Joy to the Lives of the Children in Wellington

Wellington Electricity is the major sponsor of the annual Wellington Special Children Christmas Party and invites its employees to be volunteers to run the party and sponsor gifts for each of the children. The children are nominated by agencies in the region and selected as having significant health concerns, living in poverty, or having an abusive home life. The party is a day that is about the children, and there are presents, fun activities and food.



Wellington Electricity sponsors the annual Wellington Special Children Christmas Party, bringing joy to children through employee volunteers and gift donations.

6.7 Regulatory Compliance

During the reporting period, we were not aware of any incidents of non-compliance with laws and regulations that have a significant impact on the Group relating to (i) employment and labour practices, occupational health and safety; (ii) health and safety, advertising,

labelling and privacy matters relating to products and services provided and methods of redress; and (iii) nor did we identify any incidents relating to the use of child or forced labour.



AVR – the CO₂ capture plant in Duiven, used to capture CO₂ for re-use in the greenhouses (Carbon Capture Usage).



7.1 Environmental and Social Performance Indicators

Environmental KPIs ^{1,2}	Unit	2020	2021	2022
GHG emissions ³				
Total GHG emissions		10,033,682	9,753,370	9,185,899
Scope 1 emission ⁴	tonnes CO ₂ e	8,369,513	8,249,239	7,945,158
Scope 2 emission ⁵		1,664,169	1,504,132	1,240,742
Total carbon intensity	tonnes CO ₂ e / HKD million revenue	220	190	187
Scope 1 carbon intensity		183	161	161
Scope 2 carbon intensity		36	29	25
Use of energy				
Total energy consumption ⁶		20,226,627	21,382,909	19,305,886
Direct energy consumption		18,837,155	20,043,375	18,083,178
<i>i) Non-renewable energy consumed</i>				
Gasoline/Petrol		44,733	43,106	46,704
Diesel		543,062	473,908	448,515
Natural gas		9,269,464	9,711,475	9,674,928
LPG		2,250	1,137	985
Coal and other fuels ⁷		11,259,409	12,285,228	12,468,716
<i>ii) Renewable energy consumed</i>				
Wind		3,249	3,625	3,332
Solar		691	471	699
Hydro		3,652	3,531	3,614
Geothermal		21	23	17
Biomass		4,495,933	4,591,321	2,171,905
Other renewables	'000 kWh	126,779	107,259	100,772
<i>iii) Self-generated energy</i>				
Electricity		69,923	76,861	73,693
Heating		–	–	–
Cooling		–	–	–
Steam		–	–	–
<i>iv) Sale of energy</i>				
Electricity		5,992,212	6,254,993	6,020,677
Heating		824,349	850,788	758,462
Cooling		–	–	–
Steam		165,451	148,789	131,565
Indirect energy consumption		1,389,472	1,339,534	1,222,708
Electricity		1,389,472	1,338,943	1,222,270
Heating		–	591	438
Total energy intensity	'000 kWh / HKD million revenue	443	416	392
Direct energy intensity		412	390	367
Indirect energy intensity		30	26	25

Environmental KPIs ^{1,2}	Unit	2020	2021	2022
Air Emissions				
Nitrogen oxide ("NOx") emissions		8,902	9,091	11,470
Sulfur oxides (SOx) emissions	tonnes	740	835	895
Respirable Suspended Particulates ("RSP") emissions		314	283	280
Use of water				
Total water consumption		647,564	688,171	682,844
Surface water		288,985	270,959	289,389
Groundwater	'000 m ³	18,917	20,314	13,683
Seawater		333,420	391,701	374,244
Third-party water		5,765	4,736	5,084
Other sources		478	461	444
Water consumption intensity	'000 m ³ / HKD million revenue	14.17	13.40	13.88
Waste production				
Total hazardous waste produced	tonnes	25,386	26,914	26,877
Total non-hazardous waste produced		365,246	437,739	409,353
Packaging material				
Total packaging material used for finished products		2,949	2,570	2,273
Plastic	tonnes	3	5	5
Paper		2,946	2,565	2,268

Notes:

- Environmental KPIs in this data table are calculated using the equity method. We only include data in the report that were confirmed by end of March 2023. If significant changes occur after preparation of this report, they will be updated in the following year's publication. Any discrepancies between (i) totals provided and the sum of the numbers presented; and (ii) percentages provided and the associated numbers throughout the Report are due to rounding.
- In the interest of accuracy and transparency, we have reviewed and updated our environmental KPIs for the previous years. This revision process reflects our commitment to continually improve our reporting and ensure the reliability of the information we share with our stakeholders. The updated data has been recalculated based on the following factors:
 - Inclusion of additional data sources: We have identified and incorporated previously unaccounted-for sources and activities, which have led to a more comprehensive and representative account of our environmental performance.
 - Methodology refinement: We have refined our calculation methodologies, emissions factors and conversion factors in accordance with the latest applicable international and local guidelines.
 - Error correction: During the review process, some discrepancies were identified in our previously reported data. These errors have been corrected to provide a more accurate representation of our environmental performance.
As a result of these revisions, our updated environmental KPIs in this data table may differ from the figures published in previous sustainability reports. We believe these changes provide a more accurate and transparent account of our environmental performance and better enable us to track our progress towards our sustainability commitments.
- GHG comprise carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and SF6. The data are calculated using local/market-based methodology where applicable under regulation. Otherwise, Scope 1 emissions are calculated using the latest available emission factors in line with the Greenhouse Gas Protocol, International Energy Agency's Energy Statistics Manual, UK Government GHG Conversion Factors for Company Reporting, United States Environmental Protection Agency's Emission Factors for Greenhouse Gas Inventories, and Hong Kong Environmental Protection Department's Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong (2010 Edition). Scope 2 emissions are calculated based on the International Energy Agency's latest available emission factors.
- Scope 1 emission includes emission from fuels processed in sources that were owned and controlled by our businesses for its own use, and fugitive emissions resulted from intentional or unintentional releases, e.g., gas shrinkage for our gas transmission and distribution businesses, methane emissions from venting, hydrofluorocarbons, perfluorocarbons, emissions from the use of refrigeration and air conditioning equipment, and SF6 emissions from industrial processes. In 2022, we have expanded our scope to cover additional fugitive emissions sources. The 2020 and 2021 data figures have been restated to align with the updated approach to allow for meaningful comparison of data over time.
- Scope 2 emission includes the emissions from purchased electricity of our businesses for its own use, and emissions associated with the energy losses from distribution grid and the electricity system transmission grid ("network losses") for our electricity transmission and distribution businesses. Network losses are calculated as the difference between the electricity entering the network, and electricity which is used by customers, for which the data are received from the industry taken from meter readings.
- Total energy consumption = Non-renewable energy consumed + renewable energy consumed + electricity purchased for consumption + self-generated energy which are not consumed – sales of energy
- Coal and other fuels include anthracite, residual fuel oil, jet kerosene, lubricants, municipal waste (non-biomass fraction), industrial waste, and waste oils.

7.1 Environmental and Social Performance Indicators

Social KPIs		2020	2021	2022
Number of employees				
Total		32,732	32,713	33,746
By employment type	Full-time	30,579	30,537	31,694
	Part-time	2,153	2,176	2,052
Number of full-time employees				
By gender	Male	23,090	23,022	23,744
	Female	7,489	7,515	7,950
By employee category	General staff	27,443	28,259	29,373
	Manager grade or above	3,136	2,278	2,321
By age group	Below 30	4,606	4,431	4,734
	30 - 49	16,031	16,107	16,726
	50 or above	9,942	9,999	10,234
By region	Hong Kong	2,600	2,561	2,577
	Mainland China	1,689	1,689	1,659
	Asia (excluding Hong Kong & Mainland China)	66	87	117
	United Kingdom	11,730	11,584	11,605
	Europe	5,597	5,541	6,031
	Australia	4,948	5,077	5,359
	Canada	2,431	2,395	2,646
	United States	457	464	550
	New Zealand	945	1,139	1,150
	Other regions	116	-	-
Turnover rate for full-time employees¹				
Overall		8.9%	11.1%	12.9%
By gender	Male	8.6%	10.7%	12.3%
	Female	9.7%	12.4%	14.7%
By age group	Below 30	9.7%	17.6%	19.2%
	30 - 49	7.9%	9.9%	11.8%
	50 or above	10.1%	10.2%	11.9%

Notes:

(1) Turnover rate refers to full-time employees of the in-scope entities (excluding Canadian Midstream Assets) only. It is calculated as "total number of full-time employees leaving employment during the reporting year divided by total number of full-time employees as of 31 Dec of the reporting year and then multiplied by 100%".

Social KPIs		2020	2021	2022
By region	Hong Kong	5.1%	7.7%	9.7%
	Mainland China	3.7%	4.7%	4.5%
	Asia (excluding Hong Kong & Mainland China)	0%	5.8%	0.9%
	United Kingdom	4.3%	6.7%	8.6%
	Europe	13.6%	10.2%	14.5%
	Australia	7.2%	8.5%	10.3%
	Canada	21.5%	37.7%	30.2%
	United States	26.9%	14.7%	23.8%
	New Zealand	26.2%	32.8%	35.9%
	Other regions	6.0%	-	-
Work-related fatalities				
Number of work-related fatalities		2	2	1
By employee type	Full-time employees	1	2	0
	Part-time employees	0	0	0
	Contractors	1	0	1²
Rate of work-related fatalities (employees)		0.003%	0.007%	0
Work-related injury				
Number of lost days due to work injury (employees)		4,129	3,448	3,204
Number of lost time injury incidents (employees)		109	159	172
Lost time injury rate (employee) ³		0.40	0.59	0.58
Health & safety management system				
% of employee covered by OHSAS 18001 / ISO 45001 ⁴		Not reported	48.3%	50.5%
Percentage of full-time employees who received training⁵				
Overall		100%	90.9%	94.0%
By gender	Male	100%	94.1%	96.0%
	Female	77.7%	81.2%	87.9%

(2) A fatal incident occurred on January 16, 2022, at the construction site of the STW2 concrete batching plant of Alliance Construction Materials. The accident involved a subcontractor's worker who was operating an elevating working platform. The worker fell from a height due to the platform hitting a steel structure and was not wearing a safety harness. Although Alliance Construction Materials was not found responsible for the incident by the Authority's investigation, it took immediate steps to suspend work, review site safety management controls, and assist the principal contractor with implementing an improvement plan. Furthermore, we have established ongoing safety monitoring procedures and enhanced safety training for all personnel, with a focus on adherence to best practices. This incident serves as a reminder of the importance of maintaining the highest safety standards throughout our operations.

(3) LTIR represents the number of injuries per 100 employees per year. It is calculated as "total number of injuries multiplied by 200,000 and then divided by total hours worked".

(4) It is calculated as "total number of employees covered by OHSAS 18001/ISO 45001 divided by total number of employees as of 31 Dec of the reporting period and then multiplied by 100%".

(5) Full-time employees including terminated employees who left the Company during the reporting period. It is calculated as "total number of full-time employees who received training divided by total number of full-time employees as of 31 Dec of the reporting period and then multiplied by 100%". The percentage of employees who received trainings may exceed 100%.

7.1 Environmental and Social Performance Indicators

Social KPIs		2020	2021	2022
By employee category	General staff	100%	86.0%	89.6%
	Manager grade or above	100%	100%	100%
Average hours of training per full-time employee				
Overall		22.5	24.9	26.2
By gender	Male	24.3	27.9	29.8
	Female	16.7	15.6	15.5
By employee category	General staff	22.2	23.7	25.6
	Manager grade or above	25.2	39.5	34.2
Number of suppliers				
Total		30,440	33,848	32,088
By region	Hong Kong	4,198	3,500	2,559
	Mainland China	884	979	779
	Asia (excluding Hong Kong & Mainland China)	269	247	159
	United Kingdom	7,879	10,685	11,256
	Europe	1,460	1,232	1,433
	Australia	6,552	7,190	7,999
	Canada	4,742	4,994	1,847
	United States	1,565	2,139	3,243
	New Zealand	2,828	2,820	2,798
Other region	63	62	15	
Number of complaints received				
Products and services related		176,079	273,031	254,146
Number of employees who received training on anti-corruptive/ethics and integrity				
Total		4,007	6,342	16,251
By employment type	Full-time	3,928	6,111	15,415
	Part-time	79	231	836
Percentage of full-time and part-time employees who received training on anti-corruptive/ethics and integrity ⁶		12.2%	19.4%	48.2%
Number of training hours on anti-corruptive/ethics and integrity completed by employees				
Total		3,920.7	9,555.0	13,491.3
By employment type	Full-time	3,866.7	9,319.5	12,982.2
	Part-time	54.0	235.5	509.1

(6) It is calculated as "total number of employees who received training on anti-corruptive/ethics and integrity divided by total number of full-time employees as of 31 Dec of the reporting period and then multiplied by 100%".

7.2 Hong Kong Stock Exchange ESG Guide Content Index

Mandatory Disclosure Requirements		Section
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	3.2
Reporting Principles – Materiality	The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.	3.1
Reporting Principles – Quantitative	Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.	7.1
Reporting Principles – Consistency	The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	7.1
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	1.4

7.2 Hong Kong Stock Exchange ESG Guide Content Index

Subject Areas, Aspects, General Disclosures and KPIs	Section	Remarks
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	5.1 5.3 <ul style="list-style-type: none"> Corporate Social Responsibility Policy Environmental Policy Supplier Code of Conduct
KPI A1.1	The types of emissions and respective emissions data.	5.1 7.1
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5.1 7.1
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5.2 7.1
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5.2 7.1
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	2
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	5.2
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	5.1 5.2 <ul style="list-style-type: none"> Corporate Social Responsibility Policy Environmental Policy Supplier Code of Conduct
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	5.1 7.1

Subject Areas, Aspects, General Disclosures and KPIs	Section	Remarks
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	5.2 7.1
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	2
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	5.2
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	7.1
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	5.1 5.2 <ul style="list-style-type: none"> Environmental Policy Supplier Code of Conduct
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the action taken to manage them.	5.1 5.2
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	3.4 <ul style="list-style-type: none"> Environmental Policy
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer and the actions taken to manage them.	3.4

7.2 Hong Kong Stock Exchange ESG Guide Content Index

Subject Areas, Aspects, General Disclosures and KPIs		Section	Remarks
B. Social			
Employment and Labour Practices			
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	6.1 6.7	<ul style="list-style-type: none"> Employee Code of Conduct
KPI B1.1	Total workforce by gender, employment type (for example, full or part time), age group and geographical region.	6.1 7.1	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	6.1 7.1	
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	6.2 6.7	<ul style="list-style-type: none"> Health and Safety Policy
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	7.1	
KPI B2.2	Lost days due to work injury.	6.2 7.1	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	6.2	

Subject Areas, Aspects, General Disclosures and KPIs		Section	Remarks
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	6.1	
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	6.1 7.1	
KPI B3.2	The average training hours completed per employee by gender and employee category.	6.1 7.1	
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	6.4 6.7	<ul style="list-style-type: none"> Human Rights Policy Modern Slavery and Human Trafficking Statement Supplier Code of Conduct
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	6.4	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	6.4	

7.2 Hong Kong Stock Exchange ESG Guide Content Index

Subject Areas, Aspects, General Disclosures and KPIs		Section	Remarks
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	6.4	<ul style="list-style-type: none"> Human Rights Policy Modern Slavery and Human Trafficking Statement Supplier Code of Conduct
KPI B5.1	Number of suppliers by geographical region.	6.4	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	6.4	<ul style="list-style-type: none"> Policy on Appointment of Third Party Representatives
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	6.4	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	6.4	
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	6.2 6.3 6.5 6.7	<ul style="list-style-type: none"> Employee Code of Conduct
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	–	This indicator is not considered material to the Group hence such data are not disclosed.
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	7.1	
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	–	Our Employee Code of Conduct outlines our commitment to intellectual property rights protection.

Subject Areas, Aspects, General Disclosures and KPIs		Section	Remarks
KPI B6.4	Description of quality assurance process and recall procedures.	6.5	
KPI B6.5	Description of consumer data protection and privacy, policies and how they are implemented and monitored.	6.3	<ul style="list-style-type: none"> Information Security Policy
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	4.2 4.3	<ul style="list-style-type: none"> Employee Code of Conduct Anti-Fraud and Anti-Bribery Policy Policy on Appointment of Third Party Representatives
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	–	No recorded cases of non-compliance with laws and regulations relating to anti-corruption and bribery during the reporting period.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	4.2	<ul style="list-style-type: none"> Whistleblowing Policy – Procedures for Reporting Possible Improprieties
KPI B7.3	Description of anti-corruption training provided to directors and staff.	4.2	
Community			
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	6.6	<ul style="list-style-type: none"> Corporate Social Responsibility Policy
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6.6	
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	6.6	

7.3 TCFD Content Index

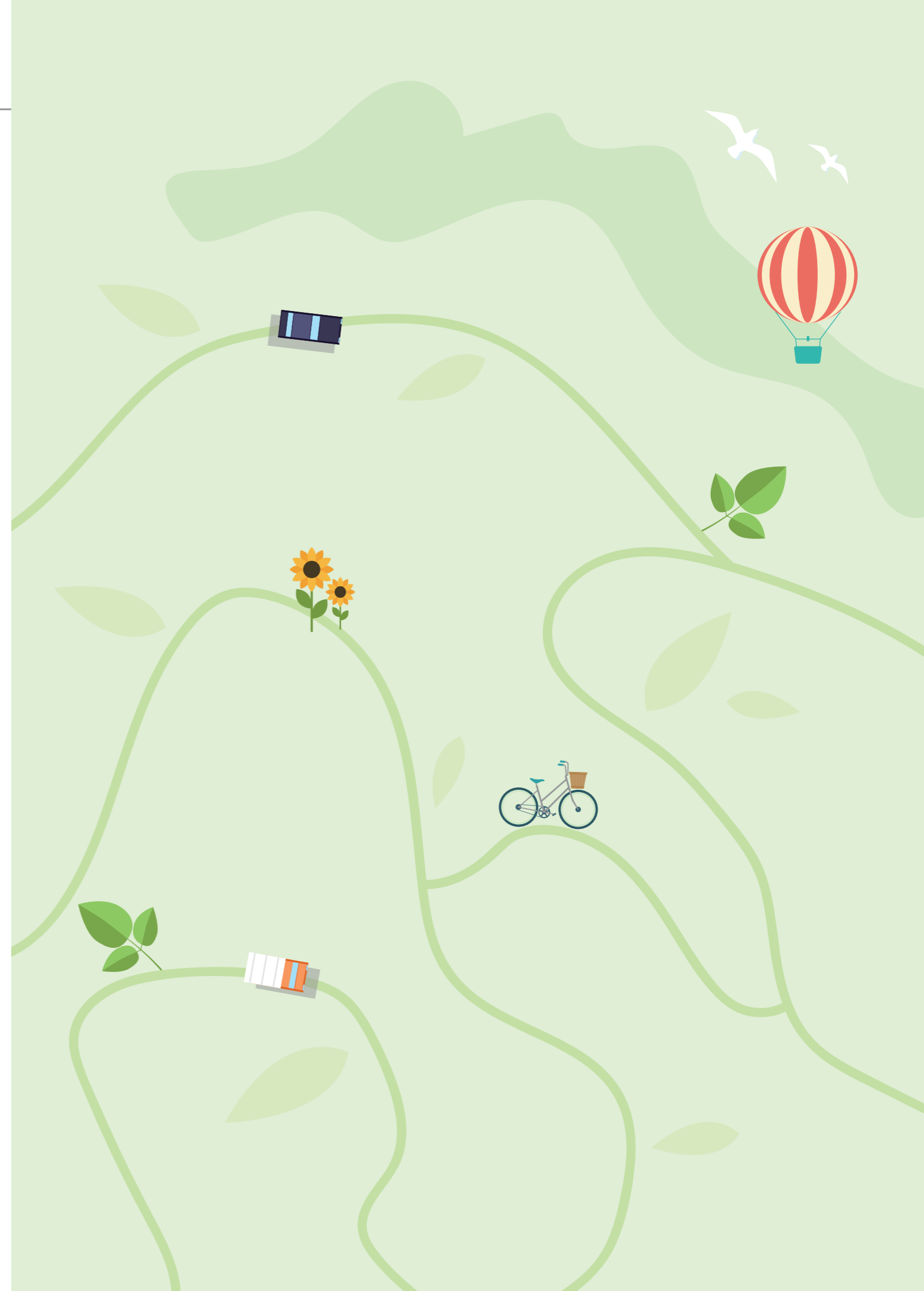
TCFD recommendations		Section
Governance		
Disclose the organisation's governance around climate-related risks and opportunities.	<ul style="list-style-type: none"> Describe the board's oversight of climate-related risks and opportunities. Describe management's role in assessing and managing climate-related risks and opportunities. 	3.2 3.4
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	<ul style="list-style-type: none"> Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. 	2 3.4
Risk Management		
Disclose how the organisation identifies, assesses, and manages climate-related risks.	<ul style="list-style-type: none"> Describe the organisation's processes for identifying and assessing climate-related risks. Describe the organisation's processes for managing climate-related risks. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management. 	3.4
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	<ul style="list-style-type: none"> Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions and the related risks. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. 	2 3.4 5.1 7.1

7.4 Abbreviations

Abbreviation	Long Form
AEO	Australian Energy Operations
AESCSF	Australian Energy Sector Cybersecurity Framework
AGIG	Australian Gas Infrastructure Group
AGM	annual general meeting of the Company held on 17th May, 2022
AGN	Australian Gas Networks
APIs	application programming interface
AVR	AVR-Afvalverwerking B.V.
BNG	biodiversity net gain
CEO	Chief Executive Officer
Code	Employee Code of Conduct
CPD	Continuous Professional Development
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainable Reporting Directive
D&I	Diversity and Inclusion
DBP	Dampier Bunbury Pipeline
DER	distributed energy resources
DNO	distribution network operator
DSO	Distribution System Operator
EDL	Energy Developments
EHS	Environmental Health & Safety
EMS	Environmental Management System
EMSD	Electrical and Mechanical Service Department
ENA	Energy Networks Australia
EOS	Employee Opinion Survey
ESG Guide	ESG Reporting Guide
ESO	Electricity System Operator
ESS	Employee Self-Services
EV	electric vehicle
FiT	Feed-in Tariff
FSCA	Field Services Contractor Application
FSRU	Floating Storage and Regasification Unit
GHG	Greenhouse Gas
GMP	Global Methane Pledge
H&S	Health and Safety
HSE	Health, Safety and Environmental
HSMS	Health and Management Systems
HV-DERMS	High Voltage Distributed Energy Resource Management System

7.4 Abbreviations

Abbreviation	Long Form
ILO	International Labour Organisation
IPCC	Intergovernmental Panel on Climate Change
ISO	Information Security Officer
KPIs	key performance indicators
LMS	Learning Management System
LPG	Liquefied petroleum gas
LPS	Lamma Power Station
LTIFR	Lost Time Injury Frequency Rate
LTIR	lost time injury rate
LTIs	Lost Time Injuries
LV	low voltage
NDCs	Nationally Determined Contributions
Network losses	Energy losses from distribution grid and the electricity system transmissions grid
NGN	Northern Gas Networks
NGOs	non-governmental organisations
NIST	National Institute of Standards and Technology
NOx	Nitrogen oxide
NZFN	NZ Food Network
OHS	occupational health and safety
PQQ	pre-qualification questionnaire
RAP	Reconciliation Action Plan
RECs	Renewable Energy Certificates
RSP	Respirable Suspended Particulates
SDGs	Sustainable Development Goals
SF ₆	Sulfur Hexafluoride
SOx	Sulfur oxides
SPCF	Smart Power Care Fund
SSP2	Shared Socioeconomic Pathway 2
T&D	Transmission & Distribution
TCFD	Task Force on Climate-related Financial Disclosures
TNFD	Task Force on Nature-related Financial Disclosure
TRIFR	Total Recordable Injury Frequency Rate
UK	United Kingdom
UKPN	UK Power Networks
UN	United Nations
VPN	Victoria Power Networks
WRMP	Water Resources Management Plan
WWU	Wales & West Gas Networks



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