Power Assets Holdings Ltd.
電能實業有限公司
(Stock Code : 6)



Sustainability Report
2024

Powering Growth
through Sustainability



About Power Assets

Power Assets Holdings Limited ("Power Assets" or the "Company", together with its subsidiaries, the "Group") is a global investor in energy and utility-related businesses with interests in the transmission of electricity, gas and oil, the distribution of electricity and gas, as well as the generation of energy from thermal, waste, and renewable sources.

From our origins in Hong Kong 135 years ago, the Group now has a presence spanning four continents in nine different markets including the United Kingdom, Australia, New Zealand, Mainland China, Thailand, the Netherlands, Canada and the United States, bringing reliable, affordable energy to over 20 million homes and businesses. The bulk of our business derives from our interests in about 509,000 km of power, gas and oil networks, supplemented by investments in around 9,600 MW (Net attributable capacity of 2,932 MW) of power generation, wind power, solar power and energy from waste facilities.

Our investments comprise primarily regulated energy infrastructures. In 2024, around 80% of our Group's share of total fixed assets of joint ventures and associates ("the Assets") comprise transmission and distribution of gas and electricity infrastructures. Power-generation assets account for around 11% of the Assets with coal-fired generating facilities having been reduced steadily over the years and currently down to less than 2.5% of the Assets.

As we navigate the evolving energy landscape – driven by the urgency of climate action, the electrification of transport, and the transition to low-carbon energy – we remain committed to powering sustainable growth. This report offers an insight into our innovative strategies, and our proactive approach to decarbonisation and social responsibility, particularly in ensuring a just transition. We are pleased to share our journey towards a more sustainable future as we continue to adapt and thrive in a rapidly evolving energy landscape.

Listed on the Stock Exchange of Hong Kong as a constituent share of the Hang Seng Index, Power Assets has been a constituent of the Hang Seng Corporate Sustainability Index since 2010. We are also included in the Hang Seng ESG 50 index, HSI Low Carbon Index and Hang Seng Stock Connect Hydrogen Energy Index.

Feedback
The Group welcomes feedback on this Report, its approach to sustainability, and its performance. Please share your views and email us at sr@powerassets.com.

Language
In case of inconsistency or discrepancy between the Chinese and English versions of the Report, the English version shall prevail.

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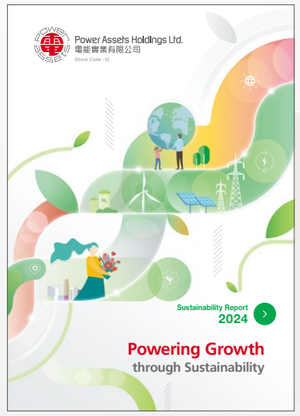
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Powering Growth
through Sustainability

The design reflects the harmony of growth and sustainability, drawing inspiration from nature's integration with technology. It symbolises Power Assets' transformative journey from conventional to renewable energy sources, emphasising our commitment to environmental stewardship. The soft curves in the design evoke the growth of trees, highlighting our advancements in wind, solar, and hydrogen solutions. A rolling sphere embodies our relentless pursuit of progress and the continuous flow of energy and materials in a circular economy, as well as our dedication to fostering a low-carbon, equitable transition for all.

Our Business Portfolio

North America

Canada

Canadian Power Holdings
Husky Midstream Limited Partnership
Energy Developments Pty Ltd

United States of America

Energy Developments Pty Ltd

Europe

United Kingdom

UK Power Networks
Northern Gas Networks
Wales & West Utilities
Seabank Power
Energy Developments Pty Ltd
Phoenix Energy
UK Renewables Energy

Netherlands

Dutch Enviro Energy Holdings B.V.

Asia

Mainland China

Jinwan Power
Dali Wind Power
Laoting Wind Power

Hong Kong

HK Electric

Thailand

Ratchaburi Power

Oceania

Australia

SA Power Networks
Victoria Power Networks
United Energy
Australian Energy Operations
Australian Gas Networks
Dampier Bunbury Pipeline & AGI Development Group
Multinet Gas
Energy Developments Pty Ltd

New Zealand

Wellington Electricity

Canada
United States of America
United Kingdom
Netherlands
Mainland China
Hong Kong
Thailand
Australia
New Zealand

- Gas Transmission & Distribution
- Electricity Transmission & Distribution
- Oil Pipelines & Storage Facilities
- Renewables
- Electricity Generation
- Energy-from-waste

Generation Mix

Renewable Energy	Gas-fired	Energy-from-waste
453 MW 603 GWh	5,581 MW 14,375 GWh	428 MW 1,669 GWh

Biomass	Coal-fired	Oil-fired	Diesel generators
301 MW 1,630 GWh	2,250 MW 8,952 GWh	Standby gas turbine 555 MW	63 MW 49 GWh

Power and Gas / Oil Network Length

Power Network	Gas / Oil Pipeline
390,000 km	119,100 km

Employees	Customers
20,225	20,106,000

North America

Canada

Canadian Power Holdings (Canadian Power)

Meridian

Installed Capacity	220 MW
Joined / Interest	2007 / 50%

TransAlta

Installed Capacity	1,064 MW
Joined / Interest	2007 / 25%

Okanagan Wind Power

Installed Capacity	30 MW
Joined / Interest	2021 / 50%

Husky Midstream Limited Partnership (HMLP)

Oil Pipeline Length	2,300 km
Oil Storage Capacity	5.9 million barrels
Pipeline Gathering System Capacity	409,000 barrels/ day
Joined / Interest	2016 / 48.75%

Energy Developments Pty Ltd (EDL)

Installed Capacity	11 MW
Joined / Interest	2017 / 20%

United States of America

Energy Developments Pty Ltd (EDL)

Installed Capacity	143 MW
Joined / Interest	2017 / 20%



Europe

United Kingdom

UK Power Networks (UKPN)

Network Length	191,500 km
Customers	8,500,000
Joined / Interest	2010 / 40%

UK Power Networks Services
(a non-regulated business of UKPN)

Installed Capacity	69 MW

Northern Gas Networks (NGN)

Gas Pipeline Length	37,000 km
Customers	2,900,000
Joined / Interest	2005 / 41.29%

Wales & West Utilities (WWU)

Gas Pipeline Length	35,200 km
Customers	2,600,000
Joined / Interest	2012 / 36%

Seabank Power

Installed Capacity	1,149 MW
Joined / Interest	2010 / 25%

Energy Developments Pty Ltd (EDL)

Installed Capacity	49 MW 12 MW in Greece
Joined / Interest	2017 / 20%

Phoenix Energy

Gas Pipeline Length	4,000 km
Customers	261,000
Joined / Interest	2024 / 20%

UK Renewables Energy

Installed Capacity	175 MW
Joined / Interest	2024 / 20%

Netherlands

Dutch Enviro Energy Holdings B.V.
(which owns AVR-Afvalverwerking B.V. (AVR))

Installed Capacity Waste-to-Energy Units	140 MW*
Biomass-Fired Units	26 MW
Joined / Interest	2013 / 27%

* 117MW is temporarily out of service due to replacement of new turbines with a total capacity of 88MW.

Asia

Mainland China

Jinwan Power

Installed Capacity	1,200 MW
Joined / Interest	2009 / 45%

Dali Wind Power

Installed Capacity	48 MW
Joined / Interest	2007 / 45%

Laoting Wind Power

Installed Capacity	49.5 MW
Joined / Interest	2008 / 45%

Hong Kong

HK Electric

Installed Capacity	3,083 MW
Network Length	7,000 km
Customers	593,000
Established / Interest	1889 / 33.37%

Thailand

Ratchaburi Power Company (RPCL)

Installed Capacity	1,400 MW
Joined / Interest	2001 / 25%

Oceania

Australia

SA Power Networks (SAPN)

Network Length	90,700 km
Customers	927,000
Joined / Interest	2000 / 27.93%

Victoria Power Networks (VPN)
(which owns Powercor and CitiPower)

Powercor

Network Length	77,700 km
Customers	937,000
Joined / Interest	2000 / 27.93%

CitiPower

Network Length	4,600 km
Customers	351,000
Joined / Interest	2002 / 27.93%

Australian Gas Networks (AGN)
(a member of Australian Gas Infrastructure Group (AGIG))

Gas Pipeline Length	28,100 km
Customers	1,418,000
Joined / Interest	2014 / 27.51%

Dampier Bunbury Pipeline and AGI Development Group
(collectively known as "DBP")
(a member of AGIG)

Gas Pipeline Length	2,300 km
Joined / Interest	2017 / 20%

Multinet Gas (MGN)
(a member of AGIG)

Gas Pipeline Length	10,100 km
Customers	724,000
Joined / Interest	2017 / 20%

United Energy

Network Length	13,500 km
Customers	718,000
Joined / Interest	2017 / 20%

Energy Developments Pty Ltd (EDL)

Installed Capacity	763 MW
Joined / Interest	2017 / 20%

Australian Energy Operations (AEO)

Network Length	72 km
Joined / Interest	2012 / 50%

New Zealand

Wellington Electricity (WELL)

Network Length	4,900 km
Customers	177,000
Joined / Interest	2008 / 50%

ESG Progress

ENVIRONMENT

Scope 1 and 2 Emissions

CO_2 **8.3%**

When compared to 2023

Water Withdrawal

34.4%

When compared to 2023

Biodiversity

New
Biodiversity Policy

ISO 14001 or other EMS Certificates

ISO 14001 CERTIFIED **80%**

of the Group's attributable revenue

SOCIAL

Gender Diversity

19%
Women in total workforce

21%
Women in top management positions

Safety

ZERO
Fatalities (employees)

4%
Lost time injury rate (employees) reduction
When compared to 2023

Employee Training

93%
Received training

84%
Covered by ISO 45001

Community Contributions

HK$88million
Investment

38,000hours
Volunteering

GOVERNANCE

SDG10
(Reduced Inequalities)
New SDG to be in line with our commitment to just transition

Independent Directors

42%

First Double Materiality Assessment

Engaged stakeholders to evaluate financial impacts and identify impact, risk and opportunities from a holistic view

Two-day internal ESG conference:
Challenges in the Emerging Sustainability Landscape

Involved
100+
participants

Sector Progress

ELECTRICITY BUSINESS

GHG emissions Intensity of Power Generation Reduction

10.1%

When compared to 2023

Renewable Energy Acquisitions in 2024

244MW

Wind, solar and hydro assets

Coal-fire Generation Capacity Reduction

3,800 MW

of our total generation portfolio as compared to 2016 (6,080 MW)

Capacity of Connections to Distributed Renewable Energy Generation

17GW

GAS BUSINESS

Methane Leakage Rate Reduction

40%

When compared to 2023

Gas Network Main Replacement

1,442 km

Biomethane Injected

1,497GWh

Renewable Gas Production

19,083 kg

Awards & Recognitions

Caring Company 20 Years Plus presented by Hong Kong Council of Social Service

The Racial Diversity and Inclusion Charter for Employers implemented by the Equal Opportunities Commission (Hong Kong)



IJ Investor Awards 2024 – Utilities Acquisition of the Year in Europe (Phoenix Energy)

Message from Chief Executive Officer

As we reflect on the past year at Power Assets Group, I am proud to share our continued commitment to sustainability and innovation. The world is undergoing significant changes, presenting both challenges and opportunities for the energy sector. As a responsible industry leader, our priority is to navigate the ever-changing business environment and ensure that our operations meet the needs of today, while safeguarding the environment for future generations.

In 2024, uncertainty arising from the geopolitical and economic environment persisted, adding complexity to advancing Environmental, Social, and Governance (ESG) initiatives. Concurrently, the urgency of climate action has also reached a pivotal moment, with increasing frequency of extreme weather events and immense connection of distributed renewable generation into to the power grid putting pressure on existing systems. The rise of technologies like artificial intelligence and the rapid growth of data centres are driving up electricity needs. This adds complexity to the dual challenge of ensuring energy security while accelerating the transition to cleaner, more sustainable sources.





Investing in a Sustainable Future

For the Group, sustainability is not a peripheral concern but is at the core of our strategy and operations. As a global investor in energy infrastructure, our success is fundamentally tied to our capacity to operate sustainably, aligning financial performance with societal expectations and environmental needs. Sustainability is embedded within our business model, reflecting our resilience, competitiveness, and creating value for all stakeholders.

This year, we adopted a double materiality approach to sharpen our focus on sustainability disclosure. The assessment helped identify sustainability topics that are financially material to our business and have a significant impact on our stakeholders. The top three material topics guide our strategic decision-making: (1) Decarbonisation, the hydrogen economy and energy transition, (2) Climate resilience and adaptation, and (3) Greenhouse gas (GHG) emissions management. By concentrating on these areas, we are better equipped to allocate resources effectively, manage risks, and seize opportunities during the energy transition.

Our sustainability strategy is grounded in impact and action. While ambitious targets guide us, we prioritise innovation and collaboration to drive success. By balancing long-term competitiveness with climate imperatives, we recognise that the costs of inaction far outweigh the investments required to build a sustainable future.

In 2024, the Group not only made significant strides in our dedication to reduce carbon emissions but also positioned itself as a responsible leader in the global energy transition through strategic acquisitions. These investments underscore our commitment to expanding renewable portfolio and energy capacity while meeting the growing demand for clean energy solution and delivering sustainable returns for our stakeholders.

One of our key acquisitions, in collaboration with the CK Group, was Phoenix Energy, the largest gas distribution network in Northern Ireland, UK. This acquisition holds the potential for integrating renewable gas solutions such as biomethane and green hydrogen and biogas into the modern network in the future, allowing us to be well-equipped to align with emerging trends in the energy sector and support the transition to a low-carbon economy. Additionally, in partnership with the CK Group, we acquired the UK Renewables Energy which comprises 32 wind farms across England, Scotland, and Wales with a total installed capacity of 175 MW. These assets further strengthen our renewable energy portfolio and contribute to decarbonising the energy sector.

UKPN also acquired Powerlink Renewable Assets, which operates a 69-MW renewable energy portfolio in the UK. This portfolio includes 65 solar photovoltaic assets, four onshore wind farms, and one hydropower plant. These acquisitions collectively increased our total clean energy capacity by around 68% compared to the previous year. Beyond these acquisitions, the Group invested HK$12.8 billion in sustainable activities through our business units, reinforcing our leadership in driving the energy transition and sustainability transition.

Advancing Decarbonisation Leadership

Decarbonisation remains a cornerstone of our sustainability agenda. In 2024, we achieved a 8.3% year-on-year reduction in Scope 1 and 2 emissions; we are well in progress to reduce emissions by 67% by 2035 (compared to the 2020 baseline) and reach net zero by 2050. Our industry-leading projects in decarbonisation span across regions and operations, focusing on integrating innovative technologies and modernising infrastructure to reduce carbon intensity and support a low-carbon future.

Key advancements include upcoming blending of hydrogen from AGIG's Hydrogen Park Gladstone facility in Queensland and breaking ground at Hydrogen Park Murray Valley in Victoria, which will blend up to 10% (by volume) hydrogen into the local gas network in Albury-Wodonga. In the North America, EDL converts landfill gas into renewable energy across our global business and produces renewable natural gas. Meanwhile, in Hong Kong, HK Electric has retired two coal-fired generating units totalling 700 MW capacity and commissioned a new gas-fired generating unit enabling it to increase gas fuel mix to around 68% in 2024. In South Australia, SAPN has made significant strides in integrating solar energy into the grid to support a cleaner energy future for the community.

Preserving Natural Ecosystems and Biodiversity

Recently, the United Nations launched the "Decade on Ecosystem Restoration", emphasising the urgent need to restore ecosystems and highlighting their critical role in sustainable development. In alignment with this global initiative, the Group is committed to environmental stewardship and has formalised our approach to biodiversity conservation with a Biodiversity Policy applied across our operations in 2024. This includes conducting impact assessments to identify potential effects on natural habitats and implementing mitigation plans where necessary. Beyond complying with environmental laws and regulations across the jurisdictions in which we operate, we strive to exceed expectations in biodiversity protection and conservation.

Our efforts have been recognised through Phoenix Energy's Silver Level award under the Business in the Community Northern Ireland's Business & Biodiversity Charter (BITC NI), underscoring our dedication to preserving ecosystems and promoting sustainable practices. Similarly, UKPN is embedding 'Biodiversity Net Gain' ('BNG') principles into its development projects, ensuring compliance with regulatory requirements while contributing positively to the environment.

Ensuring an Inclusive Transition

The Group is dedicated to advancing a fair and just transition, ensuring the shift to sustainable practices is equitable while considering the well-being of all employees. This year, we adopted UNSDG 10 (Reduced inequalities) at the Group level, reinforcing our commitment to reducing inequalities and promoting inclusivity across our operations. In line with this commitment, we also introduced a Workforce Diversity Policy to foster an inclusive environment that values diverse perspectives.

At WWU, the Inclusion, Equity, and Diversity Strategy exemplifies this approach by addressing barriers to gender diversity, particularly in engineering roles. Initiatives such as unconscious bias training and gender-sensitive recruitment campaigns. Beyond recruitment, we are providing resources to support employee well-being and foster an equitable environment with family-friendly policies and mental health initiatives.

Meanwhile, EDL's Innovate Reconciliation Action Plan (RAP) promotes Aboriginal and Torres Strait Islander empowerment through partnerships, career pathways, and collaboration with Indigenous-owned businesses. Projects like the West Kimberley Power Project and partnerships with the Djurrubu Rangers in Jabiru demonstrate EDL's dedication to sustainable energy and cultural preservation.

These efforts collectively reflect Power Assets' just transition approach, ensuring that progress towards sustainability is inclusive and prioritises the well-being of all employees and communities.

Enhancing Governance and Transparency

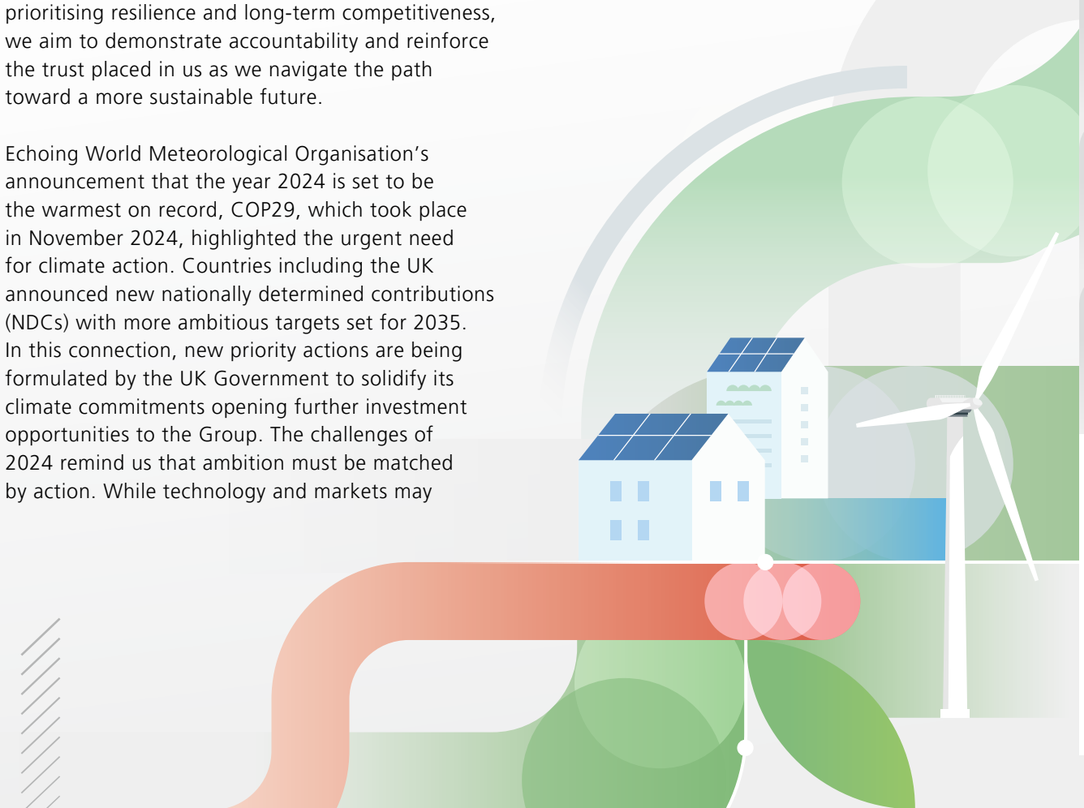
Maintaining operational reliability and resilience is the cornerstone of our success. A key element of our sustainability framework is the enhancement of governance, which is intricately woven into our business planning and decision-making processes. We regularly review our corporate policies to promote transparency, accountability, and ethical conduct across all levels of our organisation. Additionally, we continually strive to enhance our governance structures in alignment with the latest best practices and frameworks.

Transparency is equally important in building trust. In this report, we continue to enhance our climate-related disclosures, making reference to the new requirements in advance under the Hong Kong Stock Exchange ESG Reporting Code and adapting to evolving local and global disclosure standards. To provide greater clarity and relevance, we have also started reporting industry-based metrics referencing the Sustainability Accounting Standards Board (SASB) Standards, offering a more detailed view of our performance within the energy sector. By prioritising resilience and long-term competitiveness, we aim to demonstrate accountability and reinforce the trust placed in us as we navigate the path toward a more sustainable future.

Echoing World Meteorological Organisation's announcement that the year 2024 is set to be the warmest on record, COP29, which took place in November 2024, highlighted the urgent need for climate action. Countries including the UK announced new nationally determined contributions (NDCs) with more ambitious targets set for 2035. In this connection, new priority actions are being formulated by the UK Government to solidify its climate commitments opening further investment opportunities to the Group. The challenges of 2024 remind us that ambition must be matched by action. While technology and markets may offer solutions, meaningful progress requires bold strategies and collective determination in navigating an uncertain global business environment. Throughout the year, we organised various inhouse conferences to empower our executives and subject matter experts to share insights and experiences, facilitating discussions on the diverse challenges and opportunities within the emerging sustainability landscape. We remain steadfast in aligning our business goals with societal and environmental imperatives, working towards a future where businesses, communities, and ecosystems thrive.

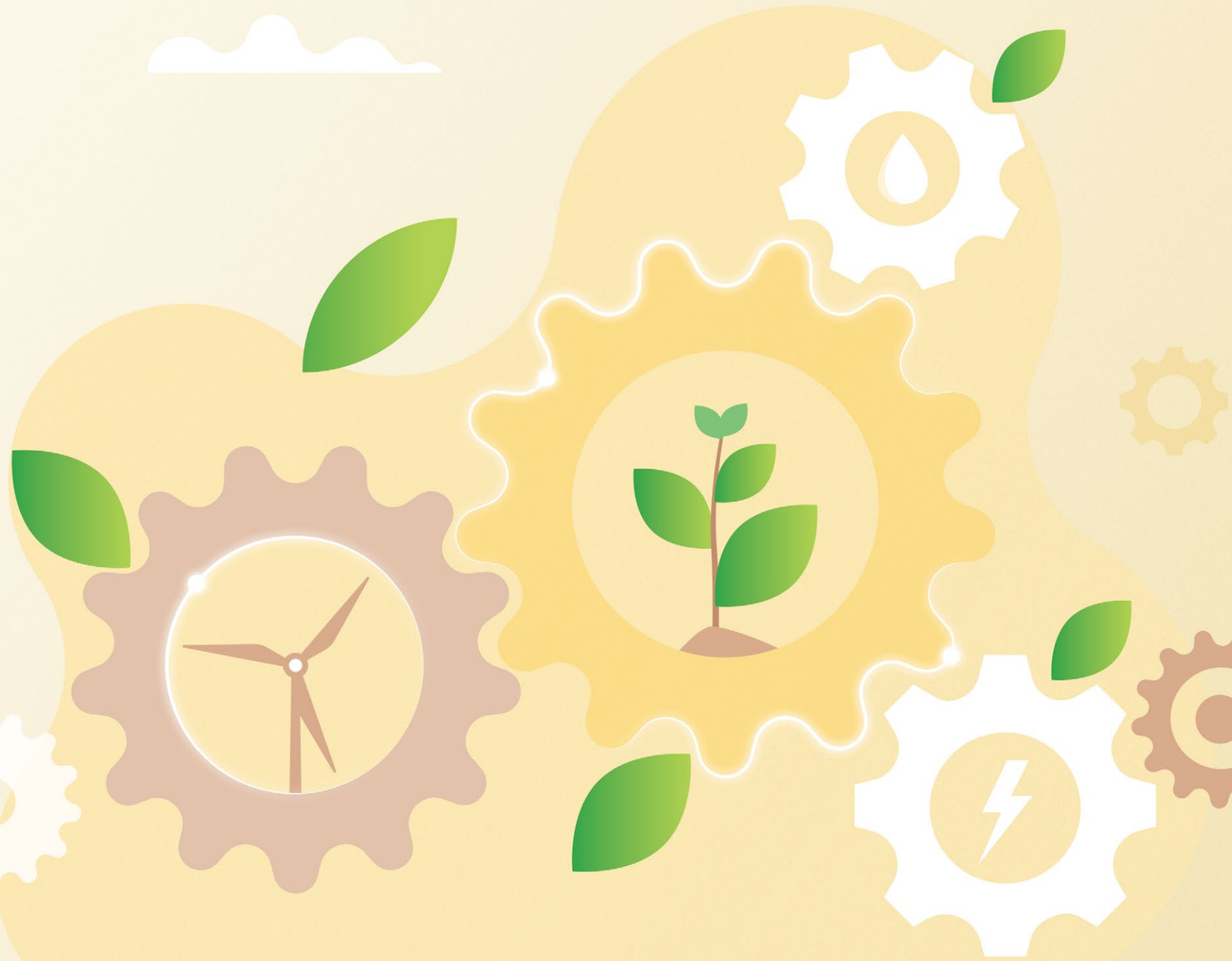
I would like to thank our stakeholders for your unwavering support throughout this journey. Together, we will continue to prioritise sustainability as a core component of our business strategy, fostering a future that reflects our shared values and aspirations.

Tsai Chao Chung, Charles
Chief Executive Officer and
Chair of Sustainability Committee
Hong Kong, March 2025



Approach to Sustainability

Our business approach is anchored in responsibility and sustainability, driving long-term growth while maintaining transparency and accountability to all our stakeholders. Beyond delivering value to shareholders, we are committed to fostering positive impacts across employees, customers, suppliers, the local community, professional institutions, Non-Governmental Organisation (NGO) and related government authorities, ensuring our business remains resilient and future-ready.



Sustainability Governance

A robust sustainability governance structure underpins the Group's commitment to sustainability. This framework is embedded at all levels of the Group, from the Board to the Sustainability Committee and the Sustainability Management Committee, which comprises the CEO and selected management members. This structure ensures that sustainability principles are effectively integrated into our business operations, supporting long-term growth through sustainable practices.

Sustainability Governance Framework

Board and Management

Our board has the essential skills and knowledge to effectively oversee the Group's business strategy and resilience, which includes the consideration of sustainability-related risks and opportunities, including those related to climate change. Our CEO, Mr. Tsai Chao Chung, Charles, oversees climate change strategies, target setting and sustainability performance across major operations. He holds a position at the Board level and chairs both our Sustainability Committee and Sustainability Management Committee.

The Board-level Sustainability Committee and the Sustainability Management Committee provide strategic guidance to align business practices with sustainability goals. These committees play a critical role in maintaining consistency across our sustainability strategies, managing targets and reporting processes, strengthening relations with internal and external stakeholders. They also ensure accountability across all levels of the Group, reinforcing our vision of sustainability as a driver of business success. To reinforce our governance framework, the Group delegates its directors and executives to serve on the board-level ESG Committees of our key business units.

To ensure that our governance framework remains responsive to evolving business needs, the Group provides ESG-related training programmes and conferences for board members and employees. For further details, please refer to the Materiality Assessment and Stakeholder Engagement section.

Overview of Responsibilities and Work Done by the Sustainability Committee

The Sustainability Committee held two meetings in 2024. During that year, members:

- Reviewed the Company's pledge to the United Nations Global Compact (UNGC)
- Assessed the Company's alignment with the Sustainable Development Goals (SDGs) and approved the alignment of an additional goal in its sustainability strategies
- Reviewed the ESG Risk Management Framework, as well as resources and training related to sustainability performance and reporting
- Evaluated the Group and its business units' material sustainability issues, stakeholder engagement, health and safety management, environmental management and other sustainability areas
- Reviewed the Sustainability Report 2023

During the meetings, the Committee held in-depth discussions on the requirements for achieving the Company's sustainability objectives. Recognising the essential nature of the Company's business activities, the Committee considers sustainability and climate considerations to be strategic priorities. Following the financial year, the Sustainability Committee convened in March 2025 to review the Sustainability Report 2024 and recommend it for Board approval.

Business Units

In alignment with the Group's sustainability governance, our business units have established ESG Committees. These committees are responsible for designing, implementing and overseeing sustainability strategies at the business unit level. They provide updates and assurance to senior management on sustainability activities and practices, ensuring continuous improvement and regular reassessment of processes. This structure strengthens the Group's ability to integrate sustainability into every facet of business operations, driving long-term value creation.

Sustainability Governance Structure

Top-down STRATEGY

The Board	• Has ultimate accountability for the Group's sustainability strategy, management, performance and reporting; assessing and managing sustainability and climate-related risks and opportunities as part of the Group's growth and adaptation strategies, with support from the Sustainability Committee, Audit Committee and Risk Management Committee. • Examines and approves the Group's sustainability objectives, strategies, priorities, initiatives, goals and targets as well as the corresponding policies and frameworks that support their achievement. • Our directors or executives are appointed to the boards and management committees of all material investments for overseeing and monitoring the sustainability performance of each business.
Sustainability Committee	• Established as a Board committee. • Chaired by Mr. TSAI Chao Chung, Charles, Chief Executive Officer and Executive Director. Its other members are Mr. CHAN Loi Shun, Executive Director and Mr. IP Yuk-keung, Albert, Independent Non-executive Director and Chairmen of the Audit Committee and the Nomination Committee. • Has an overarching role in supporting the Board on matters of sustainability, including climate-related aspects; overseeing the implementation of the sustainability of the Group, including setting and reviewing the related policies, practices and progress towards targets, as well as assessing and making recommendations on matters concerning the Group's sustainability governance, strategy, planning and risks.
Sustainability Management Committee	• Composed of Chief Executive Officer, an Executive Director, Chief Financial Officer, Group Legal Counsel and Company Secretary and selected members of the Group's management, the Sustainability Management Committee focuses on addressing sustainability issues and policies and driving strategic initiatives across the Group. • Conducts thorough assessments of climate-related risks and opportunities and integrates the results into the broader annual enterprise risk assessment. This integration ensures that ESG-related risks, including those associated with physical and transitional aspects of climate change, are considered in the Group's strategic decision-making processes. • Reports to and receives feedback from the Sustainability Committee on a regular basis.
Management of Business Units	• Identifies operational-specific sustainability-risks and opportunities; escalating promptly on relevant climate-related risk issues. • Monitors and tracks progress against agreed targets and initiatives. • Provides feedback to the Sustainability Management Committee on sustainability-related achievements and progress.

Bottom-up INFORMATION FLOW

Sustainability Pillars and Policies

The Group's sustainability strategy is structured around five pillars: Business, Human Capital, the Environment, the Community and the Value Chain. Each pillar is supported by comprehensive, Group-wide policies and steered by leadership at the highest level, ensuring a consistent and integrated approach to sustainability across all operations. These pillars serve as a strategic foundation for powering sustainable business growth and creating lasting value.

Sustainability Pillars

The Business

A sound business model is imperative to help us stay competitive within the market. It also permits us to attract new investment opportunities, retain talents and motivate staff to pursue sustainable development.

Our Key Focus

- Deliver stable and long-term values for shareholders
- Focus on sustainable development of its businesses and the communities in which it operates
- Conduct business with uncompromising integrity and safeguard against unfair business practices
- Maintain a high standard of corporate governance
- Comply with all relevant and applicable laws and regulations

Human Capital

Human capital is at the heart of our operations and remains an indispensable element to our corporate success. We strive to create an inclusive, diverse and fair environment for all our employees.

Our Key Focus

- Uphold a high standard of business ethics and the personal conduct of employees
- Implement fair and just transition principles, ensuring the changes towards sustainable practices are equitable and consider the well-being of all employees
- Create a safe, inclusive environment that respects and leverages the broad spectrum of ideas and experiences brought by a diverse workforce
- Promote equitable opportunities for personal and professional growth, aligning a variety of training and development options with both individual aspirations and business objectives
- Maintain proper systems to ensure internal equity and external competitiveness of staff remuneration and recognition

The Community

Community is crucial to the realisation of our decarbonisation pursuits. We work hard to engage with our stakeholders frequently to strengthen our communication channels, learn their needs and ultimately improve our sustainability performance.

Our Key Focus

- Engage in a broad range of philanthropic activities that support and address the specific needs of local and indigenous communities
- Educate the public on the importance of energy conservation and the transition to low-carbon lifestyles
- Implement internal guidelines and controls on donations and contributions to safeguard shareholders' interests
- Motivate our workforce to play a positive and active role in community

The Environment

Environmental protection is one of our corporate principles and sustainability strategies. We firmly believe that as a global energy investor, we must lead in the decarbonisation of our sector and manage our energy assets responsibly.

Our Key Focus

- Facilitate the shift toward a low-carbon future and various government's decarbonisation plans
- Develop climate strategy to mitigate climate risks and implement appropriate innovations and new technologies to capture the opportunities arising from these risks
- Implement initiatives to minimise the environmental footprint of our operations
- Promote and sustain our environmental conservation and biodiversity protection efforts
- Reduce water stress and manage water-related risks

Value Chain

Value chain helps increase our business efficiency and provides a step-wise business model that brings various business activities together to create value for our customers.

Our Key Focus

- Operate with sound management systems that effectively identify and mitigate our supply chain risks
- Uphold the principles of the Group's Suppliers Code of Conduct
- Support human rights and exercise due diligence throughout the supply chain
- Invest in technologies and innovative solutions to improve business resilience

To address significant sustainability challenges, the Group has established policies, procedures and guidelines that guide management practices across its operations. These principles are tailored to local social, economic and environmental conditions, ensuring their relevance and effectiveness. Regular management reviews and reporting mechanisms are in place to ensure compliance and continuous improvement, reinforcing sustainability as a key driver of long-term business success.

In this Report, we provide details about the policies, procedures and guidelines designed to enable management to address sustainability issues effectively. These guiding principles are adopted across the Group and customised by each business unit to fit their specific social, economic and environmental contexts. Continuous oversight through systematic managerial reviews and reporting mechanisms guarantees strict compliance and execution.

For more information, please visit the Corporate Policies section on the Group's corporate website.

Sustainability Policies

Environment	Social	Governance
• Sustainability Policy	• Code of Conduct	• Anti-fraud and Anti-bribery Policy
• Environmental Policy	• Health and Safety Policy	• Board Diversity Policy
• Biodiversity Policy	• Customer Services Policy	• Director Nomination Policy
	• Quality Policy	• Human Rights Policy
	• Supplier Code of Conduct	• Modern Slavery and Human Trafficking Statement
	• Anti-harassment Policy	• Information Security Policy
	• Workforce Diversity Policy	• Media, Public Engagement and Donation Policy
		• Personal Data Privacy Policy
		• Policy on Inside Information and Securities Dealing
		• Shareholder Communication Policy
		• Whistleblowing Procedure

Contribution to UNSDGs and UNGC

Aligning with the UN Sustainable Development Goals (SDGs) and the UN Global Compact (UNGC) underscores the Group's commitment to fostering sustainable development and corporate responsibility. By embracing the UNGC's Ten Principles, the Group integrates human rights, labour rights, environmental protection and anti-corruption measures into its business practices, reinforcing the broader SDG framework and contributing to sustainable growth.

The Group actively incorporates the UNGC framework into its policies and operations, ensuring that our sustainability efforts contribute to broader societal and environmental progress. This approach strengthens our ability to capitalise on opportunities in the growing market for sustainable solutions and enhances our role as a responsible corporate leader, reinforcing our commitment to integrating sustainability into business growth.

The Group has identified eight SDGs that are most relevant to our sustainability strategy, where we can make a meaningful contribution. In implementing our strategies, we focus on generating value beyond our company, for our stakeholders and the communities in which we operate, driving tangible actions toward achieving these SDGs.

In 2024, the Group expanded its focus to include SDG 10 (Reduced Inequalities), reflecting our strengthened commitment to promoting social equity and further embedding sustainability into our growth strategy.

Our prioritised SDGs and contributions

SDG 5 | Gender Equality

5.1 End all forms of discrimination against all women and girls everywhere
5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

Power Assets has zero tolerance against any form of discrimination or harassment. We strive to create a diverse and inclusive workplace where equal opportunities to thrive are offered to all staff.

Established
Anti-harassment Policy

SDG 7 | Affordable and Clean Energy

7.1 Ensure universal access to affordable, reliable and modern energy services
7.2 Increase substantially the share of renewable energy in the global energy mix
7.3 Double the global rate of improvement in energy efficiency

Power Assets is committed to advancing the shift toward a new energy model by providing modern, sustainable and affordable energy options. We continually aim to progress and adapt, ensuring our services are inclusive and available to all customers, including the most vulnerable.

Increased renewable portfolio by
304MW of installed capacity of wind, solar, hydro and biomass in 2024

100% of our gas distribution companies developed plans to blend green gases like biomethane or hydrogen into existing gas distribution system

SDG 8 | Decent Work and Economic Growth

8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation
8.7 Take immediate and effective measures to eradicate forced labour and end modern slavery, human trafficking and child labour in all its forms
8.8 Protect labour rights and promote safe and secure working environments for all workers

Power Assets recognises the critical role our workforce plays in moving towards a cleaner energy future. We enforce health and safety as the number one priority at all levels. Additionally, we offer training and development programmes for our full-time staff to support their professional growth and help them achieve their career goals.

93% of our full-time employees received training

84% of our employees were covered by ISO 45001-certified Health & Safety Management System

SDG 9 | Industry, Innovation and Infrastructure

9.1 Develop quality, reliable, sustainable and resilient infrastructure with a focus on affordable and equitable access for all
9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally technologies

Power Assets is dedicated to ensuring a sustainable energy supply by investing heavily in resilient and eco-friendly energy infrastructure. Our goal is to build robust energy systems for the future through investments in advanced technologies and innovative solutions. These efforts support the adoption of renewable energy and distributed energy resources, uphold a reliable electricity supply and enhance customer convenience.

100% of our electricity transmission and distribution companies committed to investing in smart energy solutions

SDG 10 | Reduced Inequalities

10.3 Ensure equal opportunity and reduce inequalities of outcomes
10.4 Implement policies and practices to progressively achieve greater equality across own and supply chain operations

Power Assets aims to reduce inequalities and ensuring no one is left behind. We are equally committed to fostering an inclusive workplace for our employees and supporting fair practices within our supply chain. Through these efforts, we aim to bridge the energy gap and foster a more equitable and sustainable future for everyone.

Established
Workforce Diversity Policy

SDG 11 | Sustainable Cities and Communities

11.6 Reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

Power Assets is steadfast in its commitment to driving progress towards sustainable urban development. Recognising our influential role in shaping energy-efficient cities, we are investing in infrastructure that supports clean and affordable energy. Our initiatives are geared towards enhancing urban sustainability, reducing the environmental impact of our operations and fostering communities that are resilient to the challenges posed by climate change.

Over **80%** of the Group's attributable revenue were covered by ISO 14001 or other relevant Environmental Management System (EMS) certificates

SDG 12 | Responsible Consumption and Production

12.4 Achieve environmentally sound management of all waste throughout its life cycle to minimise adverse impacts on human health and the environment
12.5 Reduce waste generation through prevention, reduction, recycling and reuse

Power Assets is committed to environmental stewardship by supporting sustainable production practices. We encourage a circular economy by investing energy-from-waste projects and integrating circular principles throughout our operations and value chain where suitable.

Total packaging material used for finished products – a **14%** reduction compared to 2023

SDG 13 | Climate Action

13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters
13.2 Integrate climate change measures into national policies, strategies and planning
13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

Power Assets is dedicated to actively seeking out and implementing strategies that reduce the effects of climate change. Understanding our significant role in reducing emissions, we are concentrating on growing our renewable energy capabilities and steadily moving away from fossil fuels in our power generation operations.

Scope 1 and 2 emissions
6,626,440 tCO_2e
a 8.3% reduction compared to 2023

Scope 3 emissions
829,290 tCO_2e from the Group's business operations which cover a total of 87% of our attributable revenue

Materiality Assessment and Stakeholder Engagement

Double Materiality Assessment (DMA)

To better understand our stakeholders' needs and improve business performance in an ever-evolving industry landscape, our Group is committed to enhancing the transparency of our sustainability disclosures and meeting stakeholder expectations. Over the years, we have regularly conducted stakeholder engagement activities to gain deeper insights into the perspectives, priorities and expectations of our diverse stakeholders, including employees, customers, business partners, regulatory bodies and capital providers. Their valuable feedback has been instrumental in helping us remain responsive to shifting market dynamics and global sustainability trends.

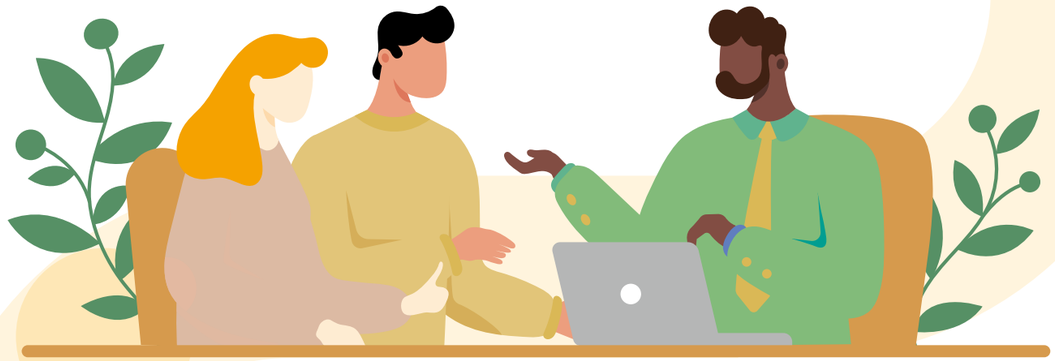
While our previous materiality assessments and annual reviews provided guidance for addressing sustainability challenges, we recognise that the interconnected relationship between our business and the broader world requires deeper exploration.

In 2024, we strengthened our stakeholder engagement efforts by conducting our first DMA. Double materiality addresses both impact and financial dimensions – Impact materiality focuses on the Group's effects on the community and the environment related to material topics, while financial materiality pertains to risks and opportunities associated with material topics, aiming to meet stakeholder expectations while improving decision-making by integrating sustainability considerations more effectively.

Objectives of Conducting DMA

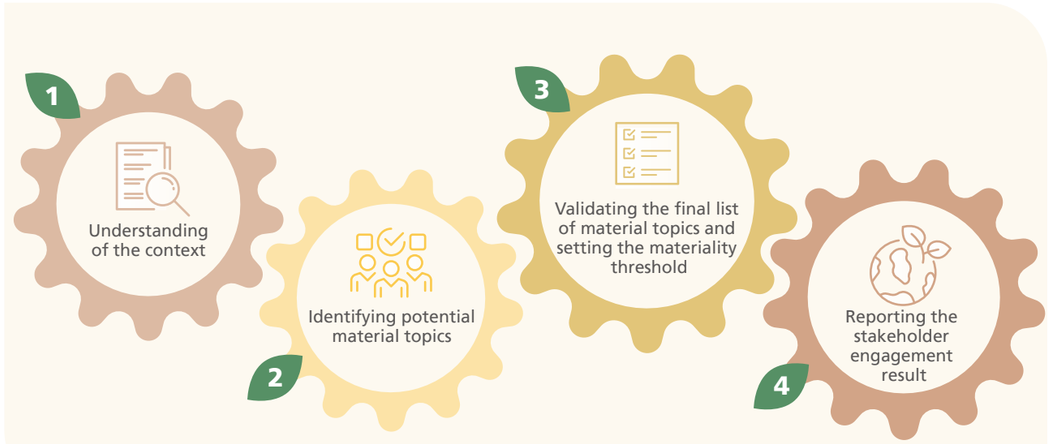
DMA's dual significance of sustainability serves as a fundamental component of Power Assets' sustainability management, governance and disclosure practices. The objective of conducting DMA is to identify critical economic, environmental and social issues that significantly impact both the corporate context and the wider community. This enables the Group to:

- Identify key priorities, enhance accountability and drive long-term sustainable value creation.
- Provide insights on integrating materiality assessment results into the overall risk management process.
- Ensure the Group's sustainability report offers a balanced and transparent perspective, addressing both inward-looking financial risks to the Group and outward-looking impacts on the world.



Power Assets' DMA – A Four-step Approach

The Sustainability Committee serves as the ultimate authority reviewing the DMA process, supported by an established four-step approach.



1. Understanding of the Context

The DMA methodology was designed based on standards set by the Global Reporting Initiative and the European Financial Reporting Advisory Group ("EFRAG"). The DMA approach takes into consideration of both impact and financial dimensions. Impact materiality focuses on the Group's effects on people and the environment related to material topics, while financial materiality pertains to risks and opportunities associated with sustainability issues.

Identifying Material Topics

Prior to initiating the materiality assessment process, we conducted a comprehensive review and update of the material topics as part of a broader materiality analysis. This process began with an in-depth analysis of various publications, which led to the identification of four key megatrends.

2. Identifying Potential and Actual Material Topics

The evaluation of existing and potential impacts, risks and opportunities (IROs) related to ESG factors is conducted across the operations and throughout the value chain. This process generates a detailed list of IROs for further assessment and analysis in subsequent stages.

Climate Change
The paths of global warming and its potential impacts on Earth systems, driven by human actions and environmental changes.

Technological Acceleration
A structural force driven by exponential advances in computing power and analytics.

Demographic Bifurcation
Changes in population size, growth and structure at national, regional, or global levels, impacting socioeconomic systems.

Geostrategic Shifts
Changing geopolitical dynamics, including global and regional alliances, national attitudes toward key actors, governance and strategic goals.

We developed a list of material topics most relevant to the Group's operations and business strategy based on a review of megatrends and sources such as external reports, articles, material topics identified, ESG ratings and peer benchmarking. The review process also incorporated the principles of a Just Transition and alignment with the UNSDGs.

With the inclusion of the updates and newly appended material topics, the total number of material topics increased from 12 in 2023 to 22 in 2024.

	UNSDGs							
Environmental (6 topics)	5	7	8	9	10	11	12	13
1. Decarbonisation, Hydrogen Economy and Energy Transition		●	●	●			●	●
2. Greenhouse Gas Emissions								●
3. Climate Resilience and Adaptation[New]		●	●	●			●	●
4. Energy and Water Management						●	●	
5. Circular Economy			●			●	●	●
6. Biodiversity and Nature							●	
Social (9 topics)								
7. Supply Chain Management			●	●				
8. Service Excellence			●			●		
9. Human Capital Management and Human Rights	●		●		●			
10. Diversity, Equity and Inclusion[New]	●		●		●			
11. Future-ready Skills Development[New]	●		●					
12. Occupational Health. Safety and Well-being			●		●			
13. Stakeholder Health and Well-being[New]			●		●	●		
14. Community Engagement and Investment	●				●	●		
15. Initiating Sustainability Transition in Community		●	●	●			●	●
Governance (7 topics)								
16. Business Ethics and Anti-corruption			●			●		
17. Information and Cybersecurity						●		
18. Innovation and Digitalisation				●				
19. Integrated Governance Structure			●					
20. Privacy and Data Security[New]			●					
21. Reliability, Asset Integrity and Crisis Management						●		
22. Sustainable and Responsible Investment[New]						●		

Determining IROs

A comprehensive list of IROs is developed through meticulous research, incorporating identified risk factors relevant to the Group and its Business Units. This includes the positive and negative impacts outlined by the SASB Industry Standards, specifically the Electric Utilities & Power Generators Standard, the Gas Utilities & Distributors Standard and the Waste Management Standard, as well as risk factors and IROs disclosed by industry peers. The resulting list is then aligned with the relevant material topics.

Engaging Stakeholders

Collecting feedback from both internal and external stakeholders is crucial in identifying the IROs. A stakeholder engagement process was hence designed based on the method suggested by EFRAG.

Design of scoring criteria and Likert scale

Stakeholders were asked to give scores to each material topic based on different angles.

Impact Materiality
For Power Assets' positive and negative impact on the community and environment.

- **Scale**
- **Scope**
- **Ability to reverse/remedy impact**
- **Likelihood**

Financial Materiality
For financial effect that the material topic has on Power Assets.

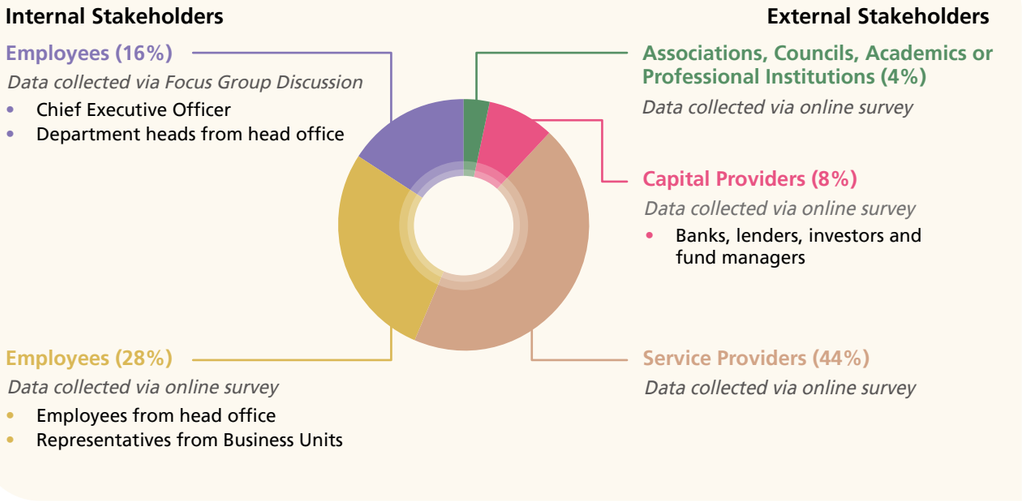
- **Impact to cash flow, access to finance, cost of capital**
- **Reputational risk and opportunity**
- **Regulatory risk and opportunity**
- **Likelihood**

and a five-point Likert scale is defined for scoring.

score 1	score 2	score 3	score 4	score 5
Minimal impact	Low impact	Medium impact	Medium-large impact	Large-scale transformative impact

Collection of feedback through focus group discussions and online survey

In 2024, our efforts focused on understanding the concept of double materiality from the perspectives of five stakeholder groups.



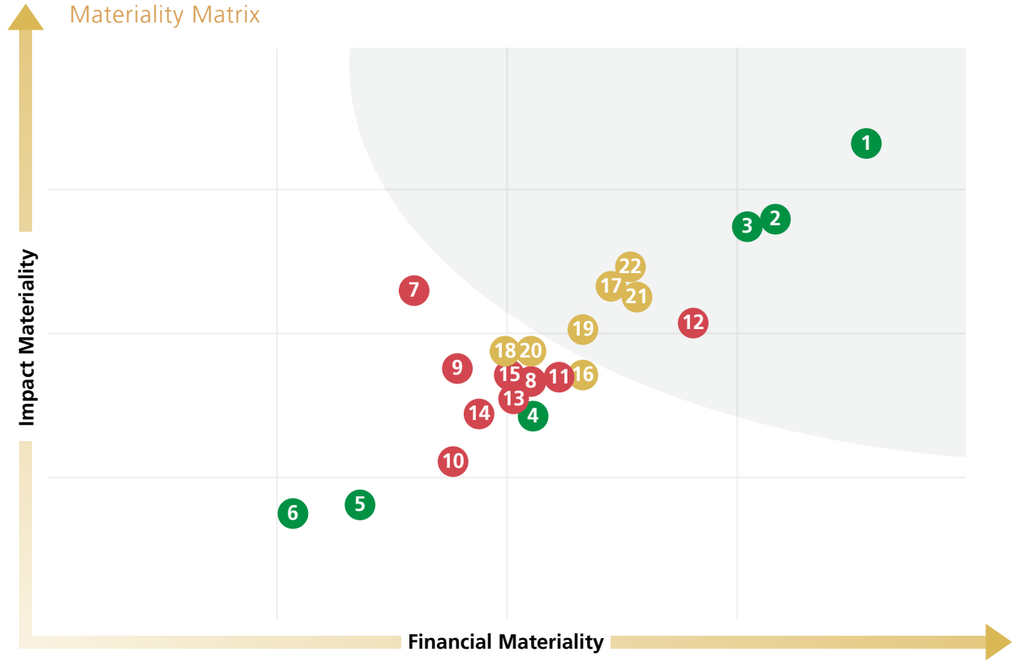
3. Validating the Final List of Material Topics and Setting the Materiality Threshold

The quantitative and qualitative insights from the surveys and focus groups were reviewed during the Sustainability Committee meeting. The Committee established the materiality threshold and approved the DMA results.

4. Reporting the Stakeholder Engagement Result

The results are presented in a materiality matrix, enabling us to further refine the categories of stakeholders primarily affected by each ESG material issue. Within the matrix, we identify eight key topics as our most material sustainability priorities, which will drive long-term performance. To ensure effective management of the Group's performance regarding these top material topics, a series of societal and environmental targets and metrics have been established.

Materiality Matrix



Identified Material Topics

Environmental	Social	Governance
1 Decarbonisation, Hydrogen Economy and Energy Transition	7 Supply Chain Management	16 Business Ethics and Anti-corruption
2 Greenhouse Gas Emissions	8 Service Excellence	17 Information and Cybersecurity
3 Climate Resilience and Adaptation	9 Human Capital Management and Human Rights	18 Innovation and Digitalisation
4 Energy and Water Management	10 Diversity, Equity and Inclusion	19 Integrated Governance Structure
5 Circular Economy	11 Future-ready Skills Development	20 Privacy and Data Security
6 Biodiversity and Nature	12 Occupational Health, Safety and Well-being	21 Reliability, Asset Integrity and Crisis Management
	13 Stakeholder Health and Well-being	22 Sustainable and Responsible Investment
	14 Community Engagement and Investment	
	15 Initiating Sustainability Transition in Community	

IROs Alignment on Key Material Topics

During the materiality assessment process, sustainability-related IROs of each material topics is evaluated. Assessing sustainability-related materiality aligns with and informs Power Assets' future sustainability strategies and reporting. The assessment outcomes were refined and validated by the Sustainability Management Committee and endorsed by the Sustainability Committee.

Key Material Topic	Impact - P Positive Impact N Negative Impact	Risk and Opportunity - R Risk O Opportunity	Our Progress
Decarbonisation, Hydrogen Economy and Energy Transition	P • Expand footprint into renewable energy, green hydrogen, biogas, smart grid and Energy from Waste (EfW). • Help societies and economies transition to a low-carbon economy. Benefit the environment and communities by supporting their net-zero ambitions. • Contribute to reducing global warming. • Provide more diverse, affordable and reliable energy.	R • Inadequate support or frequently changing policies related to decarbonisation and energy transition from local governments may increase uncertainty for the Group's investments in energy transition. • Significant changes to regulatory frameworks could impact investment policies and the long-term business strategies of our regulated businesses. • Governmental and regulatory support is crucial for securing reliable green hydrogen and bio-gas supplies at forecasted costs and for the industry's ability to meet contractual emission obligations.	Decarbonisation, Hydrogen Economy and Energy Transition
	N • Inadequate efforts to support decarbonisation, green energy and facilitate the energy transition may contribute to delays in achieving business's net-zero target. • The business's reputation may also be negatively affected, increasing the risk of criticism for providing insufficient support to the communities where we operate, potentially hindering their ability to fulfil commitments under the Paris Agreement.	O **Asset Value** • As regulatory changes and customer preferences shift towards using cleaner products, assets that employ green technologies and have low-carbon capabilities may be preferred by the markets and potentially leading to higher revenues and valuations. • Government policies promoting RE, higher electrification, EfW and green gas may also present investment opportunities for growth of businesses. **Revenue** • The shift to electrification and low-carbon fuels may boost demand for clean energy. • Adapting to industry trends by diversifying energy services helps our businesses tap into this growing market, creating stronger streams of investment opportunities. **Cost of Capital** • Business with a dedicated focus on decarbonisation and improving sustainability performance are likely to be recognised as carrying lower risks, which may make them more attractive to investors and financiers. • With solid sustainability planning and performance, business can also gain easier access to green capital expand funding resources.	
GHG Emissions	P • Contribute to global GHG reduction and climate mitigation efforts. • Assist the communities the business serves in achieving net zero. • Reduce the frequency of extreme climate events. • Mitigate the impacts of extreme climate events, such as flooding, extreme heat and forest fires.	R • Governmental regulatory policies on limiting GHG emissions, including the use of a carbon tax, may result in increased operational costs. • Aggressive restrictions on the use of fossil fuels, such as coal or gas, may also lead to supply interruptions and stranded asset risks.	GHG emissions
	N • Insufficient efforts to reduce GHG, particularly in alignment with a business's established carbon reduction targets, may exacerbate climate change, leading to more extreme climate events in the locations it serves.	O **Asset Value** • Businesses that emit less GHG emissions are less vulnerable to government environmental policies, such as carbon taxes and regulatory changes. • The elements of reduced risks and being future proof are likely to increase the business's attractiveness and, consequently, its long-term valuation. **Revenue** • Transitioning to and offering low-carbon energy and services may cater to the growing demand in the clean energy market, opening up new revenue streams for the business. **Cost of Capital** • Businesses with a dedicated focus on reducing GHG emissions are often able to negotiate better borrowing terms with financiers, as their long-term planning is likely to contribute to reduced business risks in the future. • Strong sustainability planning and performance, businesses may also gain easier access to green capital and more attractive financial terms.	

Key Material Topic	Impact - P Positive Impact N Negative Impact	Risk and Opportunity - R Risk O Opportunity	Our Progress
Climate Resilience and Adaptation	P • Enhanced investment in climate resilience can better equip the business to withstand extreme weather events, minimising damage and disruptions.	R • Increasing severity and frequency of extreme climate events may raise the risk of asset failure, causing unplanned service interruptions. • Plant damage can lead to prolonged shutdowns, high repair or replacement costs and a significant increase in insurance renewal complexities and expenses.	Climate Resilience and Adaptation
	N • A lack of effort to strengthen assets against extreme climate events could potentially result in infrastructure damage, energy supply outages and service downtime. • Service interruptions may affect communities and adversely impact the business's reputation.	O **Asset Value** • Investing in asset resilience against climate risk not only reduces the likelihood of asset damage or system failure during extreme weather events but is also likely to be more valued by investors as a less risky asset when assessed against climate change. **Revenue** • Improved asset resilience against climate risks reduces disruptions to operations and minimises financial impacts. **Operating Expenditure (OPEX)** • Investments in resilience and preparedness may prevent and reduce costs associated with service disruptions and plant damage repair and/or replacement caused by climate events. • More resilient assets may significantly improve operational efficiency and reliance resulting in lower outages and operating cost.	
Sustainable and Responsible Investment	P • Sustainable and responsible investments, including in clean energy, energy efficiency, smart grids to accommodate Distributed Energy Resources and EV charging, EfW and asset improvements, enable the Group to deliver greener energy, enhanced energy efficiency and reliability in energy supply. • Foster a low-carbon transition by reducing GHG emissions and promoting sustainable economic development.	R • Failing to meet investors' sustainable investment criteria may result in difficulties attracting funding from investors and lenders, leading to increased capital and debt funding costs as well as limited access to funding resources. • Not fulfilling net-zero commitments may pose the risk of potential market scepticism and diminished investor confidence, affecting our long-term business growth.	Sustainable Investment Approach
	N • Inadequate investment in sustainable and responsible activities may hinder the business's progress toward its net-zero targets. • A reduced ability to respond to regulatory requirements and requisite industry innovation may potentially lead to existing assets becoming stranded. • Service disruptions may occur if underinvestment prevents assets from operating effectively, especially during adverse climate conditions.	O **Asset Value** • Expanding the business portfolio by investing in green energy and sustainable projects strengthens the business's position as a leading global energy investor. • Investments in renewable assets complement the business's established business, creating synergies and adding further value to its operations. **Revenue** • Sustainable investments unlock new business opportunities and revenue streams, diversifying businesses and strengthening its position as a leading global energy investor.	

Key Material Topic	Impact - P Positive Impact N Negative Impact	Risk and Opportunity - R Risk O Opportunity	Our Progress
Information and Cybersecurity	P • Enhanced resilience and operational integrity, safeguarding critical infrastructure from cyber threats. • Robust cybersecurity measures to minimise disruptions and foster trust among stakeholders, ultimately leading to stronger partnerships.	R • Cybersecurity vulnerabilities could exist if the business fails to implement effective and robust cyber security measures and invest in cyber resilience infrastructure resulting in cyber-attacks, leakage of sensitive information and operational disruptions.	Cybersecurity, Asset Integrity and Crisis Management
	N • Inadequate cybersecurity protection against the latest cybersecurity threats, combined with an incomplete crisis management plan, may result in data breaches and service disruptions, impacting customer trust. • Deficiencies in Information Technology (IT) integrity could cause service interruptions, reduce reliability and lower customer satisfaction.	O **Asset Value** • Investing capital expenditure to strengthen cybersecurity will enhance system reliability, materially improve commercial and operational performance.	Privacy and Data Security
Occupational Health and Safety and Well-being	P • Greater hazard awareness, a sharper focus on health and safety, and attention to employee well-being help cultivate a proactive mindset on health and well-being among the business's workforce and the communities it serves. • Emphasis on health, safety and well-being strengthens trust with stakeholders and enhances brand reputation in the regions where the business operates.	R • Failure to maintain a safe and healthy environment as required by regulatory safety standards may lead to penalties and litigation. • Health and safety incidents arising from operations may affect the business' reputation and brand value.	Health and Safety, and Well-being
	N • A lack of emphasis on health, safety and well-being significantly increases the risk of illness, injury, or even fatalities. Weak health and safety performance may result in fines and liabilities. • Insufficient focus on employee well-being may also affect workforce morale, productivity and the quality of services delivered. • Repeated significant health and safety incidents could lead to operational disruptions, reputational damage, complications in resource management and impediments to attracting new recruits. • Safety incidents could result in plant damage, prolonged shutdowns and high repair or replacement costs.	O **OPEX** • Investments in a comprehensive health and safety system may reduce long-term operational expenses by preventing accidents, injuries and disruptions. • Reduced absenteeism, turnover and workers' compensation claims could bring long-term value and ensure a motivated, safe and productive workforce.	
Reliability, Asset Integrity and Crisis Management	P • A sufficient, reliable and secure energy supply can help support the societal and economic development of local communities.	R • Damage to facilities can lead to prolonged shutdowns and high repair or replacement costs, subsequently resulting in higher insurance costs. • Poor asset integrity, coupled with inadequate contingency plans, may amplify the impact of unexpected events. • Unreliable or unsafe supply may attract regulatory penalties, negatively affecting regulatory performance and potentially hindering the business's growth strategies and stakeholder confidence.	Cybersecurity, Asset Integrity and Crisis Management
	N • Plant damage could lead to unplanned outages, prolonged shutdowns and high repair or replacement costs. • Insufficient, unreliable, or unsafe supply could cause disruptions to societal and economic functioning.	O **Asset Value** • Investing in capital expenditure to strengthen asset integrity and business continuity may enhance commercial and operational performance.	
Integrated Governance Structure	P • A healthy culture, strong governance, effective risk management and a commitment to ethical behavior and legal compliance optimise business performance and build trust with governments, regulators and customers.	R • Poor governance, resulting from inadequate policies, controls and oversight, can lead to ethical breaches, financial mismanagement and a loss of trust among external stakeholders. • An inadequate and fragmented governance structure that lacks an ESG focus could undermine the business's overall decarbonisation strategies.	Sustainability Governance
	N • A lack of internal control standards and policies can lead to inconsistent corporate practices, poor performance and insufficient transparency, eroding trust within the organisation as well as with governments, regulators and the public, ultimately damaging the business's reputation.		

Stakeholder Engagement

We recognise the importance of effective engagement and collaboration with stakeholders. Given the diverse nature of our business operations, we interact with a broad range of stakeholder groups. We encourage open, bilateral communication and ensure stakeholders can connect with us through appropriate channels. Insights and feedback from stakeholders are invaluable, helping us respond to sustainability challenges and capitalise on opportunities with greater agility and informed decision-making.

We actively engage with local authorities and industry coalitions to develop responsible business practices and explore pathways to decarbonisation, including but not limited to the UNGC Network, Hydrogen Council and Energy Institute (Hong Kong) which provide valuable networking opportunities with global signatories and access to industry best practices.

Engagement with Business Units at Group Level

Over time, the group-level team has played a key role in the success of these businesses by participating in board meetings of business units, contributing to committees and special projects, ensuring smooth communication between local management and the head office and promoting collaboration through committees and conferences on important topics such as health and safety, risk management, innovation, IT and public relations. Furthermore, the Company has developed a shared platform to align business units in achieving common goals.

To meet evolving business demands, the Group provides tailored training for board members and employees, equipping them with the skills needed to adapt. In collaboration with CK Group Companies, the Group hosted conferences covering topics such as sustainable development and industry updates. These events fostered open communication, collaborative problem-solving and strengthened adaptability in navigating sustainability challenges.

Co-creating Values and Exchanging Knowledge among Business Units through Conferences

Future of Gas Colloquium

In March 2024, over 60 representatives from business units participated in the Future of Gas Colloquium. The event focused on preparing for future natural gas markets in Australia and the UK within the framework of regulatory approaches.



CKI PAH ESG Conference 2024

The two-day CKI PAH ESG Conference, held in September 2024, themed "Challenges in the Emerging Sustainability Landscape", gathered more than 100 representatives from business units. Discussions included sustainability disclosure trends, sustainable financing, just transition, Diversity, Equity and Inclusion (DEI) and biodiversity. The event aimed to connect ESG teams, deepen understanding of ESG reporting requirements and expand networks through collaboration.



Future Technology Conference

The Future Technology Conference, held in May 2024, focused on the theme "Future Energy Transition" with over 80 participants. Key discussions emphasised aligning strategy and culture, fostering innovation and empowering employees. Participants highlighted the importance of partnerships with policymakers, customers and industry players, as well as digital transformation through AI, advanced analytics and smart grid technologies. Establishing sustainability metrics and adopting a continuous learning approach were underscored as critical for future progress.







Customer-facing Stakeholder Engagement Initiatives at Business Unit Level

In our portfolio business level, we actively engage with local government, customers, First Nations and stakeholders in co-creating a lasting, inclusive and sustainable community. Apart from the regular engagement initiatives introduced by the portfolio businesses to communicate with stakeholders on operations and developments, such as the Customer Liaison Group of HK Electric and "Gas Matters", the online engagement forum of AGIG, our business units implemented the following engagement initiatives for specific needs:

Regulatory-reset engagement (for regulated businesses):

As part of regulatory requirements, our portfolio businesses in the regulated utilities segment are required to provide documentation detailing their investment and activity plans, including a stakeholder and customer engagement report. A robust stakeholder engagement programme has been implemented to effectively capture customer and community perspectives.

Project-specific stakeholder engagement:

These efforts are tailored to individual projects, ensuring timely decision-making that involves affected parties and provides them with adequate opportunities to share their views.

AVR: Generating Positive Impact Together through AVR Stakeholder Day

Bringing together key chain partners, The AVR Stakeholder Day focused on identifying and discussing the most pressing ESG challenges and priority areas through interactive, rotating group sessions. The collaborative format encouraged open dialogue, fostering transparency about both the challenges faced and the opportunities emerging within the ESG landscape.

Stakeholder Day also served as a platform for mutual learning, with participants sharing insights, ambitions and strategies to tackle shared ESG challenges. This exchange of ideas enriched everyone's understanding and provided valuable input to help shape AVR's future ESG ambitions.



The event was a resounding success, generating actionable insights that will be further developed, integrated into operations, and used to refine AVR's sustainability goals. By working together with partners, AVR continues to strengthen its commitment to creating a positive impact and driving meaningful progress in ESG.

AGIG: Striving for Net Zero as The Engagement Enabler

AGIG plays a key role in Australia's energy transition, delivering gas to over 2.1 million customers across mainland states and the Northern Territory, from households to large industries. Stakeholder engagement is central to its mission, fostering awareness of renewable gases and aligning with UNSDG 9 (Industry, Innovation and Infrastructure).

2024 Engagement Highlights

In 2024, AGIG strengthened its engagement with customers, communities and industry by:

- Speaking at over 36 conferences and participating in 100+ events, including workshops.
- Hosting 51 tours of Hydrogen Park South Australia (HyP SA) with 730+ visitors.
- Conducting 40 HyHome tours, showcasing hydrogen appliances to 460+ visitors.
- Trialling 400 digital meters in HyP SA's blended gas zone.
- Introducing a 100% hydrogen-powered vehicle to its Melbourne fleet, reducing emissions.

Collaborating with Renewable Gas Producers

AGIG works with renewable gas developers to integrate hydrogen and biomethane into its networks. In 2024, it published a seven-step guide to simplify the connection process, supporting sector growth.

Driving a Sustainable Future

AGIG advanced regulatory frameworks for renewable gases, engaging in the Future Made in Australia (Guarantee of Origin) Bill 2024 and the GreenPower Renewable Gas Certification Scheme. Pending accreditation, AGIG will look to certify hydrogen from the HyP Murray Valley facility (currently under development) to enable industrial decarbonisation. It also supported the Code of Practice for Renewable Gas Connections, accelerating industry development.

Through meaningful collaboration, AGIG leads Australia's transition to low-carbon energy, ensuring reliable, sustainable and innovative solutions for its customers.





Engaging Stakeholders

Guided by the principles of integrity, openness and transparency. We aim to actively engaging with our stakeholders, comprehend their positions, concerns and expectations through continuous dialogue. These continuous and ongoing engagement informs our sustainability initiatives, projects and processes, enabling alignment with the interests and perspectives articulated by stakeholders. The perspectives and interests of stakeholders gathered through these engagement channels are consistently conveyed to our Sustainability Management Committee and Sustainability Committee.

Stakeholder Group	Purpose of Engagement	Engagement Channels		Top Material Topic ■ Environmental ■ Social ■ Governance
Capital Providers (Banks and other lenders; Investors or funds)	▸ Enhancing transparency ▸ Understanding investors' expectations on sustainability ▸ Attracting potential investors	● ESG Ratings ● Interim and annual investor presentations ● Stakeholder engagement survey ● Investor meetings, questionnaires and emails ● Annual General Meetings	● Investor relations meeting ● Annual Reports ● Investor relations presentations ● Meetings and dialogues	■ Integrated Governance Structure ■ GHG Emissions
Shareholders	▸ Ensuring effective and timely communication with shareholders ▸ Monitoring sentiment of stakeholders	● Annual General Meetings ● Annual and Interim Reports ● Investor relations	● Corporate website ● Meetings and dialogues ● Announcements	■ Decarbonisation, Hydrogen Economy and Energy Transition
Employees	▸ Boosting morale, building rapport and trusts ▸ Retaining talents ▸ Building the brand as employees' choice ▸ Ensuring sustainability strategies are cascaded	● Business unit-level board meetings, committee meetings and sustainability working group meetings ● Intranet ● Employee opinion surveys ● Staff engagement activities ● Induction and training opportunities	● Performance reviews and personal development dialogues ● Annual conferences ● Stakeholder engagement focus groups and surveys ● Whistleblowing and grievance channels ● Virtual and in-person forums	■ Decarbonisation, Hydrogen Economy and Energy Transition ■ Occupational Health, Safety and Well-being
Customers	▸ Building trust ▸ Enabling customers to achieve low carbon transition	● Corporate websites of business units ● Social media of business units ● Customer service and outage hotlines ● Customer Satisfaction surveys	● Customer engagement initiatives ● Complains and whistleblowing channels ● Customer forums, roundtable and consultations ● Newsletters and capacity-building materials	■ Decarbonisation, Hydrogen Economy and Energy Transition
Community	▸ Building trust ▸ Gaining support from the community ▸ Ensuring community benefit ▸ Responding to community concerns	● Community events and initiatives ● Public meetings and consultations	● Liaison teams ● Capacity building initiatives	■ Initiating Climate Transition in Community
Suppliers or Service Providers	▸ Protecting human rights ▸ Ensuring a respectful work environment for suppliers and service providers ▸ Aligning sustainability vision	● Stakeholder engagement survey ● Regular supplier assessment ● Tendering procedures	● Supplier due diligence or audit ● Site visit ● Workshops and seminars for suppliers	■ Decarbonisation, Hydrogen Economy and Energy Transition ■ Occupational Health, Safety and Well-being
Government and Regulatory bodies	▸ Ensuring regulatory compliance	● Consultation panels ● Responses to public consultations ● Focus groups ● Documentation related to regulatory resets	● Direct meetings and dialogues with policymaker ● Statutory filings and announcements ● Letters to institutions ● Annual Reports	■ Decarbonisation, Hydrogen Economy and Energy Transition
Associations, Councils, Academic or Professional Institutions	▸ Engaging with professional institutions and staying informed on the latest industry trends ▸ Building talent pipeline	● Local research projects ● Apprenticeships ● Collaborations in learning	● Development of initiatives ● Community project collaborations ● Campus recruitment	■ Decarbonisation, Hydrogen Economy and Energy Transition
Non-governmental Organisations ("NGOs")	▸ Building capacity in local community ▸ Pooling resources to enhance community well-being	● Local research projects ● Community projects collaborations ● Partnerships with NGOs	● Focus group discussions ● Donations ● Volunteering	■ Community Investment and Engagement

Climate Action

As a global investor in the energy and utility sectors, we play a crucial role in enabling the low-carbon transition across industries. The energy transition presents both opportunities and challenges for us. Our climate action plan guides our decarbonisation efforts across various sectors. Additionally, our climate resilience assessment provides investors and other stakeholders with insights into our strategies for addressing climate change and its impacts on our business operations.



Climate Action Plan

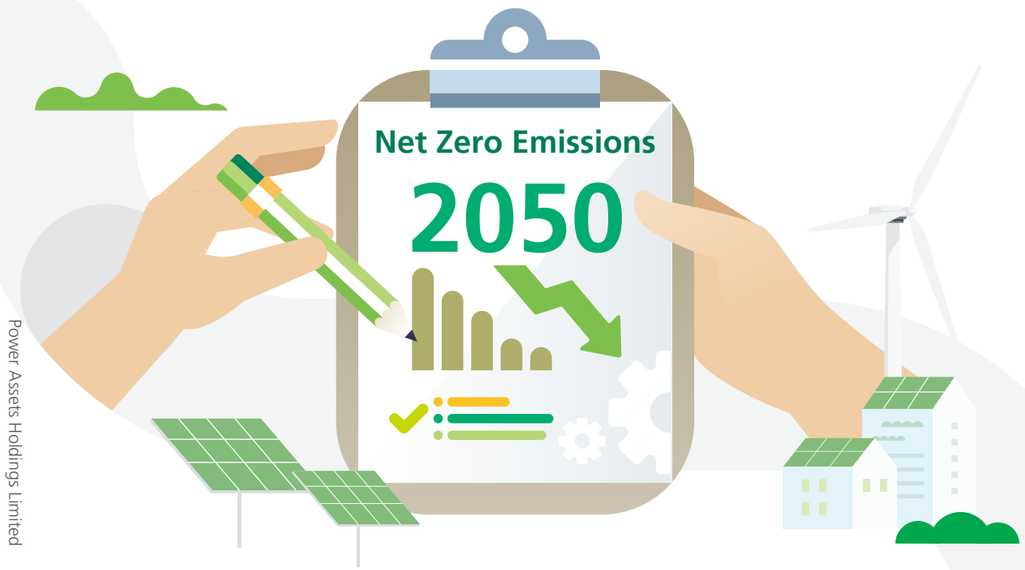
The Group stays aligned with international climate action trends, recognising the increasing momentum to curb GHG emissions. The latest COP29 summit reinforced the urgency of transitioning away from fossil fuels, calling for accelerated efforts to phase down unabated coal-fired power generation, eliminate inefficient fossil fuel subsidies, and implement systematic measures for a just, orderly, and equitable transition.

In full support of these global objectives, the Group remains steadfast in implementing initiatives to significantly reduce GHG emissions. Our strategy is targeting a 67% reduction in Scope 1 and 2 GHG emissions by 2035, using 2020 as the baseline year, and ultimately progressing towards net zero emissions by 2050. Additionally, we are committed to phasing out coal-fired generation by 2035. We are focused decarbonising our energy generation, modernising infrastructure with innovative technology, embracing hydrogen use in gas networks, and guiding our customers towards greater energy efficiency. These efforts collectively reinforce our vision of powering long-term business growth through sustainability.

In establishing our climate targets and action plan, we considered factors such as GHG reduction goals of our portfolio businesses, decarbonisation strategies, national and state climate plans, business planning assumptions, and investment strategies. The path to a net zero economy is constantly evolving, influenced by policy changes, market conditions, technological advancements, and societal expectations. Acknowledging these complexities, we remain committed to strategic foresight, proactive planning, and informed decision-making to navigate and adapt effectively to the ever-changing climate landscape.

The development and progress of targets are reviewed on an annual basis by the Board-level Sustainability Committee. For details, please refer to the Sustainability Governance section.

As a global investor in energy and utility-related businesses, the Group plays a critical role in advancing the low-carbon transition. Committed to decarbonising operations and building climate resilience, the Group has completed a Task Force on Climate-Related Financial Disclosures (TCFD) exercise in 2022 to identify material climate risks and opportunities and conduct climate scenario analysis to evaluate potential financial impacts and assess business resilience across various climate scenarios over time horizons up to 2050.



Supporting a Just Transition

The Group's resilience in the social dimension underscores our dedication to building a just and sustainable future. Our commitment extends beyond environmental impact; we actively support social development initiatives that facilitate a Just Transition to a low-carbon economy, champion gender equality, and empower employees through robust people management practices. By embedding social considerations into our core business strategies, we ensure that our decarbonisation efforts are aligned with Just Transition principles and acknowledge their social implications.

At the core of our climate action, we prioritise people, livelihoods and communities. Our resilience is strengthened through comprehensive supply chain management well-established customer relationships, reliable and modernised assets, and stringent security measures. More than just a presence in the community, we engage, listen, and take meaningful action that fosters mutual growth and shared value. These collective efforts lay the foundation for social resilience, ensuring we create lasting value for stakeholders while advancing sustainable progress and responsible growth.

Our Just Transition Plan



Suppliers

Improving awareness of risks of social disruption and climate change through engagement

Promoting regular reporting of our suppliers' Corporate Social Responsibility (CSR) performance

Employees

Securing a safe and decent work and livelihoods for our employees

Fostering culture of Diversity, Equity and Inclusion

Customers

Accelerating the low-carbon transition through partnerships

Joining UNGC to promote sustainability and social responsibility

Communities

Supporting our community and preventing new inequalities from arising

Creating employment opportunities during the transition

Our Low-carbon Transition Plan

The Group targets to achieve NET ZERO across our operations worldwide

Power Assets' Emissions within its business portfolio[1]

- Generation and Renewables
- Electricity Transmission and Distribution
- Gas Transmission and Distribution
- Energy-from-waste
- Oil Pipelines & Storage Facilities

Up to 2030

Reduce carbon footprint through modernisation, electrification and renewable energy

HK Electric
Increase the share of natural gas in fuel mix

Jinwan Power
Improve coal-fired units by 2025 to reduce fuel consumption and enhance cycle efficiency

WELL
25% reduction in Scope 1 and 2 (excluding line losses) emissions by 2025 (base year 2019)

NGN
45% reduction in Scope 1 and 2 emissions (2018-2031)

2035

- 67% Scope 1 and 2 GHG emissions reduction vs. 2020
- Phase out of coal-fired generation

HK Electric
Phase out coal-fired generation and achieve Science-based Target (SBT) of reducing Scope 1 GHG emission by 68.4% by 2035 (as compared with 2019)

Jinwan Power
Expiry of Jinwan JV arrangement in 2035

RPCL
Expiry of Power Purchase Agreement by 2033

UKPN
Reduce absolute Scope 1 and 2 GHG emissions by 53.1% by 2029 and by 90% by 2040 from a FY2019 base year

SAPN
Reduce Scope 1 and 2 GHG emissions by 50% by 2030 (compared with a base year of 2022)

VPN and United Energy
30% reduction of both Scope 1 and 2 GHG emissions (including distribution line losses) by 2030 from a 2019 baseline

AGIG
Reduce 30% of Scope 1 and 2 GHG emissions by 2030 compared to 2020

WWU
37.5% reduction by 2034 (well below two degrees)

Phoenix Energy
Reduce Scope 1 & 2 carbon emissions (excluding shrinkage) by 60% by 2030 and by 90% by 2035

AVR
Reduce Scope 1 emissions by 30% by 2030

EDL
50% reduction in GHG emissions intensity by 2035 (as compared with 2021)

2050
Net Zero

HK Electric
Pursue net zero before 2050

Canadian Power
Achieve net zero by 2050

SAPN
Achieve net zero (Scope 1 and 2) by 2035

UKPN
Achieve net zero for full carbon footprint by 2040 (SBTi validated)

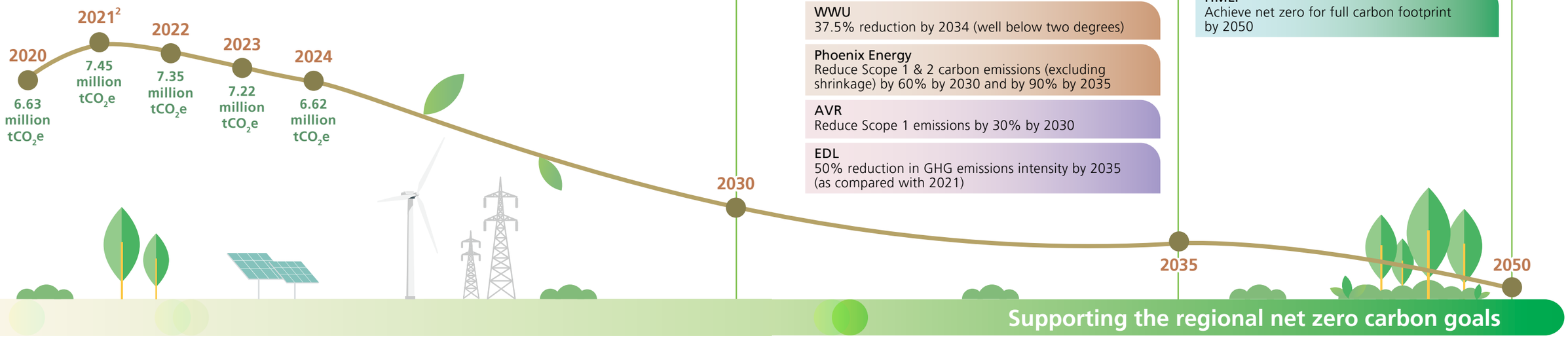
United Energy, VPN and WELL
Achieve net zero (Scope 1 and 2) by 2050

AGIG, NGN, Phoenix Energy and WWU
Achieve net zero by 2050

AVR
Achieve 100% reduction of Scope 1 emission by 2050

EDL
Achieve net zero for full carbon footprint by 2050

HMLP
Achieve net zero for full carbon footprint by 2050



Supporting the regional net zero carbon goals

1 The emissions cover Scope 1 and market-based Scope 2. The emissions from previous years have been restated to align with the calculation approach adopted across reporting years.

2 Comparing with 2020, increase in 2021 emissions was mainly attributed to the resumed normal operation of Jinwan Power after COVID19 lockdown.

Our Five Decarbonisation Levers Guiding our Low-carbon Transition

Group-level strategies

Expanding renewable energy, waste-to-energy, and carbon capture and utilisation

- Increase portfolio of renewable energy generation
- Develop energy infrastructure through carbon capture, utilisation and storage solutions

Modernising and digitalising electricity networks to accommodate more renewables and demand surge

- Establish DSO to maximise network capacity to facilitate customer decarbonisation at the lowest cost
- Reduce distribution line loss emissions through increased uptake of renewable into local electricity grid

Blending green hydrogen and biogenic gas into existing gas distribution network and ultimately replacing natural gas

- Facilitate 100% renewable and carbon neutral gas connection
- Improve reliability, reduce emissions and future proof the distribution networks

Promoting reduction and recovery of methane

- Reduce gas shrinkage through pipeline replacement and innovations in pressure management
- Develop low-carbon energy projects with biomethane

Implementing circular economy to reduce waste

- Divert waste from landfills with energy recovery to electricity, steam and heat and recycling of residual waste such as metals, plastics and minerals
- Divert waste from landfills with the use of recycled and low-carbon materials, material recovery and recycling across value chain

BU-level strategies

- EDL: Expand renewable energy portfolio
- HK Electric: Increase the adoption of renewables and explore the potential applications of zero-carbon energy import
- HK Electric: Recycle by-products, ash and gypsum, generated from coal-fired generation for industrial use
- HK Electric: Explore opportunities to optimise power grid operation and plan for green development
- AGN, MGN: Continue to facilitate 100% green gas connection by 2050
- AGIG: Develop renewable and carbon neutral gas projects
- EDL: Focus on development of low-carbon energy projects such as landfill gas, renewable natural gas (RNG) and remote hybrid renewables

2025
- SAPN: Achieve a net 100% renewable grid

2026
- United Energy: Increase total installed capacity of renewable energy generation on the network to 800 MW
- VPN: Scaling total installed capacity of renewable energy generation on the network to 4 GW
- WWU: 10% shrinkage reduction from 2020-21 baseline
- NGN: 24% reduction in gas leakage over RIIO-GD3 (April 2026 to March 2031)

2028
- HK Electric: Increase aggregate electricity generated from RE sources of HK Electric and its customers to over 15 GWh/year
- UKPN: Reduce fluid filled cable leaks by 15%

2030
- AGIG: Target 10% renewable and carbon neutral gas in distribution networks (by AGIG or third parties)
- Phoenix Energy: Introduce 20% green gas into the Distribution Network
- WWU: 82.44% of LP/MP network has been upgraded to hydrogen-ready polyethylene pipe
- Phoenix Energy: 75% reduction in the volume of waste sent to landfill

2031
- NGN: 0% waste to landfill by 2031

2040
- WWU: Be'net zero ready' for 100% hydrogen across the whole network

2050
- NGN: Transport 100% green gas in the network
- AGIG: Target 100% renewable and carbon neutral gas in distribution networks

2025 2030 2035 2050

Climate-related Disclosures

The Group conducted a climate scenario analysis to assess the potential impacts of climate-related risks and opportunities on our strategy, ensuring its resilience and adaptability to evolving environmental, regulatory, and market dynamics.

The assessment included the evaluation of physical risks, such as the impacts of extreme weather events including storms, floods and heatwaves on operations, infrastructure and potential business interruptions. Additionally, transition risks and opportunities were analysed in the context of macroeconomic changes, including shifts in market demand, policy developments, technological advancements, and evolving consumer preferences as part of the transition to a low-carbon economy.

These analyses ensure that our business remains resilient and adaptive to both physical and transition-related climate challenges. The analyses made use of a proprietary scenario analysis model to evaluate the potential physical and transition risks and opportunities under different hypothetical scenarios, enabling informed decision-making processes and reinforcing the resilience of our business future.Our scenario analysis was achieved by considering the most critical contribution of each business unit in terms of the EBIT and total assets of the Group. We also considered strategic importance to ensure comprehensive coverage of the majority of the financial value at risk, as well as diverse range of business sectors and geographical locations. Following the financial materiality review and strategic considerations, three business sectors across three geographical regions account for over 80% of the Group's EBIT and total asset values were covered.

For 2024, no material changes in climate risks or opportunities were identified, validating the robustness of our current strategies. This section summarises key inputs and findings from the climate scenario analysis. The detailed methodology and findings, which include qualitative and quantitative assessments of anticipated financial impacts, were disclosed in our 2023 Sustainability Report, also available as a standalone report on our website.

Key inputs for climate scenario analysis

	4°C business-as-usual scenario	1.5°C high-transition scenario
Climate scenarios	• Physical risk model: Emission models using CMIP5 data are applied for asset stress testing under two scenarios: a high-emission business-as-usual trajectory (RCP8.5) and a low-emission trajectory (RCP2.6). • Transition model: A global economic model analysing potential carbon emissions and the macroeconomic impacts of emission constraints using data from leading sources, including the IEA, IIASA, MAGICC, JRC GECO reports, and GTAP databases. This Integrated Assessment Model incorporates IPCC-established climate science.	
Type of climate factor	• Physical risks: acute/chronic • Transition risks • Transition opportunity	
Timeframe	Three time horizons were chosen to align with our internal actionable planning timeframes and to reflect the long-lived nature of our infrastructure assets: • Short-term (1-5 years) • Medium-term (5-15 years) • Long-term (15-30 years)	
Base year	2021	
Scope and boundaries	Selected seven business units, which • Contribute over 80% of the Group's EBIT and total asset values; and • Include electricity and gas transmission and distribution businesses whose industries could be profoundly impacted by climate change	

Key Climate Risks and Opportunities on Our Business Model and Value Chain

We recognise the importance of understanding how all the identified climate-related risks and opportunities would impact our business model and value chain:

- **Business model:** Power Assets operates a diversified business model focused on investing in and managing energy-related assets across four continents. We invest in a variety of energy sectors, including electricity generation, transmission, and distribution, as well as gas transmission and distribution, and oil storage and transmission. A majority of our investments are operated under regulatory regimes, which provide stable and predictable revenue streams. Please refer to Our Business Portfolio for more information.
- **Value chain:** Power Assets integrates sustainability across its value chain as part of our management approach to transitioning our global business towards carbon neutrality and achieving long-term sustainable growth. We encourage our businesses to implement and practice sustainable business principles, ensuring that their operations contribute positively to the communities and ecosystems in which they operate. For details, please refer to the Value Chain chapter.

Potential impacts of physical risks on our business model and value chain

Identified climate-related physical risks from scenario analysis	Geographical locations and relevant sectors considered	Potential impacts on business model and value chain
• Coastal flooding • Riverine flooding • Surface water flooding • Extreme wind • Extreme heat • Forest fire	Australia – Gas T&D, Electricity T&D Hong Kong – Generation, Electricity T&D UK – Gas T&D, Electricity T&D	• Higher maintenance costs and insurance premiums may strain budgets. • Climate stress can accelerate asset deterioration, increasing costs and reducing availability. • Climate events may disrupt supply chains, cause financial losses, and increase customer complaints. • Climate events may give rise to service delays, reducing customer satisfaction, straining stakeholder relationships, and harming reputation.



Potential impacts of transition risks and opportunities on our business model and value chain

Identified climate-related transition risks and opportunities from scenario analysis	Geographical locations and relevant sectors considered	Potential impacts on business model and value chain
• Changing demand for electricity from grid • Change demand for natural gas • Increasing in fuel costs • Increasing labour costs • Introduction of carbon taxes • Increasing prices of raw materials	Australia – Gas T&D, Electricity T&D Hong Kong – Generation, Electricity T&D UK – Gas T&D, Electricity T&D	• Shifts in sustainable energy consumption may alter energy demand patterns, driven by EV adoption and reduced gas use for heating, hot water, and cooking. • Switching from gas to electricity may increase energy costs, with rising costs passed on to customers. • Growing public and political pressure to adopt sustainable practices. • Growing demand for green electricity may stimulate growth in clean technology, which requires significant investment in energy infrastructure. • Increasing investment in alternative green energy and innovation creates opportunities for technological advances. • Potential supply chain disruptions on fuel and raw materials could impact energy delivery and supply reliability. • Investments in automation and technology may reduce labour demand, while improving operational efficiency helps offset rising labour costs. • Carbon taxes can incentivise businesses to reduce their carbon footprint and promote innovation in green technology. • Expensive digital technologies may create inequalities and vulnerabilities for customers.

Business Resilience Measures

The Group's proactive approach to managing climate-related risks and opportunities is closely aligned with our climate action plan. By addressing risks, enhancing resilience, and capitalising on opportunities in renewable energy and low-carbon technologies, the Group is well-positioned to support the global energy transition. This approach ensures long-term value creation for stakeholders while contributing to a sustainable future.

The Group has enhanced resilience to physical risks through a range of measures, including emergency response plans, infrastructure reinforcement and improved asset preparedness. We also mitigate risk through a geographically diversified portfolio and adaptive measures, ensuring preparedness for extreme weather events and other climate-related impacts. For more details, see the Climate Resilience and Adaptation section.

The Group is managing risks and seizing opportunities arising from the low-carbon transition. We are preparing stricter policies and leveraging new technologies to response to changing market and consumer expectations. Our focus is on improving electricity infrastructure to support renewable energy demand and integrating flexible capacity assets. We are also exploring ways to repurpose gas assets for hydrogen and other low-carbon uses. Additionally, the Group collaborates with business units to develop decarbonisation strategies, including carbon capture and renewable energy integration.

For an overview of how our climate-related disclosures in the Sustainability Report, Annual Report and standalone Climate-related Disclosures Report address the new climate reporting requirements of the HKEX ESG Reporting Code, please refer to the HKEX ESG Reporting Guide Content Index.

Sustainable and Responsible Investment

As the global economy advances towards a low-carbon future, sustainable investment in infrastructure and innovation is critical. The Group's long-standing expertise in sustainable investments and operations positions us to drive value creation while capturing opportunities in this transition. We believe that sustainable growth and financial success are interconnected, and at the core of our strategy, we embed ESG principles to guide our investment and operational decisions.

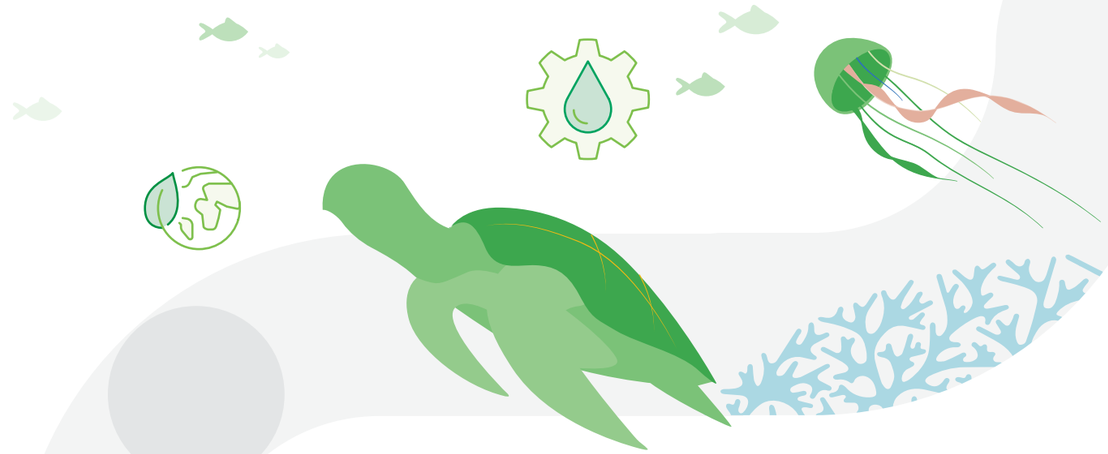
Recognising that ESG performance is not merely about regulatory compliance but a critical enabler of long-term value, the Group rigorously evaluates potential investments through a holistic lens. This includes assessing both financial and non-financial criteria, with a particular emphasis on ESG impact, ensuring that our capital allocation supports responsible growth and resilience.

ESG factors in evaluating potential investments

To ensure a more thorough evaluation of potential investments and acquisitions, we incorporate a wide range of relevant non-financial criteria into our assessment process. These factors include:

- Compliance with legal, regulatory, and ESG-related obligations and standards
- Current and potential physical climate risks, along with mitigation strategies
- Impacts and opportunities related to the energy transition
- Land use and biodiversity considerations
- Energy consumption and carbon emissions
- Water resource management
- Waste management practices
- Labour relations
- Operational performances such as health and safety records
- ESG commitments and targets

These criteria are regularly refreshed and updated to ensure management remains well informed when making decisions.



Strategic Focus on Low-Carbon Investments Drives 2024 Acquisitions



In 2024, the Group intensified its strategic focus on identifying global investment opportunities that align with its ESG criteria and commitment to sustainable energy, prioritising renewable energy and low-carbon solutions. This year marked a significant step forward with the completion of three strategic acquisitions of low-carbon energy businesses in the UK.

UK Renewables Energy

In September 2024, the Group acquired a 20% stake in a portfolio of operating onshore wind farms in the UK. This portfolio features 32 wind farms located in England, Scotland, and Wales, totalling 175 MW in installed capacity. The UK Renewables Energy is formed after the acquisition of the portfolio.

Phoenix Energy

In April 2024, the Group acquired a 20% stake in Phoenix Energy, Northern Ireland's largest natural gas distribution network. This business offers substantial decarbonisation potential, supporting the Northern Ireland government's net-zero targets.



Phoenix Energy is actively exploring ways to decarbonise home heating by providing greener gas solutions, including biomethane and hydrogen. Collaborating with industry partners, the company is developing market frameworks to facilitate the introduction of renewable gas solutions into the local gas network. Five near-term actions have been launched to sustainably integrate these renewable gases, with the belief that successful implementation will significantly bolster decarbonisation across homes, businesses, and the wider energy system. A hybrid heating trial is also underway to assess the impact of demand-side solutions for in Northern Ireland's retrofit market, combining gas boilers and heat pumps to enhance energy efficiency and reduce GHG emissions.

Powerlink Renewable Assets Acquisition

In May 2024, the Group further expanded its renewable energy portfolio with the acquisition of Powerlink Renewable Assets through UK Power Networks Services. This acquisition adds 70 renewable power-generation assets—including solar, wind, and hydro plants—across the UK, increasing the capacity of its renewable assets by 69 MW.



ESG Integration into our Investment Process

1 Investment Screening

Monitor sustainability and energy transition trends, and identify suitable acquisition targets

- **Monitoring industry trends:** Regularly monitoring ESG trends and regulations that may affect the infrastructure industry.
- **Identifying acquisition targets:** Identifying assets or businesses that align with our investment mandate for long-term, stable returns, while also considering ESG factors, including investments that the Group avoids or excludes.

2 Pre-investment Due Diligence

Assess ESG risks and ensure compliance

- **Assessing ESG risks:** Identifying any environmental impacts and regulations, social concerns, and governance issues that could affect the investment's performance.
- **Evaluating compliance:** Ensuring the potential investment adheres to relevant ESG-related laws, regulations, and standards.

3 Investment Decision-making

Integrate ESG factors in business analysis for investment decisions

- **Integrating ESG into business analysis:** Assessing how ESG factors may affect business strategy and could impact the financial outcomes, including potential costs, savings, or revenue drivers.
- **Weighing ESG factors:** Giving appropriate consideration to material ESG issues in the investment appraisal and selection process.

4 Post-investment Management

Enhance ESG performance through monitoring and engagement

- **Reporting and monitoring:** Regularly tracking ESG performance and reporting on progress against ESG objectives and metrics; incorporating ESG topics into the agendas of ongoing Committees under Board supervision for enhanced oversight and strategic integration.
- **Active engagement:** Working with the management of invested entities to improve their ESG performance, leveraging the ESG experience and best practices across business units to foster a culture of sustainability and responsibility.

In response to the urgent challenges of climate change, green investments form a cornerstone of our strategy. Across our portfolio businesses, we are directing substantial capital and operational expenditures toward projects that deliver long-term environmental benefits, enhance operational efficiencies, and align with global sustainability goals. Our commitment to mobilising capital towards a greener economy reinforces our role as a key enabler of sustainable progress, helping to power long-term growth through responsible investment and innovation.

In 2024, the Group and its business units allocated approximately HK$12.8 billion in capital and operating expenditures to comprehensive sustainability programmes. These expenditures were directed toward four key areas: Low-carbon transition technology; Sustainable transport; Asset modernisation and energy Integrity and Water, biodiversity and circular economy. Capital expenditures accounted for 86% of total spending on sustainable initiatives. As part of a strategic approach to climate mitigation and adaptation, the Group's targeted capital deployment demonstrates a coordinated effort across the Group and portfolio levels to implement our net-zero transition plan and strengthen the climate resilience of our assets.

Total Spending on Sustainable Activities in 2024: HK$12.8 billion

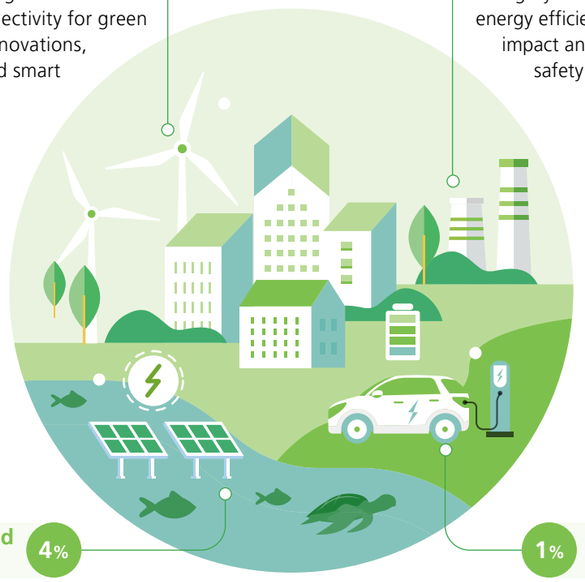
Capex: HK$11 billion Opex: HK$1.8 billion

Low-carbon Transition Technology 60%

Investments are aimed at renewable energy deployment, power generation decarbonisation, grid connectivity for green sources, carbon capture innovations, bioenergy development and smart grid upgrades to optimise energy distribution.

35% Asset Modernisation and Integrity

Investment in asset modernisation and integrity is being prioritised to enhance energy efficiency, reduce environmental impact and uphold the reliability and safety of operational procedures.



Water, Biodiversity and Circular Economy 4%

Our capital is directed towards a comprehensive approach that encompasses sustainable water management, circular economy principles and the active preservation of biodiversity within ecosystems.

1% Sustainable Transport

Projects focus on transitioning to electric transport, expanding electric vehicle infrastructure and promoting eco-friendly urban mobility.

VPN: Investing in Technology to Strengthen Network Operations and Support Future Energy Needs

VPN is significantly investing in technology and innovation to enhance its role as a network operator, with a planned A$28.2 million investment in 2024, up from A$0.4 million based on 2019 data.

Key initiatives include the deployment of its Low Voltage Distributed Energy Resource Management System (LV-DERMS), which helps comply with the Victorian Government's emergency mechanism for rooftop solar systems connected after October 1, 2024. This system also supports Powercor's flexible exports trial, set to expand in 2025.

Additionally, CitiPower has begun upgrading Melbourne's underground power network to help meet rising electricity demand with higher capacity assets. VPN introduced new measures for unplanned outages, providing customers with real-time information about repair crews and fault locations.



Powercor is tripling the power capacity at Ballarat Base Hospital and enhancing the local network to support more domestic rooftop solar, electric vehicles and advanced technologies

UKPN: Driving a Green Transition through Electrifying Public Transport

As part of its commitment to sustainable community development, UKPN is leading efforts to transform public transport infrastructure. With a £4 million investment, UKPN has electrified Arriva's bus fleet in Thornton Heath. The project, funded through the Green Recovery Fund, fast-tracked a 4.5MW power connection for the Whitehall Road bus depot, enabling the operation of 109 electric buses. To achieve this, UKPN installed 5 km of high-voltage underground cabling and upgraded local substation equipment. These enhancements are reducing carbon emissions and improving air quality across London, contributing to a cleaner and healthier urban environment.



UKPN has installed 5 km of new high-voltage underground cabling, promoting cleaner air and reduced carbon emissions.

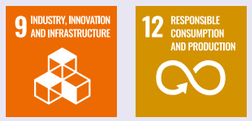
Sustainable Business

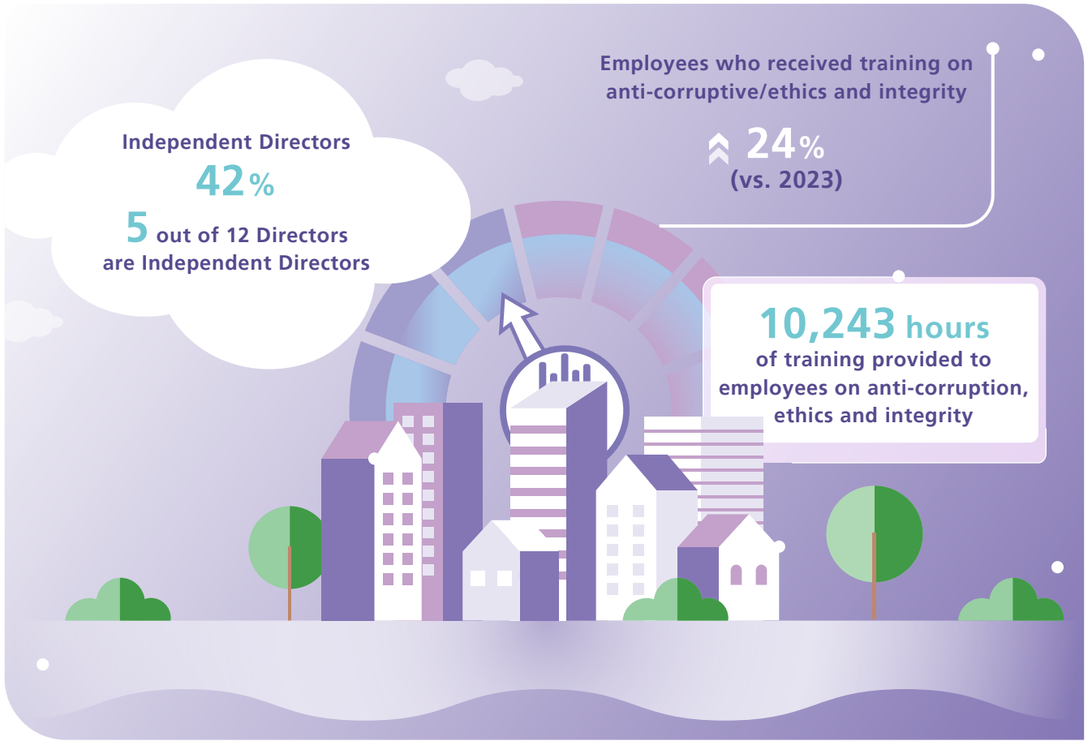
The Group is committed to operating sustainably while driving growth in harmony with the environment and wider community. By embedding sustainability in key areas such as cybersecurity, privacy and innovation, we ensure our business practices not only uphold resilience and responsibility but also power long-term growth through sustainability.



Material Topics

- Integrated Governance Structure
- Business Ethics and Anti-corruption
- Information and Cybersecurity
- Reliability, Asset Integrity and Crisis Management
- Privacy and Data Security
- Innovation and Digitalisation





The Group responds swiftly to safeguard energy security for various communities, seize opportunities in the energy transition and enhance transparency in our disclosures. We continuously embed strong corporate governance and effective risk management as the foundation of a sustainable business, powering long-term success. Additionally, we embrace innovation and digitalisation to drive efficiency, enhance decision-making and strengthen resilience, ensuring we remain agile and forward-looking in an evolving energy landscape.



Integrated Governance Structure

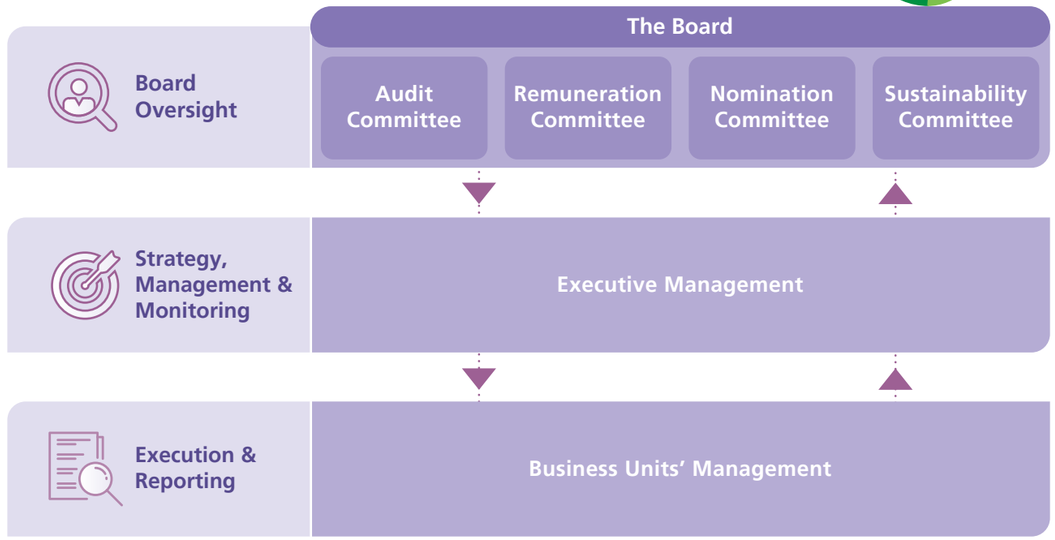
The Group's long-term sustainability is built upon our vision, values and strategy, which are supported by a robust corporate governance structure across the Group and our business units.

Good corporate governance is the foundation to effective management, fostering a positive corporate environment, sustainable business development and creating shareholder values. We are committed to maintaining good corporate governance best suited to the needs and interests of the Group and our subsidiaries. We have also adopted and applied corporate governance principles and practices that emphasises a quality Board, sound internal controls and transparency and accountability to all shareholders.

Details on sustainability and climate governance can be found in the Sustainability Governance section of this report.

The Group adopts a structured approach to integrate governance practices and procedures throughout the business, from Board-level committees to executive management, cascading to business units:

Our integrated governance structure



Corporate Governance

The Board is committed to maintaining high standards of corporate governance and recognises that sound and effective corporate governance practices are fundamental to the smooth, effective and transparent operation of the Company and our ability to attract investment, protect the rights of shareholders and other stakeholders and enhance shareholder value. The Group's corporate governance practices are designed to achieve these objectives and are maintained through a framework of processes, policies and guidelines.

Board Oversight

The Board, led by the Chairman, is collectively responsible for the management and operations of the Company. Its responsibilities include approval and monitoring of Group-wide strategies and policies, approval of annual budgets and business plans, evaluation of the performance of the Group and oversight of the management. Management, led by the Chief Executive Officer, is responsible for the day-to-day operations of the Group. The senior management of the Company, comprising the Executive Directors, is accountable to the Board and ultimately to the shareholders.

Directors at all times have full and timely access to information of the Group, including board papers and related materials. A financial summary outlining the Group's financial position and performance and containing the actual and budgeted results from different operations, with major variances explained, is sent to Directors each month for their review.

All Directors, including the Non-executive Directors and the Independent Non-executive Directors, have independent access to the management team for information on the Group and unrestricted access to the advice and services of the Company Secretary on governance matters and board procedures. There is a procedure for Directors to seek independent professional advice whenever deemed necessary by them at the expense of the Company.

Board Composition

The Board currently comprises five Executive Directors, two Non-executive Directors and five Independent Non-executive Directors. The number of Independent Non-executive Directors meets the one-third requirement under the Listing Rules, among which more than one of them have appropriate professional qualifications or accounting or related financial management expertise.

The Board's collective experience is complemented by a robust committee structure and governance framework, enabling comprehensive oversight and ensuring effective control over operational and strategic matters. This structure facilitates thorough evaluation of key issues, promoting informed decision-making and strong governance practices.

Independent Directors

42%

5 out of 12 Directors are Independent Directors

Female Directors

8%

1 out of 12 Directors is female

Board Tenure

42%

of Directors have 10 years or less tenure

Risk Management

The Group has in place an Enterprise Risk Management (ERM) framework to effectively identify, assess, mitigate and monitor key business, financial, operational and compliance risks, including ESG risks such as those related to climate change. ESG and climate-related risks are identified and managed through the Group's ESG Risk Management framework. Climate scenario analysis is conducted and used to inform the identification of climate-related risks and opportunities, as outlined in Climate-related Disclosures section.

The ERM framework enables us to adopt a proactive and structured approach to identifying and managing risks across the organisation, with on-going monitoring and review in place, as well as getting prepared for climate-related opportunities.

Risk Management Process

The risk management process is integrated into our day-to-day activities and is an on-going process involving all parts of the Group from the Board down to individual employees.

The risk identification process takes into account internal and external factors. These include economic, political, social, technological, environmental, laws and regulations, Group strategy, as well as our stakeholders' expectations in these aspects. Each risk identified is analysed on the basis of likelihood and impact in accordance with the risk appetite set by the Board.

In the risk assessment process, the impact of a risk is evaluated based on different aspects, ranging from insignificant to very substantial. The likelihood of a risk occurring is assessed on a scale from rare to almost certain. Together, these two dimensions determine the overall risk rating, which guides the prioritisation and management of risks. Action plans are developed to mitigate potential impacts and reduce the likelihood of occurrence. The risk assessment process also includes a review of the control mechanisms for each risk and a rating of the effectiveness of each control.

The Group compiles a risk register, which is updated and monitored on an on-going basis, taking into account emerging risks that may have a material impact on the Group. A risk management report that highlights key corporate and business level risks and action plans is reviewed by the Risk Management Committee half-yearly. A register of top corporate risks is presented to the Audit Committee for reporting to the Board. Significant changes in key risks on a day-to-day basis are handled as they arise and reported to management.

Fundamental to achieving our business goals is how we can effectively manage existing and emerging risks in different economic, social and political environments. A description of these risk factors is shown on pages 63-65 of the Group's Annual Report.

We are committed to fostering sustainable practices within the communities we serve and we recognise that the way we conduct our business is just as important as our environmental goals. We operate with a clear focus on ethical practices and open communication, which are essential for long-term success.

Business Ethics and Anti-corruption

While we strictly adhere to the regulations of the communities in which we work, our ambitions drive us to go further, ensuring that our operations are not only compliant but also proactive in preventing any unethical behaviour. As we journey toward a lower carbon future, we are putting in place a robust governance structure and responsible practices that balance stakeholder interests, uphold our values and influence our supply chain to uphold the same standards in their business activities.

Commitment and Action

The Group maintains an unwavering commitment to the highest standards of ethical conduct, ensuring integrity, honesty and openness in all facets of our operations. A strict zero-tolerance policy against any acts of fraud or bribery is in place, underlining our dedication to preventing, identifying and addressing any such misconduct.

The responsibility for upholding our ethical code rests with the Board, which is supported by the Executive Directors through monitoring of the Group's adherence to legal and regulatory requirements.

Governance Policies

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

The 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 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 circumstances 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. The Group's general policy is to avoid any form of donations to political associations or individual politicians.

Regulatory Compliance

Recognising the importance of regulatory adherence, the Group has implemented comprehensive measures to prevent, monitor and manage risks associated with bribery, extortion, fraud and money laundering. During the reporting period, the Group did not identify any significant breaches of laws or regulations relating to these issues or to conflict of interest, bribery, extortion, fraud and money laundering that would materially impact its operations. These efforts reinforce the Group's proactive approach to legal and ethical compliance.

Whistle-blower Programmes

The Group encourages all directors, employees and other stakeholders to report any suspected violations of the Code or other 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. Investigations will vary depending on the nature and particular circumstances of each report and substantiated violations would result in appropriate disciplinary actions, including termination of employment. In 2024, Power Assets had no reported whistleblowing cases and no convicted case of corruption.

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. 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.

Training highlights

Training topics include:

- Whistleblowing and Anti-Corruption
- Prevention of Bribery Ordinance
- Anti-Discrimination Ordinance
- Personal Data (Privacy) Ordinance
- Performance Management System (PMS) and Competency Model
- Performance Planning Workshop
- Modern Slavery Training

10,243 hours of training provided to employees on anti-corruption, ethics and integrity



HK Electric: Strengthening Business Ethics and Anti-Corruption Practices Through Digital Tools



In 2024, HK Electric strengthened its training initiatives by hosting six webinars focused on Anti-discrimination Ordinances, the Prevention of Bribery Ordinance and the Personal Data (Privacy) Ordinance to enhance employees' understanding of workplace laws. The company also organised four workshops for 106 managers to effectively apply Anti-discrimination Ordinances, helping them manage team performance and mitigate risks.

A seminar titled "Corruption Prevention – Digitalisation in Procurement and Works Supervision" attracted over 450 participants and featured speakers from the Independent Commission Against Corruption (ICAC). This compliance training focused on equipping participants with knowledge about digital tools for corruption prevention in procurement and works inspection, while also enhancing their understanding of major corruption risks and shortcomings in these areas.



Cybersecurity, Asset Integrity and Crisis Management

The Group recognises that cybersecurity, asset integrity and crisis management are fundamental to maintaining operational resilience and driving sustainable growth. Our approach is guided by strong governance principles, ensuring the protection of critical infrastructure while aligning with long-term business objectives. To address increasing cyber threats and emerging unforeseen crises, we are committed to reinforcing our security framework, enhancing risk controls and fostering a culture of resilience to safeguard our operations and stakeholders.

Commitment and Action

The Group's governance-driven approach to cybersecurity and crisis management is rooted in strong principles of accountability, risk management and continuous improvement. To uphold these principles, we are committed to proactively managing security risks, strengthening internal capabilities and reinforcing our security culture across all business units.

Our Information Security Policy serves as the foundation for safeguarding corporate information assets. It ensures confidentiality, integrity and availability through structured policies, clear accountability and role-based access controls. We leverage advanced cybersecurity technologies to continuously monitor IT systems and networks, enabling real-time threat detection and response. The Group ensures continuous enhancement of cybersecurity governance by collaborating with external entities for regular audits and risk assessments. We also mandate cybersecurity awareness training for all new hires and provide regular phishing awareness and refresher training for employees to reinforce their role as frontline defenders.

To bolster operational resilience against potential crises such as cyberattacks, natural disasters and system disruptions, the Group collaborates with business units to implement robust business continuity plans and incident response procedures.

Management Oversight

Governance and leadership are at the core of the Group's cybersecurity strategy. Our CEO, as a Board member, ensuring it remains a key agenda item in ESG, Risk Management and Audit Committee meetings across business units.

A dedicated Head of IT leads our cybersecurity efforts, ensuring adherence to information security policies and continuous improvement of our security culture. This role involves assessing evolving cyber threats, ensuring management capabilities align with risk mitigation needs and driving strategic cybersecurity initiatives across the Group.

To ensure business continuity and effective response to emergency situations, our business units have their own Crisis Management Plan (CMP) in place supplemented by contingency plans for crisis situations, including natural disasters, security incidents or other unexpected events. They have restoration plan in place to facilitate smooth and timely recovery of the power system in the event of major disruption to the services.

Several of our business units have achieved certifications under the following standards:

- ISO 27001 Information Security Management Systems
- UK Government Cyber Essentials certification
- Australian Energy Sector Cyber Security (AESCSF) Framework
- NIST Cybersecurity Framework

Cybersecurity Risk Control Culture

The Group maintains a strong risk control culture, with our Risk Management Committee regularly reviewing cybersecurity risks and overseeing mitigation measures. This includes:

- Updating cybersecurity policies and protection measures to adapt to emerging threats.
- Conducting penetration tests to identify and address vulnerabilities.
- Performing internal and external audits of application systems to ensure compliance.

Recognising employees as the first line of defence, the Group provides a Cybersecurity Portal, offering insights into emerging threats, best practices and internal policies. This centralised resource equips employees to protect corporate information assets effectively.

How the Group Powers Cybersecurity and Operational Resilience

Enhancing Cybersecurity Posture Through Proactive Preparation

By enhancing IT procurement, implementing structured cybersecurity assessments and adopting multi-layered defence strategies, the Group ensures its business units can mitigate risks, protect critical infrastructure and maintain regulatory compliance.

SAPN: Strengthening Cybersecurity Through IT Procurement and Privacy Assessment



To address risks posed by third-party vendors handling sensitive data, SAPN introduced a structured cybersecurity and privacy assessment programme. This framework prioritises vendors based on data sensitivity, cybersecurity maturity and compliance status, ensuring high-risk vendors receive thorough evaluations. Complementing this, SAPN launched the IT Procurement – Notification, Process and Lead Time Guideline and the End User Licence Agreement Guideline in August 2024. These guidelines standardise software procurement and renewal processes, requiring rigorous security reviews for all new software and reassessments at renewal.

Additionally, SAPN has strengthened lifecycle risk management and incident response protocols which significantly enhanced SAPN's cybersecurity posture, with Internal Audit validating their effectiveness in risk management and regulatory compliance. Notably, SAPN has achieved recognition as the only Australian company to make it into the top 50 worldwide in the OnCon Icon Awards.

The Group has developed real-time detection and response protocols, ensuring that every threat is identified and neutralised before it escalates. To strengthen information security governance, several business units have implemented ISO 27001 or other recognised standards, providing a systematic approach to identifying and mitigating security risks.

The Group has established robust business continuity and incident response procedures to ensure resilience against cyber disruptions. Contingency plans support the recovery of critical digital operations and are tested annually for effectiveness. Each business unit maintains and regularly updates its business continuity plan, which is documented, communicated and reinforced through practical drills. Cybersecurity response simulations are also deployed to refine crisis management capabilities. For example, SAPN conducted a desktop exercise simulating a complex scenario, including a weather event, application malfunction and insider threat in 2024.

Phoenix Energy: A Multi-Layered Approach to Cybersecurity



Phoenix Energy has adopted a multi-layered cybersecurity strategy, integrating hardware and software controls to fortify its defences. A key measure is the segregation of its gas network from IT systems, preventing unauthorised access. Comprehensive firewall protections, penetration testing and access restrictions further reduce risks, while proactive measures such as regular phishing simulations and IT security guidelines enhance resilience.

They also prioritise education and awareness, providing regular cybersecurity training and maintaining active engagement with the Northern Ireland Central Competent Authority for Network and Information Systems. Its Information Security Risk Group continuously reviews and mitigates emerging threats and safeguarding its infrastructure and ensuring the security of its operations.



UKPN: Pioneering Cybersecurity and Operational Resilience

UKPN has established a multi-layered cybersecurity framework built on three key pillars:

- Cybersecurity Management System: Aligns policies with ISO 27001 and NIS CAF standards, leveraging 24/7 monitoring, advanced analytics and documented incident response protocols to enhance resilience.
- Cyber Hygiene Practices: Strengthens defences through Cyber Essentials certification, regular phishing simulations and targeted awareness campaigns.
- Proactive Testing and Improvement: Conducts simulated cyber-attacks and unannounced penetration tests, ensuring vulnerabilities are identified and addressed with executive oversight.

Asset Integrity and Crisis Management

We ensure our network remains safe and resilient through regular asset inspections and maintenance while fostering a culture of preparedness, agility and responsiveness across our business units. Supported by continuous horizon scanning, this proactive approach helps us anticipate and mitigate potential disruptions to the essential services we provide to the communities we serve.

To prepare for unforeseen crises, we have robust contingency plans in place to facilitate the recovery of critical digital operations and services when necessary. These plans, which include detailed runbooks for attack scenarios, backup systems for restoring services, multiple cloud locations for data storage and offsite backups for physical disasters, are rigorously tested and reviewed annually to ensure their relevance and effectiveness in addressing emerging risks.

Regular drills are conducted to strengthen the efficacy of our crisis plans and procedures, ensuring smooth and efficient recovery during crisis situations. We also encourage our business units to continuously monitor and update their business continuity plans to maintain readiness and ensure adequate measures are in place to respond effectively to any crisis. At both the Group level and within individual businesses, we have conducted climate scenario analyses to better understand risk areas and prepare for extreme weather events. Continuous vigilance and threat scanning are central to our culture and we are increasingly maturing as an organisation in how we address these challenges.

For details in enhancing climate resilience and adaptation strategies and approaches in response to climate events, please refer to the Climate Resilience and Adaptation section.

HK Electric: Strengthening Asset Integrity against Climate Change

To enhance asset integrity amidst climate change and ensure a reliable power supply for local communities' social and economic development, HK Electric completed anti-flooding enhancements for low-lying substations near Hong Kong Island's northern coastal line in 2023. This initiative involved retrofitting substations with floor levels below +6 metres Principal Datum (PD) in areas identified as vulnerable to storm-surge impacts. The work is being executed in two phases:

- Phase I: Retrofitting of substations within 100 meters of the coastline, to be completed by 2025.
- Phase II: Retrofitting of substations located outside the 100-meter mark, targeted for completion by Q2 2026.



HK Electric's anti-flooding enhancements for low-lying substations ensure reliable power supply.

SAPN, VPN and United Energy: Enhancing Community Resilience with Mobile Emergency Response Vehicle



MERV provides direct support services to impacted communities, including phone charging, WiFi and up-to-date local information.

VPN and United Energy have introduced the Mobile Emergency Response Vehicle (MERV) to assist communities during emergencies and extended power outages. Equipped with a generator, flood lighting, satellite internet and phone charging facilities, MERV serves as a central hub for localised updates and community support. This initiative follows 2022's storms that damaged power infrastructure and aims to improve communication and engagement with residents about restoration times, safety information and outage updates.

SAPN is launching a Mobile Community Response Vehicle, designed to offer vital support during prolonged outages. This innovative vehicle will provide amenities like Wi-Fi, portable power banks and hot coffee, all tailored to customers with a place to charge devices, access the internet and obtain updates on power restoration progress and procedures. SAPN is inviting customers to customise the vehicle to meet community needs. Suggestions for features such as access to information, Wi-Fi connectivity, charging stations, hot water, a microwave, coffee/tea facilities, shelter and lighting could significantly enhance the customer experience during outages.



SAPN is designing a Community Response Vehicle to provide practical support during prolonged outages.

Phoenix Energy: Staying Connected this Winter Campaign

Phoenix Energy is collaborating with the top utility companies in Northern Ireland to help customers prepare for winter. Recognising the essential nature of its services, Phoenix Energy aims to provide guidance on how to mitigate potential interruptions to gas supply by encouraging customers to take proactive steps, such as keeping a torch and batteries handy, knowing the location of their gas shut-off valve and ensuring their heating systems are serviced annually. Phoenix Energy's dedicated teams are committed to maintaining smooth operations and will respond swiftly to any disruptions, prioritising the reconnection of customers as soon as it is safe to do so.



Phoenix Energy has dedicated, experienced staff working behind the scenes 24/7 to keep our networks operating.

Information and Cybersecurity

It is important for us to understand our customers' demands, empower the Group to foster robust and long-lasting customer relationships, improve our product quality and achieve or even surpass our service targets. With the emerging customer service trends, it is essential for the Group to harness the latest tools and technologies to adapt our customer service and deliver the best customer experience and satisfaction.

Across business operations, they have conducted different activities and measurements, including privacy impact assessments and customer privacy awareness training.

ZERO
information security breaches involving customers' personally identifiable information

No
substantiated complaints received concerning breaches of customer privacy

Commitment and Action

We recognise that responsible data management is a key pillar of sustainable business practices. Protecting customer information is fundamental to maintaining trust and we acknowledge the need for careful handling of sensitive data. Our employees are required to uphold the confidentiality of all proprietary data they may be exposed to, and they are informed that all customer information should solely be used for legitimate business activities. In addition, our Information Security Policy outlines and communicates the fundamental principles for maintaining information confidentiality, integrity and availability to be applied across our operations.

By embedding privacy policy systems within our risk and compliance management framework, we ensure that data security remains an integral part of our operational sustainability. This proactive approach not only safeguards sensitive information but also aligns with regulatory requirements, strengthening our long-term resilience as a sustainable business. We take non-compliance with this policy seriously. In line with our Personal Data Privacy Policy, any breaches or failure to adhere to associated guidelines may result in disciplinary action, including summary dismissal. This reinforces our dedication to fostering a culture of accountability and vigilance in managing data privacy and security.

Employee Privacy Training for Customer Data Security

The Group invests significantly in educating our employees on respecting customer privacy and protecting customer information. We offer various training programmes focused on customer privacy awareness and regularly conduct customer privacy impact assessments throughout our operations. By maintaining high standards in data protection, we reinforce the foundation of a sustainable business that values transparency, ethical practices and stakeholder trust. We also actively engage with our customers to understand their needs and gain valuable insights into their areas of concern, ensuring our services evolve in alignment with their expectations.

How the Group Powers Privacy and Data Security

Enforcing Privacy Management through Regular Training and Awareness Building

The Group is committed to fostering a strong privacy culture by promoting principles of accountability, risk awareness and continuous improvement. By encouraging regular training, compliance monitoring and proactive risk assessments, our business units have reinforced their data protection practices and aligned their operations with evolving privacy requirements.

SAPN: Privacy Training and Policy Compliance

SAPN has implemented a structured approach to privacy training and policy compliance. Its external-facing Privacy Policy is regularly reviewed, while internal guidelines are updated to provide employees with clear guidance. Senior leadership receives ongoing training on privacy obligations and online privacy training is rolled out to employees handling sensitive data. In 2024, the online privacy training was updated and rolled out to areas of the business with high exposure to personal information. Additionally, privacy practices are included in SAPN's biannual Legal Compliance programme, requiring business units to report on compliance and address any gaps.





HK Electric: Privacy Impact Assessment and Privacy Management Programme

HK Electric has introduced Guidelines for Privacy Impact Assessment, requiring business units to evaluate privacy risks associated with changes in projects, systems, or policies involving personal data. These assessments help ensure that risk mitigation measures are effectively applied. To further enhance privacy governance, HK Electric is implementing a Privacy Management Programme (PMP), which includes annual personal data inventory reviews and privacy impact assessments. The PMP engages internal stakeholders, including the Personal Data Protection Officer and business unit coordinators, to strengthen privacy infrastructure and compliance.

Innovation and Digitalisation

The Group embraces innovation and digitalisation to achieve long-term sustainability by enhancing efficiency, reducing environmental impact and staying ahead of regulatory changes. Aligned with our commitment to reducing carbon emissions, our business units are leveraging advanced technologies and innovative tools to optimise operations. This approach not only benefits the planet but also strengthens the company's market position by making operations more resilient, cost-effective and future-ready.

Our business units implement initiatives tailored to their specific contexts, demonstrating integrating innovation and digitalisation is more than just about improving operational efficiency—it is a key driver of long-term business sustainability.

By leveraging automation, Artificial Intelligence (AI) and data-driven insights, our operations can reduce resource consumption, boost innovation and enhance resilience in an ever-evolving business landscape.

How the Group Powers Innovation and Digitalisation

Advancing Long-Term Sustainability through Smart and Innovative Technology

At the Group, we recognise that innovation and digitalisation are essential to building a more sustainable future. By integrating smart technologies, we enhance efficiency, resilience and environmental responsibility across our operations. Our goal to long-term sustainability is reflected in how business units leverage data-driven solutions, automation and intelligent systems to optimise energy use, reduce carbon emissions and improve service reliability.

VPN: Utilising Drones for Remote Asset Inspections

VPN is deploying an in-house drone inspection team to undertake pre-summer asset inspections of power poles in high bushfire risk areas, enabling early detection of potential issues such as bird nests on high-voltage insulators. This initiative enhances predictive maintenance capabilities, reducing the risk of outages and strengthening overall grid resilience.



WWU: Digital Innovation Powers Renewable Future

A partnership between WWU and key energy stakeholders is set to innovate the renewable energy landscape through the "Powering Wales Renewably" initiative. Central to this project is the development of a digital twin of WWU's energy network, encompassing both transmission and distribution systems in a comprehensive virtual model. This digital transformation fosters unprecedented coordination across energy networks, driving WWU's net zero goals. Collaborating with the National Energy System Operator, Welsh Government and industry leaders, this initiative marks a significant leap toward digitalisation and innovation in Wales' energy transition.





SAPN: Utilising beyond Visual Line of Sight (BVLOS) Drones for Remote Asset Inspections

SAPN has conducted an Australian first, long range `Beyond Visual Line of Sight' drone inspection 150 km of powerlines in remote South Australia. This technology drastically reduces operating costs and carbon emissions associated with remote inspections and improve outage response times, bushfire preparedness and support the reliability of electricity supply in South Australia.

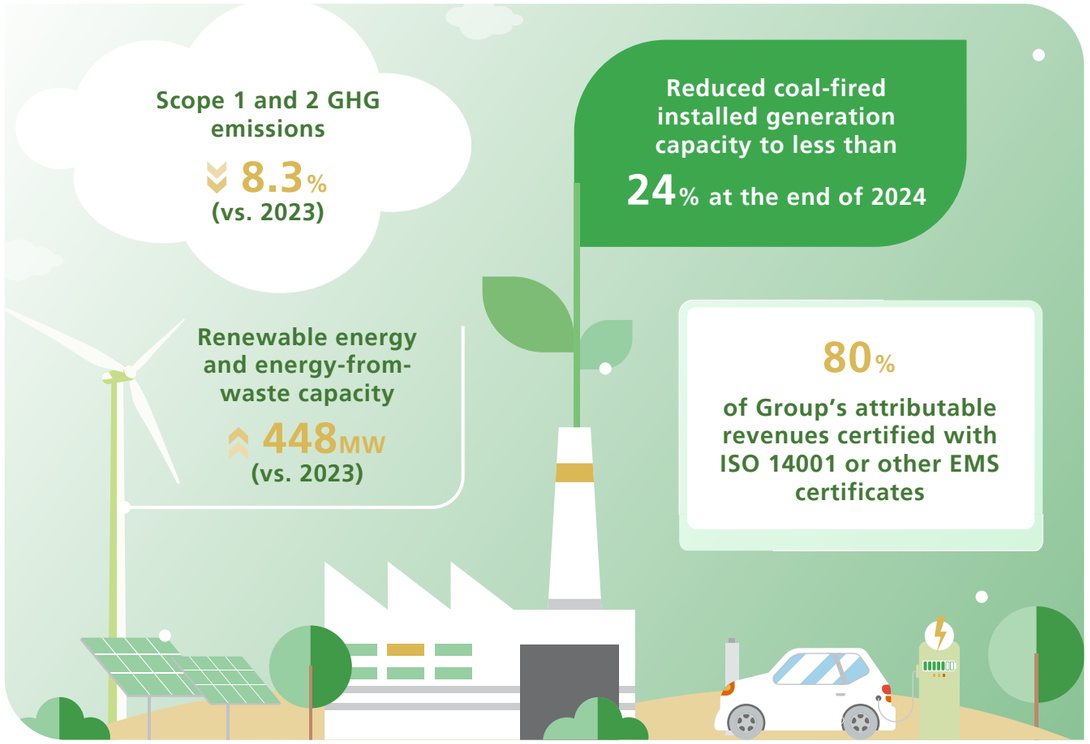
Our Environment

As a global energy investor, we recognise the vital role we play in driving decarbonisation within the utility sector. Our climate action plan underscores this commitment, setting a clear pathway to achieving net-zero emissions by 2050 via adopting clean energy and energy efficiency initiatives. Beyond climate action, we also address broader environmental priorities including biodiversity, conservation, nature preservation. and the management of water-related risks.

Material Topics

- Decarbonisation, Hydrogen Economy and Energy Transition
- GHG Emissions
- Climate Resilience and Adaptation
- Energy and Water Management
- Circular Economy
- Biodiversity and Nature





Note: Percentage of attributable revenue represents the revenue of each business multiplied by the effective interests owned by the Group on see-through basis, divided by the summation of the attributable revenue. This is an illustration of the scale of each business to the Group, and the figures do not represent the consolidated revenue for the Group.

Environmental Management

The Group is committed to environmental stewardship and minimising its environmental impact across all business activities. To achieve this, we focus on driving behavioural changes and adopting efficient technologies, processes and systems to implement and monitor reduction initiatives. We also take proactive measures to mitigate environmental impacts, assessing potential effects on biodiversity before starting projects and continuously monitoring our operations.

Our Environmental Policy lays the foundation for shaping our strategy and guiding our business practices. It ensures compliance with relevant laws and regulations across all business units. The policy stresses on a number of strategic priorities:

Climate Change Action
- Integrate climate change risks into the Group's risk management processes. Set long-term goals to reduce GHG emissions and implement systems to monitor the Group's carbon footprint.
- Embed climate change considerations into business strategies.

Water Management
- Monitor, track and reduce water consumption while ensuring responsible water management to address risks from water scarcity.
- Promote water stewardship to enhance water security through careful management and risk identification.

Waste Management
- Minimise waste generation, manage effluents and promote reuse and recycling in daily operations.
- Support the use of sustainable materials and adopt technologies to improve production efficiency and foster circular processes.

Air Quality
- Monitor and reduce emissions that deplete the ozone layer and other air pollutants across the Group's operations.

Biodiversity
- Apply a life-cycle approach to land and habitat management in operations.
- Limit disruption and mitigate impacts in natural areas, avoiding activities in regions with high biodiversity value.

Environmental Management System

Power Assets is implementing an Environmental Management System (EMS) to strengthen its approach to sustainability, particularly within the Environmental Pillar—one of the five pillars guiding the Group's sustainability strategy. This EMS drives continuous environmental improvement, ensures compliance with relevant laws and regulations, meets supply-chain requirements, enhances staff environmental awareness and increases financial savings resulting through resource management and cost reduction.

We also strive to align our environmental management with international standards. In 2024, 80% of the Group's attributable revenues were covered by ISO 14001 or other EMS certifications, demonstrating our rigorous approach to environmental management. Additionally, 64% of the Group's attributable revenues underwent external environmental and energy audits during the reporting period, reinforcing our commitment to improving environmental performance and accountability.

Regulatory Compliance

At Power Assets, compliance with laws and regulations is a top priority. The Group ensures that all business units fully adhere to applicable emissions and nature-related laws and regulations in the jurisdictions in which we operate, including the European Climate Law in Europe and the Climate Change Act 2022 in Australia.

Our management takes a proactive approach by closely monitoring regulatory updates and providing comprehensive training to relevant employees. We dedicate significant resources to continuously monitor and detect potential non-compliance, ensuring strict adherence to legal and regulatory standards.

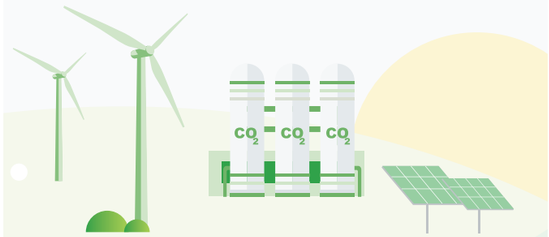
During the reporting period, we identified no instances of non-compliance with laws and regulations that could have a material impact on the Group, specifically concerning air and GHG emissions, discharges into water and land and the generation of hazardous or non-hazardous waste.

Decarbonisation, Hydrogen Economy and Energy Transition

The Group recognises the urgent need to address climate change and takes active steps to manage the environmental impact of our operations. As a leader in the energy industry, we understand that our activities have the potential to both contribute to and mitigate global GHG emissions. Our role is pivotal in facilitating the shift towards a low-carbon, sustainable economy.

In alignment with the Paris Agreement's ambition of limiting global warming to 1.5°C above pre-industrial levels, the Group has developed a robust strategy to transform and decarbonise our operations. This strategy is underpinned by five strategic decarbonisation levers, which together form the foundation of our decarbonisation and energy transition roadmap:

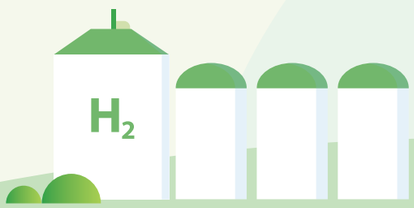
1 Expanding renewable energy, waste-to-energy and carbon capture and utilisation:
Enhancing the share of renewables and innovative technologies to minimise emissions.



2 Modernising and digitalising electricity networks:
Strengthening grid capability to accommodate renewable energy integration and increasing demand.



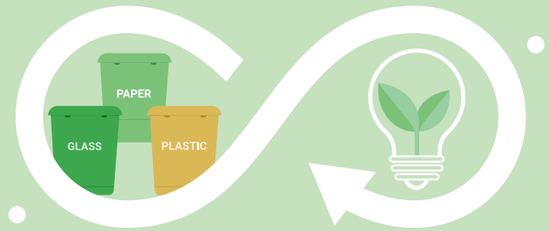
3 Blending green hydrogen and biogenic gas into existing networks:
Transitioning towards cleaner energy solutions by replacing natural gas with sustainable alternatives.



4 Promoting reduction and recovery of methane:
Targeting methane emissions through reduction initiatives and recovery technologies.



5 Implementing circular economy principles:
Reducing waste by optimising resource use and converting waste into useful materials.

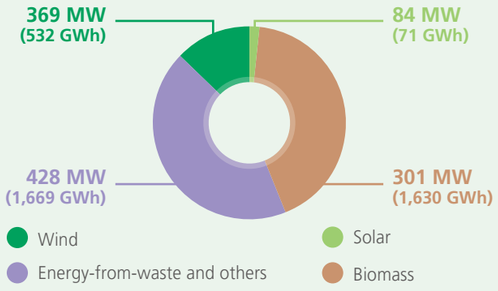


These levers represent practical, actionable pathways tailored to address the diverse needs of our business units and markets. By embedding these strategies into every facet of our operations, we ensure measurable progress toward our goals, with clear milestones spanning short-, medium- and long-term horizons.

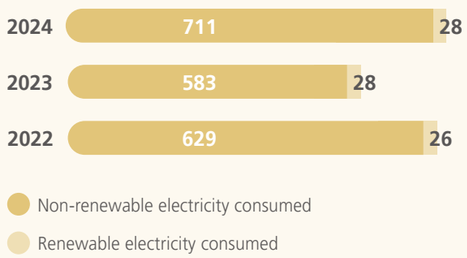
The subsequent sections of this chapter will elaborate on each decarbonisation lever, showcasing the innovative measures undertaken and the progress achieved across our operations, reflecting our unwavering commitment to a sustainable, low-carbon future. The progress of our fifth decarbonisation lever "Implementing circular economy principles" is presented in the Circular Economy section.

Our business units have set targets to reduce Scope 1 and 2 emissions, supporting the Group-level targets, as detailed in the Climate Action Plan section.

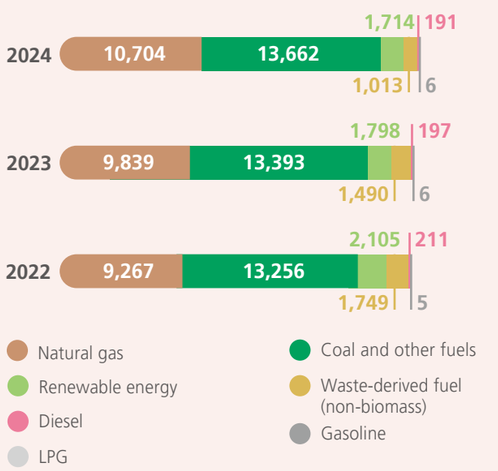
Renewable energy capacity and generation mix in 2024



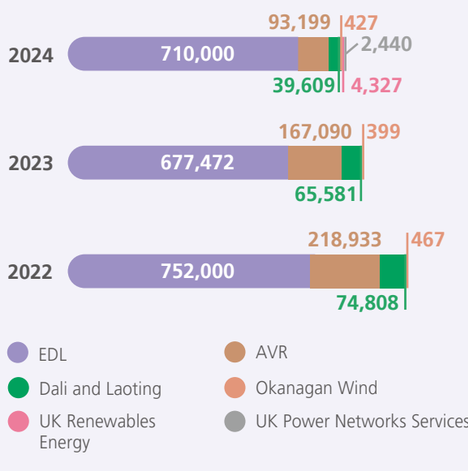
Purchased electricity for own consumption ('000 MWh)[1]



Non-renewable and renewable energy consumption ('000 MWh)



Carbon avoidance (tCO_2e)[2]



1 2022 and 2023 data have been restated due to enhanced data collection and reporting to ensure comparability of data over time.

2 2024 data includes renewable energy assets acquired in 2024 (UK Renewables Energy and Powerlink Renewable Assets through UK Power Networks Services), accounted for only after the acquisition date.

Expanding Renewable Energy, Waste-to-energy and Carbon Capture and Utilisation

Our strategies focus on decarbonising our energy generation portfolio and expanding our business segments aligned with our core objectives. We actively pursue carbon avoidance initiatives, including renewable and energy-from-waste and initiatives that utilise by-product gases such as landfill and waste coal mine gas, which would otherwise be emitted or flared. In 2024, these efforts helped the Group to avoid 850,000 tCO_2e of emissions. Additionally, we are also advancing carbon capture and storage initiatives further strengthening our commitment to mitigating GHG emissions.

The trajectory of the shift towards a net-zero economy remains highly fluid, varying across sectors and geographies due to a multitude of factors and uncertainties. As we develop our low-carbon transition plan, we believe that continued efforts and proactive contingency planning will enable us to navigate the complexities of achieving net-zero emissions. By staying adaptable and responsive to emerging challenges and opportunities, we aim to contribute significantly to a sustainable future.

How the Group Powers Sustainable Energy

Transitioning Energy Sources for a Sustainable Future

The Group remains committed to combating climate change by driving renewable energy initiatives and fostering innovation to reduce reliance on fossil fuels and advancing a sustainable energy future.



HK Electric: Commissioning of New Gas-fired Generation Unit to Facilitate Coal-to-gas Transition

As a pivotal step to phasing out coal-fired generation by 2035, HK Electric successfully commissioned its new gas-fired generation unit, L12, in March 2024. The unit adopts the "combined-cycle generation technology" which is one of the cleanest, most popular and efficiency ways to generate electricity with fossil fuels in the world. It represents a significant milestone in the company's environmental strategy, effectively halving emissions compared to existing coal-fired units at Lamma Power Station.

Implementing L12 marks the completion of the construction of the three gas-fired generating units, increasing gas-fired generation from 56% in 2023 to 68% in 2024. Meanwhile, another gas-fired generating unit, L13, is being constructed and scheduled for commissioning in 2029. The strategic infrastructure investment demonstrates HK Electric's commitment to accelerating the clean energy transition while ensuring reliable power supply for its customers.

EDL: Landfill Gas Power Station Expansion Brings More Renewable Energy

EDL has expanded its landfill gas power station at Byron Center, Michigan, adding a third engine and increasing its capacity to 4.8MW. This expansion utilises biogas captured from the South Kent Landfill to generate renewable electricity, which is supplied to Consumers Energy and the local power network. The project supports Kent County's efforts to reduce methane emissions and increase renewable energy use. EDL repurposed a reconditioned engine from its portfolio for the expansion, showcasing its sustainable practices. EDL operates 21 landfill gas power stations across the USA and Canada, contributing to its global portfolio of 83 sustainable and distributed energy sites.





AVR: Scaling up Carbon Capture

AVR is advancing its decarbonisation efforts with a large-scale CO_2 capture facility at Rozenburg, designed to capture 440 kilotonnes of CO_2 annually. Half of the captured CO_2 will support local horticulture, reducing reliance on fossil fuels, while the remainder will be permanently stored in North Sea gas fields through an external partnership. Collaborating with industry partners for CO_2 transport, storage and utilisation, AVR completed a technology selection process in 2023 and entered the Front-End Engineering and Design (FEED) phase in early 2024, aiming for operational status by 2029.

Modernising and Digitalising Electricity Networks for Renewables and Demand Surges

The Group recognises the rising demand for electricity, driven by advancements in technologies such as AI, the rapid expansion of data centers, decentralised renewable energy sources and the increasing adoption of EV charging. As electricity consumption continues to grow, ensuring a flexible and reliable power network has become even more critical to supporting a resilient and sustainable energy system. To meet these challenges, we are modernising and digitalising our electricity networks through advanced technologies, infrastructure upgrades and enhanced grid management.

Reducing distribution losses and GHG emissions

Electricity transmission and distribution losses contribute to increased GHG emissions. To address this, the Group is implementing innovative equipment and management techniques that enhance energy efficiency and reduce waste. For instance, UKPN is upgrading transformers to Ecodesign specification units, significantly reducing line losses and improving network efficiency. Through targeted investments in upgraded infrastructure, smart grid technologies, we are working to build a more sustainable, low-carbon electricity network.

By modernising and digitalising our electricity networks, the Group is ensuring long-term resilience, improving energy efficiency and supporting the global transition to cleaner energy sources.

Grid resiliency

System Average Interruption Duration Index (SAIDI):

0.049 for transmission

1.00 for distribution

Power delivery efficiency

Transmission loss

1.20% in 2024 (vs. 1.2% in 2023)

Distribution loss

6.19% in 2024 (vs. 5.57% in 2023)

Smart Grid

HK Electric:

~80% electric load serviced by smart meters

Aims to complete the full-scale deployment of smart meters by 2025

VPN and United Energy:

~100% electric load serviced by smart meters

SAPN:

~76% electric load serviced by smart meters

Investments in networks

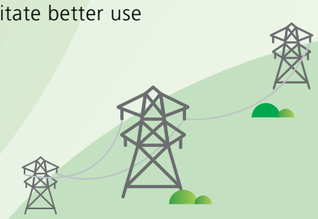
HK$1,821 million

HK Electric's Capex in 2024 to enhance system resilience and facilitate better use of energy by customers

A$28.2 million
VPN

A$17.1 million
United Energy

Network and technology investments in innovation from 2022 to 2024



How the Group Powers Smart Grid

Leveraging Technology for Grid Flexibility and Decarbonisation

We are investing in advanced technologies and digital solutions to optimise grid performance and minimise environmental impact. Smart grid solutions play a crucial role in our modernisation strategy.

UKPN: Responding to Net Zero with Distributed System Operator (DSO)



By prioritising a "Not being a blocker" mentality, UKPN aims to facilitate energy transitions. DSO programmes focus on maximising the utilisation of the existing network to increase flexibility and provide excellent service to customers at the lowest cost.

Key initiatives include Flexible, Phased and Profile Connections, which allow the integration of Distributed Energy Resources (DERs) in constrained areas without conventional network reinforcements. UKPN is also advancing its innovation programmes, such as Constellation Projects and Smartwire, to digitalise substations and promote interoperable communication, thereby increasing capacity for low-carbon generation.

Furthermore, UKPN also employs advanced demand forecasting and capacity management techniques, utilising SCADA systems, smart meters and artificial intelligence to monitor load risks effectively. Together, these efforts position UKPN as a leader in the transition to a sustainable energy future.



SAPN: Offering Flexible Connections in the Networks

In South Australia, SAPN has introduced a world-first smart solar flexible export option. The Flexible Exports option is a world-first smart solar technology designed to enhance increase solar export capacity for South Australians with rooftop solar, which can improve their financial returns. This innovative solution provides direct savings on energy bills, contributes to a healthier grid that is less prone to outages and increases the use of renewable energy while minimising waste. By utilising an internet-connected inverter, new and upgrading customers can export surplus energy ranging from 1.5 kW to 10 kW per phase from their solar panels, a significant increase on the previous standard export limit of 5 kW per phase into the network.

Blending Green Hydrogen and Biogenic Gas Into Existing Gas Distribution Network and Ultimately Replacing Natural Gas

The Group recognises the critical role of green gas in complementing renewable energy and reducing reliance on fossil fuels. Our gas transmission and distribution businesses are advancing green hydrogen and biogenic gas initiatives tailored to their operational needs.

Embracing green hydrogen is key to achieving a net-zero energy system. Our businesses are developing plans to including green hydrogen and blending it into existing distribution networks, preparing for hydrogen-ready infrastructure. In South Australia, we are blending 10% green hydrogen into the natural gas network to lower carbon emissions. Similarly, in the UK, NGN has conducted and satisfactorily completed trials blending hydrogen (up to 20% by volume) with natural gas for 670 customers as part of the HyDeploy22 initiative.

Our business units are also facilitating the production and blending of biogenic gas, such as biomethane derived from organic waste. This carbon-neutral biomethane displaces methane-rich natural gas, helping customers utilise methane that would otherwise be emitted into the atmosphere.

Gas network length

Over **116,000** km in 2024

from **112,600** km in 2023

Renewable gas production

19,083 kg in 2024

22% vs. 2023

Mains replacement

1,442 km in 2024

12% vs. 2023

Biomethane injected

1,497 GWh in 2024

Gas leakage rate[1]

Transmission loss

0.01% in 2024
(vs. 0.12% in 2023)

Distribution loss

0.28% in 2024
(vs. 0.79% in 2023)



[1] Gas leakage rate includes Venting, Fugitive, Pneumatic and unburnt gas loss.

How the Group Powers Green Gas Economy

Decarbonising UK and Northern Ireland's Homes with Green Gases

The drive toward a sustainable energy future in the Ireland and UK is gaining momentum, with green gases like green hydrogen and biomethane playing a crucial role in decarbonising homes and reducing reliance on fossil fuels. The Group's recent initiatives highlight its commitment to leading this transition through innovation and strategic investments.

Phoenix Energy: Driving a Sustainable Future through Biomethane Innovation



Northern Ireland, reliant on fuel oil for heating, is accelerating its transition toward renewable energy solutions. In 2024, the Group acquired Phoenix Energy, the region's largest natural gas distribution network, which is actively developing a biomethane economy to support the displacement of natural gas. This initiative not only reduces carbon emissions but also promotes sustainability and biodiversity within the agricultural sector.

Biomethane, a carbon-neutral alternative to natural gas, can be produced from sustainable feedstocks such as silage, slurry and food waste.

Phoenix Energy's efforts to integrate biomethane into its network are reducing reliance on traditional fossil fuels, aligning with local economic and environmental priorities and contributing to a cleaner, greener future for Northern Ireland.



WWU: Unlocking the Potential of Biomethane

WWU is also advancing the use of biomethane. WWU currently connects 21 biomethane production sites to its network, providing enough capacity for green gas to meet the annual demand of approximately 151,000 homes. To address challenges with biomethane injection during periods of low demand, WWU has launched trials of a Smart Pressure Control system using the Utonomy One technology. This automated system optimises network pressure, allowing more biomethane to be used efficiently within existing infrastructure. By reducing constraints, WWU is maximising the benefits of renewable gas.

These initiatives highlight the Group's role in decarbonising homes across the UK and Ireland by integrating green gases into existing networks and embracing practical innovations. By prioritising solutions like biomethane, the Group is making a meaningful contribution to reducing carbon emissions and supporting national goals for a sustainable energy future.

AGIG's Hydrogen Projects: Leading Australia's Transition to Renewable Hydrogen



In March 2024, Hydrogen Park South Australia (HyP SA) increased the blend from up to 5% to up to 10%, providing this renewable gas blend to approximately 4,000 homes, businesses and schools. This marked the first time a 10% (by volume) renewable hydrogen blend was delivered through an existing gas network in Australia. HyP SA has also retained its supply of 100% hydrogen to transport and industrial sectors via tube trailers throughout 2024.

The facility's 1.25 MW Proton Exchange Membrane (PEM) electrolyser has produced over 39,900kg of renewable hydrogen, equivalent to fuelling nearly 100,000 hot showers or cooking over 618,000 pots of pasta. HyP SA also supplies 100% renewable hydrogen to industries and hydrogen-powered buses, which have collectively travelled nearly one million km, showcasing hydrogen's potential in hard-to-abate sectors like transport.

Community feedback underscores its success, with 73% of surveyed customers expressing satisfaction with the hydrogen blend. Beyond supply, HyP SA serves as a hub for industry collaboration, hosting over 5,500 visitors to share knowledge and promote renewable hydrogen adoption.

HyP SA's achievements have laid the foundation for future projects, including Hydrogen Park Murray Valley (HyP Murray Valley), which aims to produce renewable hydrogen through a 10MW electrolyser. HyP Murray Valley, currently under construction, will seek GreenPower accreditation in 2025 to produce renewable hydrogen attributed to Renewable Gas Guarantee of Origin (RGGO) certificates under the scheme.

HyP Gladstone produces renewable hydrogen through a 0.175 MW electrolyser, delivering Australia's first whole of gas network blending project. Beginning production in November 2024, the facility supplies up to a 10% renewable hydrogen blend to the whole of Gladstone, around 700 homes, businesses and industry on the existing gas network.



AGIG has also actively engaged with policy and certification development, including the Future Made in Australia (Guarantee of Origin) Bill 2024 and the GreenPower Renewable Gas Certification scheme, which will support industrial decarbonisation at HyP Murray Valley (pending GreenPower accreditation). These efforts build on work completed in 2023 to expand the national gas regulatory framework to include hydrogen, biomethane and other renewable gases, further advancing Australia's transition to a low-carbon energy future.

Promoting Reduction and Recovery of Methane

The Group recognises the significant impact of methane emissions on climate change and is committed to effective methane management, aligning with global efforts such as the Global Methane Pledge. Our gas transmission and distribution businesses lead the way with strategies to detect, repair and prevent leaks while enhancing infrastructure to minimise emissions.

Reducing Methane Leaks from Pipelines

Our operations focus on proactive measures to detect and repair methane leaks, strengthen monitoring systems and improve the reliability of gas infrastructure. In 2024, our gas leakage rates for gas distribution and gas transmission were 0.28% and 0.01% respectively. These efforts are complemented by advancements in carbon capture and storage technologies across various business units, reinforcing our commitment to reducing GHG emissions.

Recovering and Utilising Methane from Waste

Renewable gases, such as methane recovered from landfills, waste coal mines, agricultural waste and sewage, are processed and integrated into our networks. By capturing methane that would otherwise be released into the atmosphere, we enable our customers to contribute to significantly reducing emissions.

EDL: Expanding Renewable Natural Gas Operations in the U.S.

EDL owns and operates a portfolio of energy-from-waste facilities that convert captured methane from landfills into renewable natural gas (RNG) in North America. The company has expanded its RNG operations in the United States, commissioning new facilities in Ohio.

Landfill gas, generated from the decomposition of organic matter in waste, consists primarily of methane, carbon dioxide and organic compounds. Without intervention, this gas is typically released into the atmosphere or flared. EDL captures and converts it into RNG, significantly avoiding carbon emissions.

In Ohio, the Limestone RNG Facility reached commercial operational status in August 2024. It has the capacity to convert landfill gas into approximately 1.7 million MMBtu of pipeline-quality RNG annually, serving as a cleaner fuel source for powering vehicles, heating homes through the natural gas system, or electricity generation. Similarly, the Lorain RNG Facility reached operational status in September 2024. It has the capacity to produce around 1.6 million MMBtu of pipeline-quality RNG. RNG from the Lorain facility is injected into a delivery pipeline and supplied to customers as a cleaner energy source and to power vehicles as a direct alternative to fossil-fuel compressed natural gas (CNG). Both facilities demonstrate EDL's commitment to providing sustainable energy solutions, reducing carbon emissions relative to fossil fuels.



EDL Limestone Renewable Natural Gas Facility in Ohio, USA

AGIG: Commitment to Reducing Methane Emissions



Since 2023, AGIG, has been a signatory to the Methane Guiding Principles, an initiative to share learnings, tools and transparently report on enabling actions to reduce methane emissions globally. As part of its ongoing effort to replace ageing infrastructure, specifically low-pressure and early-generation polyethylene pipes, AGIG aims to improve network reliability and reduce emissions. In 2024, it delivered 364 km of pipeline replacement.



AGIG is dedicated to enhancing the reliability and sustainability of the distribution networks.

NGN: Modernising Infrastructure to Reduce Gas Leakage



NGN has initiated a 30-year programme to replace metallic pipes within 30 meters of properties with modern plastic pipes. NGN also manages gas pressure to minimise strain on pipes and uses Monothylene Glycol to saturate and seal potentially leaking metallic joints. NGN has committed an agreed target with the regular, OFGEM, in reducing gas leakage by 25% between 2021 and 2026. In 2024, NGN has reduced 16% gas leakage compared to 2021.



NGN's gas leakage reduction strategy involves replacing 500 km of aged metallic pipes with robust plastic pipes.

GHG Emissions

Commitment and Action

The Group understands the risks and impacts of GHG emissions associated with our operations. According to the direction given by the Group's Environmental Policy, we are committed to addressing GHG emissions across all business activities. We have established medium- and long-term targets to reduce GHG emissions, supported by robust processes to calculate and monitor our carbon footprint.

Our GHG Emission Profile

89%
Scope 1 Scope 2

11%
Scope 3

In 2024, Scope 1 and 2 emissions accounted for around for 89% of our total emissions, while Scope 3 emissions represented around 11%. Total GHG emissions, comprising Scope 1, 2 and 3 emissions, decreased by compared to 2023.

In 2024, the Scope 3 emissions inventory covered the Group's most significant businesses, accounting for approximately 87% of our attributable revenue.

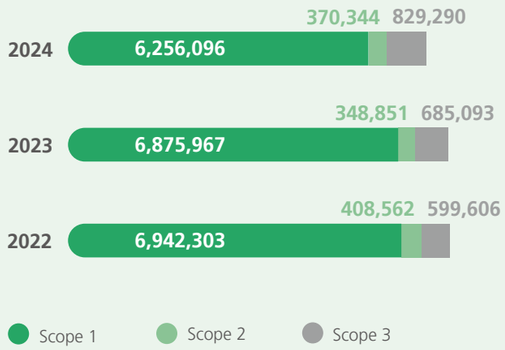


Given the nature of our energy and utility-related businesses, the majority of our Scope 3 emissions stem from upstream activities, particularly fuel and energy-related activities associated with the production of the fuels and electricity we consume. Details of our calculation methodologies are provided in the Appendix.

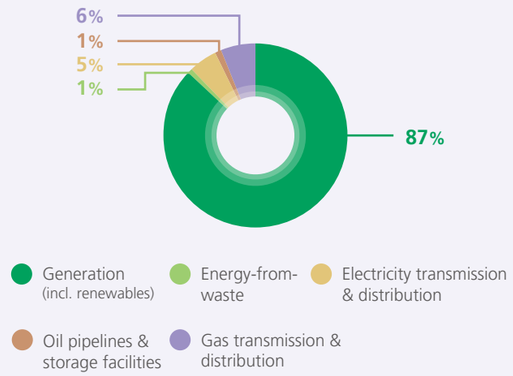
Acknowledging the limited control over downstream emissions from the electricity and gas we sell, our current efforts focus on upstream activities, including purchased goods and services, capital goods and fuel and energy-related activities. These are areas where we have greater influence.

We remain well in progress to meet our net zero targets. This progress was primarily driven by reduced output from the power generating units. Our decarbonisation progress highlights the effectiveness of the Group's net-zero transition plan, with significant reductions in Scope 1 emissions. Other measures, including reducing methane emissions in gas transmission and distribution, have also played a meaningful role in lowering overall GHG emissions.

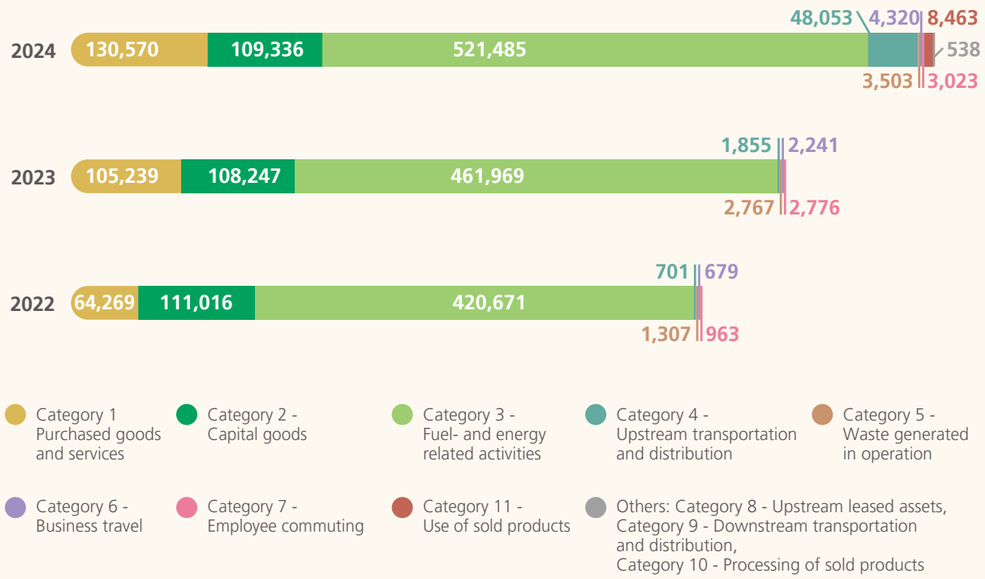
Total GHG emissions (tCO_2e)



Scope 1 and 2 emissions by sector (%) in 2024



Scope 3 emissions distribution by category (tCO_2e)[1]



[1] 2022 and 2023 data figures have been restated due to enhanced data collection and reporting to ensure comparability of data over time.

Decarbonisation across Business Units

The Group is committed to managing its carbon footprint proactively across its diverse network of operating markets. We work closely with our business units to coordinate decarbonisation initiatives and align reduction targets with each sector's specific context and capabilities.

Where feasible, business units have adopted GHG emissions reduction targets tailored to their operational and sectoral realities. Some of these targets have been validated by the Science Based Targets initiative (SBTi), reflecting a commitment to internationally recognised standards. Business units actively track their progress and report performance through ESG Committee Meetings. This structured approach allows us to continuously assess and refine our decarbonisation efforts while driving collective progress toward our overarching net zero goals.

How the Group Powers Decarbonisation

Phasing out SF_6 for a Greener Grid

As one of the most potent GHGs, SF_6 poses a significant environmental threat with a global warming potential over 20,000 times that of carbon dioxide. Despite its widespread use as an insulation medium in electrical switchgear, the urgency to mitigate its environmental risks has driven transformative efforts across our operating regions to phase out SF_6 and embrace sustainable alternatives.

HK Electric: Pioneering Sustainable Innovations to Phase out SF_6

In Hong Kong, HK Electric has been using dry air-insulated switchgear at 22,000 volts for years. In 2024, they completed the trial test of a new type of 22-kV dry air-insulated switchgear and will put it into service in our system in Q1 2025. HK Electric initiated the deployment of ester oil-insulated transformers in 2023, with the first trial unit to be installed in 2025. Additionally, HK Electric has implemented robust measures to monitor and manage the use of SF_6 and minimise its emissions. In the longer term, they are actively exploring innovative technologies that help them move away from SF_6-insulated equipment.



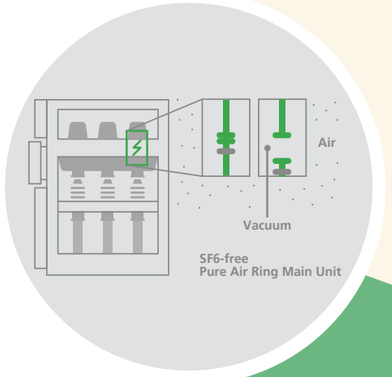


UKPN: Paving the Way for a Green Future with 'Clean Air' Switchgear

In the UK, UKPN has taken a pioneering step by deploying the first-ever "clean air" Gas Insulated Switchgear (GIS) operating at 132,000 volts. This breakthrough system uses a mixture of oxygen and nitrogen, completely eliminating SF_6 while ensuring operational efficiency and reliability.

SAPN: Implementing Lifecycle Management Plan

In Australia, SAPN is accelerating its transition with a lifecycle management plan to phase out SF_6-insulated assets, despite it only accounting for approximately 1% of their total emissions. In 2024, they conducted an internal audit to enhance their asset strategy and improve practices related to SF_6-containing assets. Since 2005, they have began using air-insulated indoor circuit breakers, SF_6-free outdoor circuit breakers (except for capacitor banks) and some pole-top switchgear. Recently, they acquired an SF_6-free Ring Main Unit (RMU) for trailing on their network, utilising existing infrastructure without requiring modifications to current enclosures, while ensuring operational safety and reliability.





VPN: Evaluating Non-SF_6 Alternatives in Australia

Meanwhile, VPN in Australia is proactively identifying and evaluating non-SF_6 alternatives to prepare for future implementation. This forward-looking approach ensures the region is ready to adopt emerging technologies that align with evolving environmental regulations and standards.

How the Group Powers Decarbonisation

Expanding the use of ultra-low emission, hybrid and electric vehicles across fleets

Energy and utility companies are actively transitioning their vehicle fleets to ultra-low emission, hybrid and electric models as part of their decarbonisation efforts. Through fleet upgrades, EV charging infrastructure expansion and trials of alternative fuels, these companies are reducing emissions while improving operational efficiency. With clear targets and ongoing initiatives they are making significant strides in achieving a cleaner and more sustainable transportation system.



Business Unit	Target	Progress in 2024	
HK Electric	Increase EVs in corporate fleet to 55% by 2025	Achieved in 2024	✓
NGN	50% of vehicles to be ultra-low emission or hybrid by 2026	100% of NGN's company cars are now ultra low emission or hybrid; Currently undertaking field trials of alternatively fuelled vehicles, included hydrogen, electric and compressed natural gas	
		As of 2023/24, 7% of vehicle charging infrastructure installed at all of NGN's offices and depots; The carbon emissions from its own commercial vehicles and business mileage has reduced from 5,113 tCO_2e in 2018 to 4,783 tCO_2e in 2024 (-6.5%)	
Phoenix Energy	Transition the commercial fleet to green fuels by 2035	After a successful trial of Hydrotreated Vegetable Oil (HVO) as a direct replacement for diesel, plans are being developed to further adapt operational processes to increase the use of HVO in the coming years	
VPN	Expand hybrid fleet to 30 vehicles	Achieved target of 30 hybrid vehicles; Currently, five fully electric vehicles in operation	✓
WELL	Electrify 80% of corporate fleet by Q4 2023	100% of corporate fleet is electric	✓
WWU	92% of company cars to be battery electric or hybrid; install 83 charging points by 2026	98.3% of company cars are hybrid or electric; 67 charging points installed, 16 more planned by 2026	

Mitigation Hierarchy Explained: Reducing First, Offsetting Last



Achieving net zero emissions is an ambitious yet vital goal in addressing climate change. For our energy and utility-related businesses, our priority lies in reducing GHG at the source. This means tackling the root causes of climate change through innovative solutions, enhancing efficiency and exploring renewable energy options, all while aligning with international best practices. Offsetting plays a role only after all viable reduction efforts have been exhausted, ensuring it remains a complementary and last-resort measure in our net zero journey.

UKPN: Commitment to Emission Reduction and Quality Offsetting

UKPN has established a SBTi-validated net zero target for 2040. The company is considering the adoption of internal carbon pricing for investment decisions on items that directly impact its business' carbon footprint, taking into account performance against its carbon targets. In parallel, the company aligns its offsetting strategies with the Oxford Principles, which prioritise emission reductions first and advocate for high-quality, verified offsets. This measured approach ensures that offsetting is used only for residual emissions that cannot be eliminated, reflecting UKPN's commitment to addressing emissions at their source. By regularly updating its offsetting strategy to align with evolving best practices, UKPN ensures that offsetting supports, rather than substitutes, its primary reduction efforts.

EDL: GHG Reduction Pathway towards Net Zero by 2050

EDL's GHG Reduction Pathway is firmly rooted in emission reductions as the foundation of its climate strategy. Aligned with the GHG Protocol and SBTI, EDL focuses on investments in renewable energy projects, hybrid energy models and innovative technologies such as landfill gas conversion and energy storage. These initiatives are designed to optimise efficiency, integrate renewable energy and manage the lifecycle of existing assets, balancing environmental and customer considerations.

For emissions that remain unavoidable, EDL plans to rely on accredited, high-quality offsets as a last-resort measure to achieve net zero emissions by 2050. This approach ensures that the company's reliance on offsets is limited to addressing residual emissions, fully complementing its extensive efforts to mitigate emissions directly.



Climate Resilience and Adaptation

As climate-related events become more frequent and severe, the Group recognises the urgent need to adopt strategic approaches that enhance resilience and ensure operational continuity.

Commitment and Action

We are dedicated to safeguarding our assets, infrastructure and most importantly, our people from the unpredictable impacts of climate change. Adaptation is a core component of our strategy, focusing on strengthening climate preparedness and enhancing the responsiveness of our energy systems to climatic shifts. These efforts include routine infrastructure inspections, vulnerability assessments and comprehensive resilience planning to mitigate climate-related risks. Additionally, we implement biodiversity management plans, improve water use efficiency and minimise our waste footprint—integrating adaptation and mitigation as complementary elements of our approach.

By enhancing our climate resilience, we not only protect our operations from climate-induced disruptions but also ensure the adaptability and sustainability of our business model. In 2023, the Group conducted a detailed climate scenario analysis to assess both physical and transition climate-related risks and opportunities, providing a comprehensive understanding of potential challenges. This analysis identified key vulnerabilities, such as extreme weather events, regulatory shifts and market dynamics, enabling the development of targeted adaptation strategies.

For further details on our resilience assessment, refer to the Climate-related Disclosures section.

In 2024, we continued to integrate adaptive strategies across all business units to prepare for extreme weather events and long-term climate risks. These actions include monitoring weather patterns and climate projections, implementing crisis management and business continuity plans and investing in infrastructure to improve resilience. Each business unit has defined resilience strategies with tailored climate adaptation measures, ensuring ongoing progress and enhancing our ability to withstand future.

Adaptation:
actions to adapt to the impacts of physical climate risks

- Implement resilience planning and business continuity
- Sustainable Transportation
- Energy efficiency

- Conserve natural resources and promote circular economy
- Build connected communities

Mitigation:
actions to reduce GHG emissions

- Adopt renewable energy
- Transition to low-carbon fuel and energy
- GHG emissions reduction and leakage management

How the Group Powers Climate Resilience

Mitigating the Impact of Extreme Weather Events with Future-Proofing Strategies

As extreme weather events become more frequent and severe, the Group is taking proactive steps to strengthen climate resilience across its operations. By investing in infrastructure upgrades, enhancing risk management and leveraging data-driven insights, business units are ensuring their systems can withstand future climate challenges.



HK Electric: Investing in Grid Resilience

HK Electric is strengthening its generation, transmission, and distribution systems to enhance resilience against extreme weather events. In 2024, the company allocated capital expenditure to generation assets for green transition and transmission infrastructure upgrades to reinforce system reliability. These investments are essential in preparing for future climate impacts while ensuring a stable and sustainable energy supply.

SAPN: Proactive Risk Management for Extreme Weather

SAPN is addressing climate risks, particularly bushfires and floods, through proactive vegetation and asset management. Ahead of the 2024 bushfire season, SAPN managed vegetation on over 70,000 spans of powerline to reduce fire hazards, reinforcing its commitment to community safety. Additionally, during the River Murray floods, SAPN deployed advanced LiDAR technology for precise mapping and risk assessment, to inform effective flood management and infrastructure protection.





UKPN: Strengthening Infrastructure Resilience with Climate Insights

UKPN's Climate Resilience Strategy, informed by UK Climate Projections (UKCP18), assesses long-term climate risks under the high emissions scenario RCP8.5, predicting a 4.3°C temperature rise by 2081-2100. To prepare for future hazards, UKPN has installed permanent flood protection at 78 sites and is implementing similar measures in the next regulatory period (ED2: 2023-2028). Following Storm Arwen, a review confirmed that existing wood pole designs meet resilience standards, with additional investments approved by Ofgem to further strengthen infrastructure reliability.

Extreme Weather Events: HK Electric's Preparations for Climate Resilience



In November 2024, four cyclones concurrently formed in the western Pacific and South China Sea. Three of these cyclones impacted Hong Kong, marking the first such occurrence since 1946 underscored the critical need for enhanced climate resilience. Learning from these extreme weather events, HK Electric has implemented a comprehensive strategy to protect its power network and facilities against the growing threats of climate change.



Withstand Extreme Weather Events

To address these challenges, HK Electric is committed to future-proofing its facilities against extreme weather events projected through the end of the 21st century. By integrating insights from the Intergovernmental Panel on Climate Change and local hydrological data, the Company has elevated its design standards and introduced measures to enhance resilience. Once these initiatives are fully in place, HK Electric will be well-prepared to meet the severe challenges posed by climate change, ensuring a reliable power supply for generations to come.

Enhancements for Climate Resilience

HK Electric is proactively strengthening its infrastructure to ensure reliability in the face of adverse weather conditions:

- **Flood Resilience in Substations:** Over 280 substations have been upgraded with flood walls, gates, automatic water pumps and CCTV monitoring systems to handle rising water levels in the past decade. Substations built after June 2022 follow the updated design standards, enabling them to withstand flood levels of +7.0 metres PD, ensuring resilience well into the future.
- **Fortified Power Generation Facilities:** Gas-fired generating units L12 and L13 at Lamma Power Station are constructed with elevated foundations to reduce flood risks. Protective measures, such as breakwaters, two-metre-high flood walls and demountable floodgates, further safeguard operations against storm surges and overtopping waves.
- **Enhanced Emergency Preparedness:** HK Electric has refined contingency plans to respond swiftly to adverse weather. Emergency drills, improved surveillance systems and increased manpower during extreme events ensure continued operations and prompt maintenance.

Resources Management

The Group remains steadfast in its commitment to sustainable resource management. This year, we are proud to report a declining trend in the consumption of key resources across our operations, reflecting the effectiveness of our conservation and efficiency measures. By integrating nature-based solutions and investing in conservation initiatives, we continue to contribute to climate mitigation and uphold our vision for a sustainable and resilient energy future.

The sound management of natural resources is a cornerstone of our operations. Guided by our Environmental Policy, we actively engage with external experts to identify opportunities for improvement in our procedures and processes. While much of our focus is on collaboration with business units to optimise resource use and minimise waste, we also ensure that resource management practices align with our broader sustainability goals.

Our approach to management of natural resources centres on three key focus areas:

- **Conserving water resources:** Driving sustainable water use and protecting this vital asset.
- **Promoting a circular economy:** Reducing waste and enhancing the reuse of materials across the value chain.
- **Ensuring air quality:** Limiting emissions to create healthier, more sustainable environments.

Details on these initiatives and their outcomes are presented in the following sections, showcasing how we continue to embed sustainability into our business operations. These efforts underscore our dedication to preserving natural resources for future generations and creating lasting value for all stakeholders.

Conserving Water Resources

Water scarcity is one of the most pressing global challenges, with demand for this vital resource continuing to rise. The Group is committed to responsible water stewardship, taking proactive steps to manage water usage, mitigate associated risks and ensure long-term water security. Environmental concerns, including water management, are overseen at the management level across all business units to ensure a coordinated and effective response.

We recognise the importance of sustainable water management in our power generation and distribution businesses. This includes green hydrogen projects, which depend on a stable and reliable water supply.

Commitment and Action

To address water-related risks, the Group incorporates considerations such as water availability, sensitivity and stress mapping into its regular risk assessments and business strategies. This enables the development of targeted water conservation plans, ensuring the responsible use of water resources. Across our operations, we have introduced water-efficient fixtures, encouraged water-saving practices in offices and prioritised the collection, recycling and reuse of wastewater and rainwater. These initiatives help reduce our reliance on freshwater and minimise water discharge.

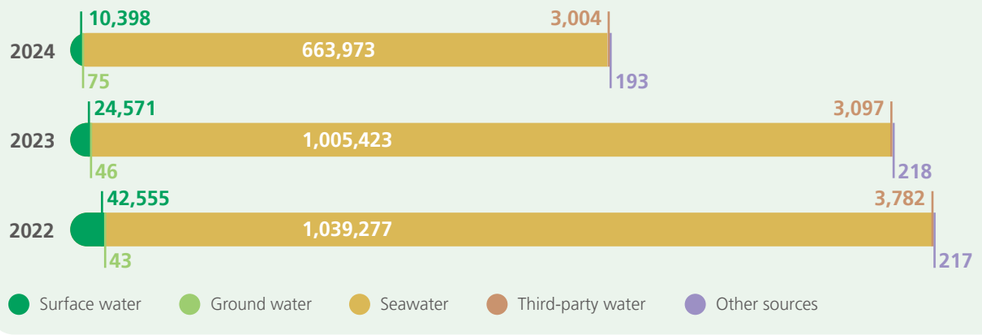
Our Water Usage Profile

From 2022 to 2024, the Group has demonstrated a consistent reduction in total water withdrawal, underscoring our commitment to efficient water use. In 2024, total water withdrawal volume decreased by 34.4% compared to 2023.

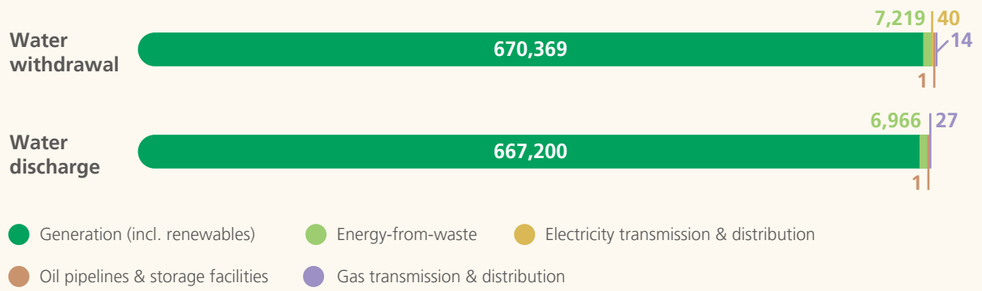
The power generation segment accounted for the majority of water withdrawals, primarily for cooling purposes. Most of this water is subsequently discharged, reflecting our continued efforts to minimise net water consumption while ensuring operational efficiency.

Although water consumption is not a significant factor for our operations, the Group remains committed to assessing whether its operations withdraw water from water-stressed areas. For example, UKPN is currently evaluating whether its operations are situated in such regions and plans to carry out a detailed review.

Water withdrawal ('000 m³)



Water withdrawal and discharge by sector ('000 m³) in 2024



Sustainable Water Management

We actively manage water use across our operating markets through close collaboration with business units. Business units have set measurable water reduction targets and commitments tailored to its sector-specific requirements and operational contexts. These initiatives include implementing advanced water-saving technologies, optimising processes to reduce water and increasing the recycling and reuse of water. By aligning these efforts with the unique capabilities of each unit, we ensure that water management strategies are both impactful and practical.

Business Units' Targets & Initiatives

Business Unit	Target	Progress in 2024	
HK Electric	Reduce total water consumption of its key office premises by 1% in 2025 as compared to 2020	In Progress	
	Reduce corporate water intensity (per unit of electricity sold) by 7% by 2029 as compared to 2024	New target	
	Collect at least 80,000 m³ of plant effluent and rainwater for reuse at LPS in 2024	Achieved in 2024	
UKPN	Reduce 10% water consumption by 2028 as compared to 2024 consumption	2024 has focussed on developing the reporting system and rolling out automated meter readers (AMRs) at our key offices	

Promoting Circular Economy

Commitment and Action

The Group is committed to minimising waste generation and disposal by embracing circular economy principles. We strive to reduce waste, reuse resources and recycle materials wherever feasible, aiming to improve circularity within the industrial economy. Effective waste management is integral to our operations, forming a cornerstone of our environmental stewardship.

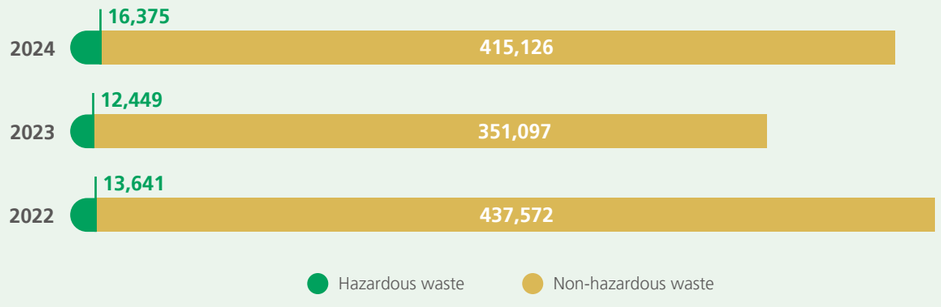
To support this commitment, the Group has implemented a waste management plan that provides clear guidelines for responsible and efficient handling practices. This framework ensures that all business units align their waste management strategies with the Group's overarching sustainability goals.

We proactively explore opportunities to enhance waste management processes by engaging external experts. Across our business units, continuous monitoring of waste generation and management practices helps drive innovation and ensure consistent progress. Waste mapping exercises are also conducted to identify waste streams and facilities where management practices can be improved.

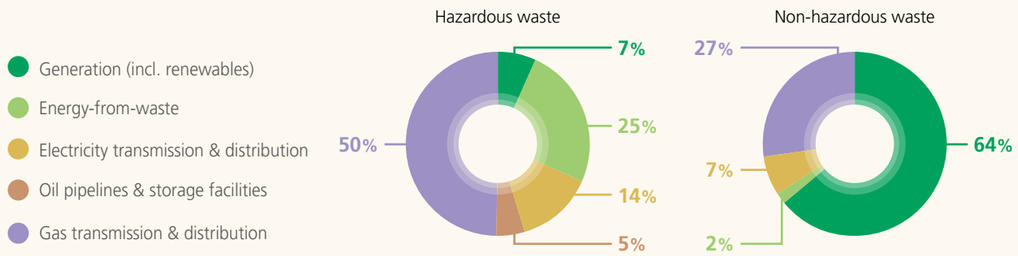
Our Waste Profile

Most of the waste generated was non-hazardous, primarily originating from energy-related business segments. Hazardous waste, largely stemming from fly ash generated during waste incineration processes, is a key focus of our waste management efforts. For example, AVR operates energy-from-waste facilities and adheres to local regulations by classifying fly ash as hazardous waste while exploring reuse and recycling solutions.

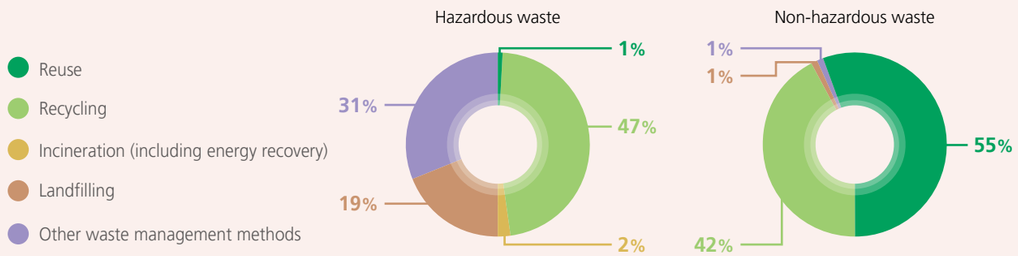
Total waste produced (tonnes)[1]



Waste produced by sector (%) in 2024



Waste produced by treatment method (tonnes) in 2024



[1] The increase in 2024 data is mainly attributed to the expanded business portfolio from new acquisitions.

Optimising Effluent and Waste Management

The Group is committed to environmental stewardship by integrating circular economy principles into its operations and value chain where feasible. Through investments in energy-from-waste projects and sustainable production practices, we aim to minimise waste generation and maximise resource efficiency. Effective effluent and waste management is central to our operations. We continuously identify opportunities for improvement by engaging external experts to optimise processes. Guided by our Environmental Policy and Sustainability Policy, we focus on reducing consumption, recycling materials, reusing resources and adopting sustainable products.

Circular Practices in Business Units

Our business units prioritise the use of recycled and low-carbon materials while promoting material recovery and recycling across the value chain. Waste is diverted from landfills and converted into electricity, steam and heat, while residual materials like metals, plastics, and minerals are recovered and recycled. Aligned with the Group's circular economy principles, business units set waste reduction and recycling targets wherever possible. Our business units actively pursue reuse and recycling solutions, embedding circular economy principles into their planning and strategies to minimise environmental impacts.

These initiatives reflect our commitment to fostering a circular economy, reducing environmental impact and contributing to a low-carbon, sustainable future. By treating waste as a resource rather than a byproduct, we not only reduce emissions associated with waste disposal but also create new opportunities for sustainability-driven innovation.

SAPN: Accelerating Waste Management Journey towards Net Zero

SAPN is taking decisive steps to advance its circular economy initiatives, reinforcing its commitment to achieving net zero waste by 2050. In 2024, SAPN achieved a 90% landfill diversion rate, marking a major step in reducing waste sent to landfill.

A statewide service has been implemented for recycling uniforms and hard hats. Branded materials and uniforms are responsibly deconstructed, shredded into fibers and spun to create new products. Disused hard hats are recycled into granules for use in manufacturing plastic products.

Additionally, SAPN is addressing the recycling of electrical insulators and boric acid fuses, which are problematic wastes often sent to landfill. A solution has been developed to recycle all types of insulators, extracting metals for on selling and repurposing remaining components for road base, effectively tackling both waste and resource scarcity issues.



Decommissioned ceramic insulators collected for separation and recycling

Business Units' Targets & Initiatives

Business Unit	Target	Progress in 2024	
HK Electric	Reduce production of ash and gypsum at LPS by 37% in 2024 as compared to 2019	Achieved in 2024	✓
	Reduce total waste generation of its key office premises by 10% in 2025 as compared to 2020	In Progress	
	Collect 5,000 kg of used lead-acid batteries for recycling by local recyclers each year during the period from 2024 to 2028	Achieved in 2024	✓
SAPN	Embed circular principles across our activities and our value chain with the goal of becoming a net zero waste organisation by 2050	A Circular Economy Gap Analysis was commenced in Q4 of 2024 and will be completed in Q1 of 2025	
UKPN	Recycle 80% of office and depot and network waste by 2028	70%	
	Recycle 99.5% of street works waste by 2028	99.9% of street works waste recycled	✓
	No recoverable waste to landfill by 2025	99.44% diversion rate	
NGN	Send less than 0.1% of excavation spoil by mass to landfill annually by 2026	0.0%	
	Reduce amount of office and depot waste created by 20% between 2018 and 2026	17% reduction in 2024	
	0% waste to landfill by 2031	0.0%	✓
WWU	Send less than 20% of total excavated spoil materials to landfill by 2026 as compared to 2019	Spoil 0.1% to landfill in 2024	
	Send a maximum of 20% waste to landfill by 2026	Less than 1% of waste was sent to landfill	
	Become a zero-waste by 2050		

How the Group Powers Waste Management

Turning Ash to Valuable Resources

Effective waste management is central to the Group's commitment to sustainability and the circular economy. By adopting innovative approaches and responsible practices, our business units minimise environmental impact while transforming waste into valuable resources.

HK Electric: Maximising Recycling in Power Generation



HK Electric follows the "4R" principle—Reduce, Reuse, Recycle and Recover—to minimise waste and maximise resource efficiency. The company's primary non-hazardous waste includes ash and gypsum from power generation and construction waste from major projects. In 2024, all of the ash and gypsum produced was collected and repurposed for industrial use, extending the lifecycle of these materials.

Construction waste is managed efficiently under the mandatory disposal charging scheme, with a focus on reuse and recycling. Hazardous waste, is managed through a mandatory trip ticket system and collected by licensed waste collectors for safe disposal or recycling at authorised facilities.



AVR: Transforming Waste into Marketable Products

AVR takes waste management a step further by converting bottom ash into valuable materials, reducing reliance on raw resources. The residual byproduct of waste incineration is the ash at the bottom of the incinerator. AVR's partners transform this 'bottom ash' into clean granular aggregates, which manufacturers of construction materials use as a gravel substitute in concrete products. These granules are also utilized as clean construction materials, for example, in Rijkswaterstaat (Ministry of Public Works) infrastructure projects.

Ensuring Air Quality

Commitment and Action

The Group is dedicated to reducing air emissions and minimising environmental impacts across its operations. By adopting progressive strategies tailored to the needs of diverse business units, the Group actively supports the transition to cleaner energy sources and the implementation of emission-reduction technologies. These efforts underscore our commitment to contributing to a healthier environment and aligning with global climate goals.

Managing Air Emissions

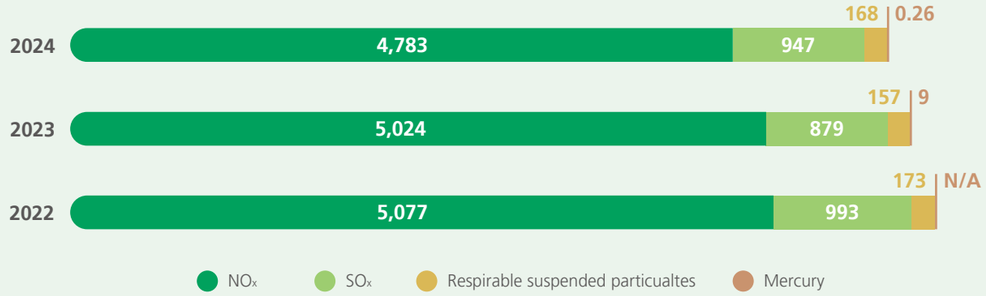
All facilities operate under strict local environmental permits that set specific limits on air emissions, ensuring compliance with regulatory standards.

These permits mandate the use of best practices and advanced technologies to control emissions effectively and protect air quality. Regular monitoring and reporting are integral to maintaining adherence to these standards and driving continuous improvement in emissions management strategies.

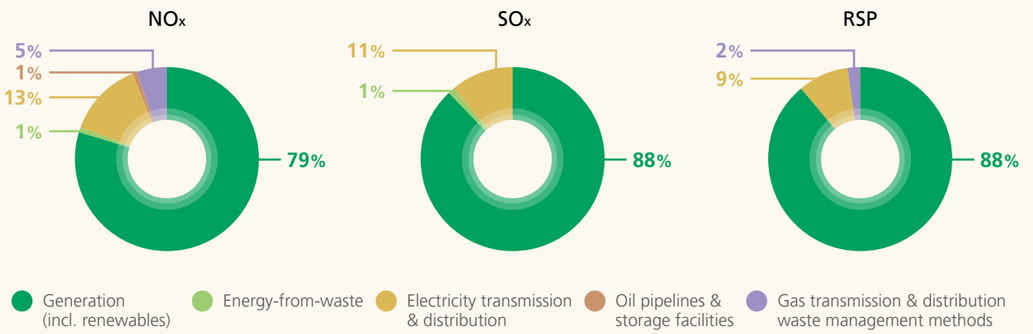
Air Emission Profile

Waste incineration processes also release similar emissions, which are carefully managed to minimise impact.

Air emissions (tonnes)



Air emissions by sector (%) in 2024



Air Emissions Management across Business Units

Across its business units, the Group has invested in advanced control systems and set clear air emission reduction targets to further reduce environmental impacts. These measures, combined with the transition to cleaner energy sources, reflect the Group's commitment to safeguarding air quality and promoting public health.

Business Units' Targets & Initiatives

Business Unit	Target	Progress in 2024	
HK Electric	Commission new gas-fired unit L12 in early 2024, with advanced emissions control technology installed for reducing NO_x emissions	Achieved in 2024	
Phoenix Energy	Eliminate all air pollution emissions from SO_x and Particulate Matters (PM2.5 & PM10) by 2035	Progress is expected to accelerate in the late 2020s/early 2030s against this target, with slower progress until then	
	Eliminate all but residual emission for N_2O by 2048	Progress is expected to accelerate in the late 2020s/early 2030s against this target, with slower progress until then	
UKPN	Reduce 33% of NO_x emissions between 2023/24 and 2028/29	Reducing the number of Euro 5 vans and added over 1,000 Euro 6 vans to its fleet which produce 40% less NO_x emissions compared to Euro 5 vehicles	

Technological Advancements Further Cut Air Emissions for Power Operations

The Group continues to make significant strides in improving air quality through the application of advanced technologies across its power operations. By prioritising innovation and cleaner energy sources, business units are reducing air emissions while maintaining reliable power generation and distribution.



How the Group Powers Emission Reduction

Advancing Cleaner Energy Solutions Through Innovation

The Group is integrating technology and innovative practices to reduce emissions and improve energy efficiency. By adopting cleaner fuels and advanced solutions, it is enhancing environmental performance while maintaining reliable operations. Our business units are leveraging the latest technologies to achieve this goal.

HK Electric: Pioneering Emission Reduction Technologies



At HK Electric's Lamma Power Station, the focus remains on using cleaner fuels, including natural gas, alongside continuous monitoring of flue gas emissions to ensure compliance with government emission limits. The station employs a suite of advanced technologies to minimise emissions, including Selective Catalytic Reduction (SCR) plants for NO_x, flue gas desulfurisation plants for SO_x, low NO_x combustion technologies and high-efficiency electrostatic precipitators for particulate matter.

Overall emissions of SO_2, NO_x and respirable suspended particle (RSP) in 2024 remained well within statutory caps, showcasing the tangible impact of technological upgrades on reducing environmental footprints.



UKPN: Innovating with Hybrid Diesel-Battery Solutions

In 2024, UKPN tested hybrid diesel-battery generators to optimise fuel use during low-power demand periods. The results showed a 25-40% reduction in fuel consumption, lower noise levels and decreased NO_x emissions. A recent job demonstrated a 71% fuel reduction, with the hybrid generator using only 15 litres of fuel compared to 52 litres with a standard diesel generator. Building on this success, UKPN is phasing out diesel generators, working with suppliers to introduce low-carbon fuels and Stage V engines and implementing software to track real-time fuel savings and emissions reductions. Customer feedback is also being collected to refine and expand the programme.

Biodiversity and Nature

Commitment and Action

The Group is dedicated to protecting biodiversity and preserving natural habitats throughout the lifecycle of its assets. This commitment is guided by the principle of achieving a net-positive impact, striving to deliver biodiversity gains through business projects that exceed what is taken from the environment.

To reinforce this commitment, the Group introduced a Biodiversity Policy in 2024, outlining its approach to minimising the impact of business activities on natural habitats. The policy emphasises collaboration with stakeholders and adherence to all applicable laws, regulations and standards across our operating jurisdictions. All of our projects and plants undergo Environmental Impact Assessments (EIA) in compliance with environmental standards under EIA studies and country/provincial laws before they are built.

Our approach prioritises biodiversity considerations during project planning to avoid and mitigate adverse environmental impacts. We require all operations and suppliers to avoid activities near globally or nationally recognised biodiversity conservation areas, such as World Heritage sites and International Union for Conservation of Nature (IUCN) Category I-IV protected areas. For sites near critical biodiversity zones, we apply a mitigation hierarchy—avoidance, minimisation, restoration and offsetting—to reduce environmental impacts effectively.

To support these efforts, we conduct regular environmental impact assessments and collaborate with external experts to develop tailored management plans for sites with high ecological risks. Environmental management including biodiversity, land closure and rehabilitation is overseen by business units, with managers or committees assessing risks and opportunities to ensure responsible stewardship.

Biodiversity Management across Business Units

The Group proactively addresses biodiversity loss by assessing environmental impacts, implementing conservation strategies and supporting restoration efforts, embedding these practices into core operations to ensure ecological sustainability.

Business units are setting biodiversity targets, committing to net gain principles and integrating conservation efforts into their operations to minimise ecological impact and support sustainability.

Business Units' Targets & Initiatives

Business Unit	Target	Progress in 2024	
AGIG	Set biodiversity targets by end of 2025	Undertook a preliminary assessment of requirements under TNFD	
NGN	Complete natural capital assessment of up to 50 of its sites by 2025	Carried out a designated project in replacing a section of high pressure pipeline in North Wales. Ensuring commitment to appropriate reinstatement and biodiversity monitoring after construction	
	Create "Homes for Nature" on 250 of its sites by 2026	Tried different approaches to achieve the commitment, including 'No Mow May' trials during 2022, 2023 and 2024 after it was suggested to us by stakeholders	
SAPN	Develop an Action Plan for Nature and Biodiversity	During 2024 work continued on an Action Plan for Nature and Biodiversity. In 2025, a Framework will be developed to guide the business towards establishing appropriate nature related metrics and targets	
UKPN	Increase the biodiversity of new major substation development by a net-gain of 10-20% and at 100 existing sites by a net-gain of 30% overall over the RIIO-ED2 period, compared to the beginning of the period	All of the grid and primary substation planning permissions specify the required increase in biodiversity that must be applied 1.5 Biodiversity Net Gain (BNG) units have been purchased for three sites (Cambridge East, Teversham and Kenardington); These units are purchased to offset biodiversity improvement when there is insufficient space on our own land	
		25 existing sites have been completed with improvements such as vegetation management, sowing wildflower meadows, hedge restoration, installing bird and bat boxes and hibernacula for invertebrates	
	Identify and assess an additional 100 sites for biodiversity enhancement by 2028	Identified and assessed the sites needed as back up sites to support the original 100 BNG sites list	
WWU	Committed to "no net loss" on qualifying projects in RIIO-GD2 and achieving "biodiversity net gain" on impacting work from 2026	WWU had one major project in 2024 that requires a plan to deliver biodiversity net gain; replacing a section of high-pressure pipeline in North Wales in an ecologically sensitive landscape. The gas network has worked with key stakeholders including UK Government and the Eryri National Park Authority to mitigate potential impacts and has committed to appropriate reinstatement and biodiversity monitoring after construction	
	Committed to planting 5 trees for every tree cut down	Commissioned planting of further 3,135 trees in 2024, bringing the total to 6,551 since April 2021, exceeding its target	

How the Group Powers Biodiversity Stewardship

Safeguarding Wildlife and Their Habitats

The Group is committed to enhancing biodiversity by integrating sustainable practices across our operations. By prioritising habitat preservation and restoration, we are actively working to protect ecosystems and promote wildlife health. Our business units are adopting innovative approaches that minimise environmental impact, engage in responsible land use and support conservation initiatives.

Phoenix Energy: Earns Silver Award for Planting 24,000 Trees to Promote Biodiversity



In collaboration with The Conservation Volunteers (TCV), Phoenix Energy's volunteers have worked steadily over three years to plant 24,000 trees across Northern Ireland, reflecting a commitment to biodiversity that is built on ongoing dedication and collective action.

In June 2024, Phoenix Energy organised a Biodiversity Day at the Cultra tree nursery as part of the national "The Big Help Out" volunteering initiative. The event gathered over 20 volunteers from nine organisations. Together, they engaged in year-round conservation tasks such as preparing tree beds, removing invasive species and protecting woodland areas, contributing to a healthier, more biodiverse environment in the future.

This approach has helped earn Phoenix Energy its first biodiversity accolade—a Silver Level award in Business in the Community Northern Ireland's Business & Biodiversity Charter. While the award acknowledges the company's contributions, it also highlights the potential of ongoing, small-scale efforts to foster lasting environmental change.



SAPN: Enhancing Avian Habitat through Infrastructure Initiatives

SAPN has been installing bird nest hoops and platforms on their infrastructure. With urbanisation reducing tree numbers, many birds, especially birds of prey, have begun nesting on Stobie poles and transformers, posing fire risks and endangering the birds. Bird nest hoops offer a safer alternative for birds to build nests in. Nests are removed before the bushfire season, but crews will delay and monitor if eggs or young are present. The 2023 and 2024 seasons saw increased nesting activity, likely due to La Niña conditions.

Additionally, they collaborated with traditional owners and BirdLife Australia to install a nesting platform for local sea eagles in Bool Lagoon. BirdLife Australia plans to set up a live video feed for public viewing of the nesting process.

VPN: Protecting Victoria's Fruit Bats

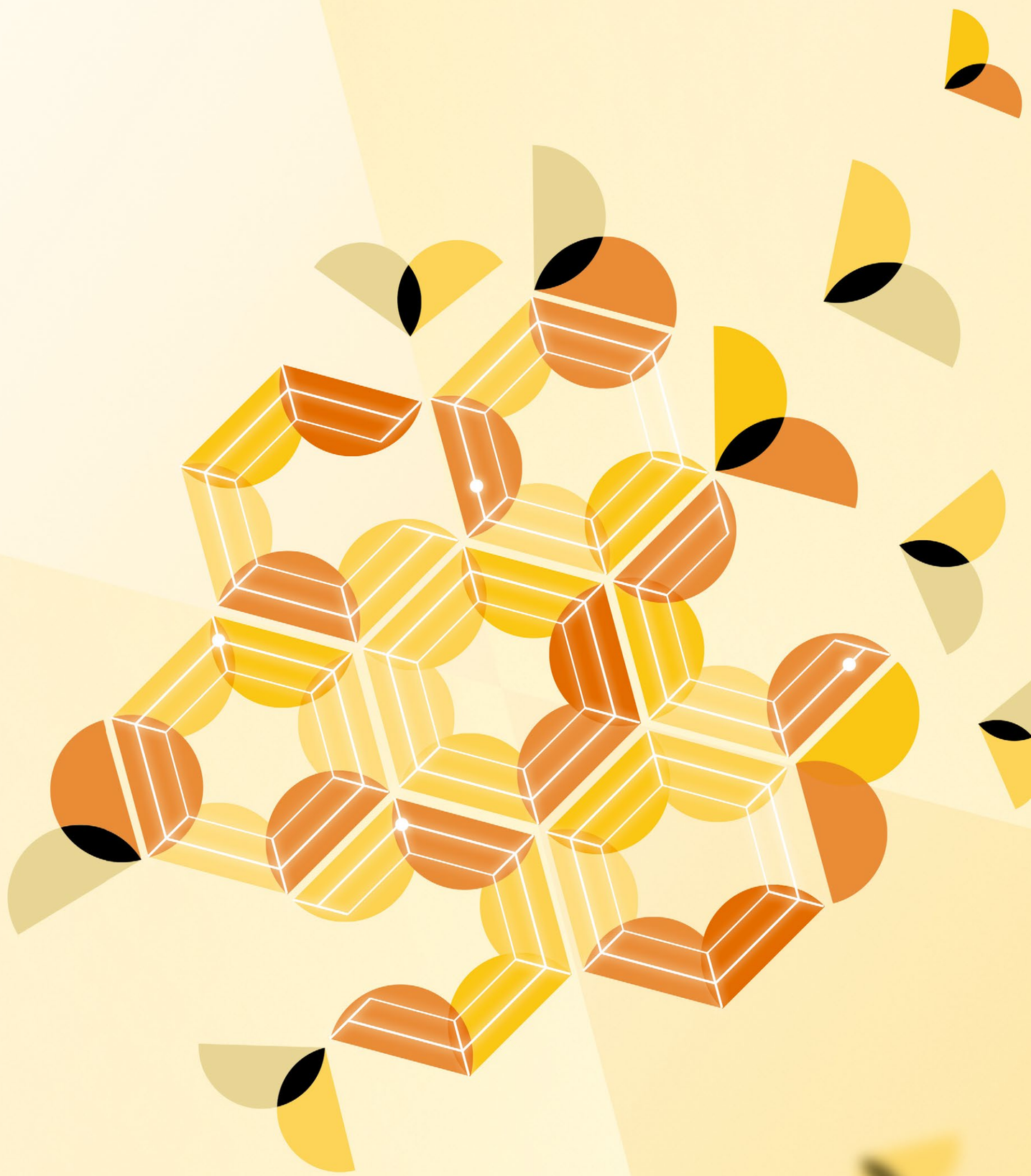


From inner Melbourne to the Murray River, Victoria's night skies are filled with native grey-headed flying foxes. This protected species plays a vital role in the ecosystem by pollinating plants, dispersing seeds and maintaining healthy forests. However, their large seasonal migration in early 2024 led to numerous power outages and bat fatalities due to collisions with electricity network assets.

In response to community concerns, the team swiftly installed hundreds of deterrent devices in Parkville, Shepparton, Numurkah and Tatura. Repurposed swan spirals, possum guards, stinger tubing over conductors and laser strobe lights significantly reduced supply interruptions and bat injuries. The community's response was overwhelmingly positive, with our Operational Faults team receiving more than 80 compliments for their efforts.

Our Value Chain

The value chain forms the foundation of our efforts toward sustainability and excellence. We place significant importance on ensuring that our value chain operates responsibly and sustainably. Our approach is guided by two key principles: delivering high-quality service and tailored solutions to meet our customers' evolving needs while promoting responsible practices across every aspect of our supply chain.



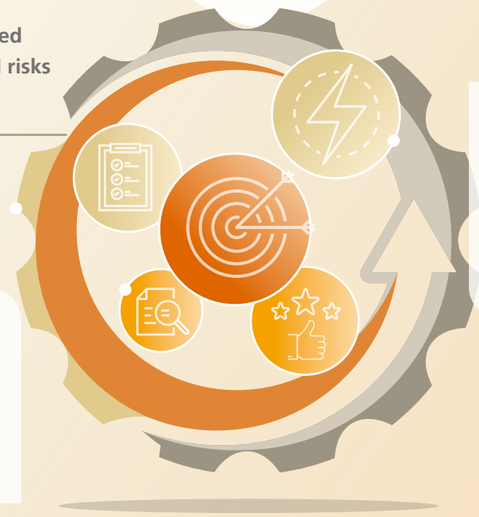
Material Topics

- Service Excellence
- Supply Chain Management



Overview

78%
of our businesses managed environmental and social risks of the supply chain



74%
of our businesses encouraged green or sustainable procurement

Electricity
Over **12** million customers

Gas
Over **7** million customers

Engaging with our Customers and Suppliers

The Group recognises the scale of its global operations, serving about 20,000,000 customers and working with more than 17,000 suppliers. We believe sustainability and ethical business practices are collective responsibilities. By collaborating closely with our customers and suppliers, we address common challenges and drive progress across the value chain.

Meeting our customers' needs is a top priority. We are committed to providing exceptional service and tailored solutions to meet their expectations. To ensure consistent customer satisfaction, we actively seek feedback, innovate our offerings and deliver value-driven solutions that align with their goals.

Further upstream in the value chain, we recognise our influence and actively leverage our expertise to encourage suppliers to adopt more sustainable and responsible practices. This commitment is upheld through our Supplier Code of Conduct, which sets clear expectations around ethical behaviour, environmental responsibility, and social accountability. To strengthen compliance, we conduct regular assessments of suppliers' ESG risks, identifying areas for improvement and fostering a culture of continuous enhancement.

Our efforts to promote sustainability and uphold ethical standards strengthen our relationships with stakeholders and contribute to creating a more resilient and responsible value chain. By prioritising customer satisfaction, supporting our suppliers, and addressing ESG considerations, we aim to deliver long-term value while supporting a just and sustainable future. To learn more about the Group's Just Transition plan and the principles guiding it, please refer to the Climate Action Plan section.

Service Excellence

Understanding our customers' needs is essential to building strong, lasting relationships. This enables the Group to enhance product quality, achieve service objectives, and consistently exceed expectations. To adapt to evolving customer service trends, we leverage the latest tools and technologies to deliver exceptional customer experiences and satisfaction.

Commitment and Action

We are dedicated to providing high-quality service. This commitment is reflected in our continuous improvement efforts and active engagement through communications, campaigns, and initiatives. We actively manage complaints through a structured process that ensures concerns are thoroughly investigated and resolved efficiently.

We respond promptly to customer inquiries, thoroughly investigate and address escalated cases, and ensure reliable supply, timely delivery, and comprehensive support, including emergency services. By fulfilling these commitments, we aim to deliver exceptional service that meets the diverse needs of our customers while reinforcing trust and satisfaction.

HK Electric: Enhancing Customer Experience with Digital Innovations and Technologies

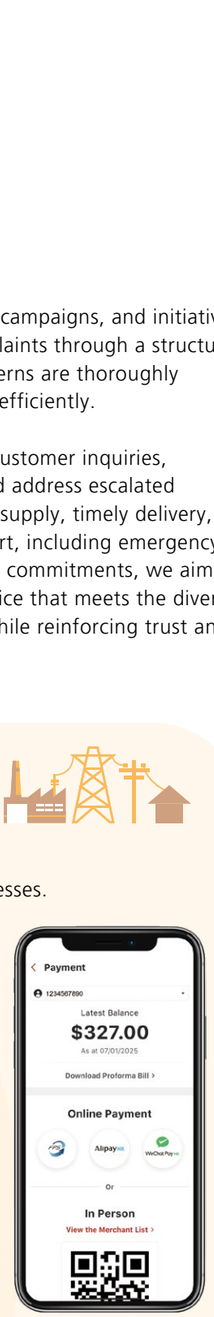
HK Electric is rolling out a series of initiatives to enhance customer service through digital innovations, focusing on convenience, security, and streamlined processes.

Streamlined Digital Forms for Moving Homes

In March 2024, HK Electric introduced simplified electronic forms for customers moving homes, allowing them to complete move-in and move-out requests in a single workflow. This enhancement aims to save time and provide a smoother experience for customers during relocation.

Expanding Mobile Payment Options

To offer greater convenience, HK Electric has added WeChat Pay HK to its range of mobile payment options, which already includes AlipayHK and the Faster Payment System (FPS). These options are accessible through the HK Electric App, enabling customers to manage their accounts effortlessly from their mobile devices.



Boosting Cybersecurity with SMS Sender Registration



As part of efforts to combat phishing scams, HK Electric has joined the Office of the Communications Authority's "SMS Sender Registration Scheme". Starting 18 October 2024, all SMS messages from HK Electric will include the prefix "#HK Electric", helping customers identify legitimate messages and stay vigilant against phishing attempts.

The HK Electric App provides seamless account management and insights into electricity usage patterns, promoting more efficient energy consumption.

Customer Satisfaction

The Group is committed to providing outstanding customer service by consistently monitoring and evaluating customer satisfaction. To achieve this, our business units employ methods such as surveys, feedback forms, and performance metrics to assess service quality and understand customer satisfaction levels. Customer feedback is actively collected and analysed to ensure services align with customers' needs and expectations. This approach is tailored to the local operating context, ensuring relevance and effectiveness across different markets.

The consistently high customer satisfaction scores demonstrate the Group's commitment to delivering excellent service and addressing customer needs effectively. These strong results reflect positive feedback from customers and underscore the Group's ability to meet and exceed expectations. Furthermore, the recognition received by business units in service excellence awards highlights their success in achieving outstanding performance and setting benchmarks in customer service.

Customers satisfaction score

UKPN

94%
Ranked #1 during the 2023/24 reporting period by Ofgem for our Broad Measure of Customer Satisfaction score.

WWU

9.23/10
Overall Average Customer Satisfaction score

NGN

9/10
Average Customer Satisfaction score

VPN

77%
Customer experience score

United Energy

79%
Customer experience score

HK Electric

4.8/5
Average Customer Satisfaction Rating



SAPN

7.8/10
Customer Satisfaction Index

WELL

88%
Average Customer Satisfaction measure

AGIG

8.5/10
Average Customer Satisfaction score

AGIG: Excellence in Customer Support with the Priority Services Programme

The Priority Services Programme, a first in Australia, recognises the essential role gas distributors play in supporting customers experiencing vulnerability. In 2024 the program was awarded the Service Champion for the Customer Service Project of the Year by the Customer Service Institute of Australia (CSIA).



AGIG's key customer initiative in prioritising customers' need.

Business Units' Targets & Initiatives

Business Unit	Target	Progress in 2024	
HK Electric	Maintain better than 99.999% supply reliability rating	>99.9999% supply reliability rating	✓
UKPN	Expand the scope and reach of our Priority Services Register (PSR), delivering an overall 30% increase in registrations from the end of RIIO-ED1 in those categories that are most impacted by our service by the end of RIIO-ED2 with a target of 3 million households and 600,000 businesses registered	Over 2.5 million customers registered on PSR in year 2023/24, representing a 9% increase on the prior year	
	Target to be the #1 DNO Group as measured by customer satisfaction, or to achieve at least a 93% score on average across our networks in each year of RIIO-ED2 by measuring and reporting on these specific customer segments	Best performing DNO and achieved 93.7% on average	
NGN	5,000 Customers referred to priority services register	Achieved in 2024	✓
VPN	Outperform targets for average minutes off supply per customer for unplanned outages System Average Interruption Duration Index – Powercor: 124 minutes by 2026	91.4	
	Outperform targets for average minutes off supply per customer for unplanned outages System Average Interruption Duration Index – CitiPower: 24.7 minutes by 2026	20.9	
United Energy	Outperform targets for average minutes off supply per customer for unplanned outages System Average Interruption Duration Index: 50.7 minutes by 2026	33.4	

How the Group Powers Health and Safety Awareness for Customers

Tailoring Initiatives for Vulnerable Groups

Customer safety is at the core of energy providers' responsibilities. Through tailored initiatives, their efforts demonstrate how targeted programmes can address the unique needs of vulnerable populations while fostering safer, healthier and more resilient communities.

NGN: Raising Awareness on Carbon Monoxide Safety



At NGN, enhancing customer safety is a key priority. Through the Vulnerability and Carbon Monoxide Allowance (VCMA), NGN receives £1 million annually from Ofgem to implement initiatives promoting carbon monoxide (CO) safety and supporting vulnerable customers. In 2023/24 alone, NGN delivered over 54,000 face-to-face door-to-door CO safety information sessions and generated over 11 million opportunities for customers to see CO safety messaging. By partnering with organisations like Kidney Care UK, NGN extends tailored support to Chronic Kidney Disease (CKD) patients, offering advice on energy efficiency, welfare and CO safety.



HK Electric: Promoting Electricity Safety among the Elderly

HK Electric focuses on electricity safety education for elderly residents through its "Electricity Safety Talks" programme. Reaching over 500 participants, the sessions equip elderly customers with practical knowledge, such as managing planned power shutdowns, handling voltage dips, responding to emergencies and adopting energy-efficient practices. These initiatives highlight the importance of tailoring safety education to specific groups, fostering confidence and independence among elderly residents.

RPCL: Supporting Community Health Project for Ear Health

RPCL has backed a community health initiative focused on ear problem screenings, benefiting approximately 2,000 individuals through 13 public health centers in 9 sub-districts surrounding the power plant. This project aims to enhance awareness and address ear health issues within the local community and coordinate patient referrals for treatment at the local hospital.



Health and Safety Communications for Customers

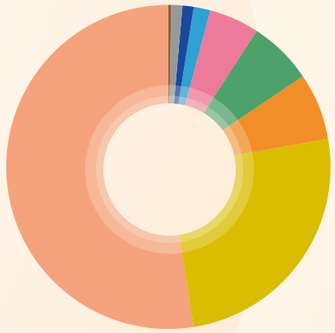
Ensuring a safe and secure environment for our customers is a fundamental priority for the Group. To achieve this, we employ a comprehensive approach to health and safety communications, consistently providing updated information on health, safety and environmental (HSE) hazards, as well as safety risks associated with our products and services. In addition, we have established robust emergency plans and dedicated report hotlines that align with industry best practices in safety management, ensuring swift and effective responses when needed.

Our business units also design tailored health and safety programmes to meet the specific needs of local communities. These programmes account for varying weather conditions and unforeseen events, ensuring their relevance and effectiveness. By promoting the safe use of electricity and gas, these initiatives provide clear guidance on handling potential hazards, build awareness of emergency procedures and equip customers with practical tips to enhance their daily safety.

As a global energy investor, the Group recognises its significant influence in advancing sustainable practices across our supply chain. By leveraging extensive industry expertise, we actively promote alignment among our suppliers with our principles of sustainability, ethical conduct and responsible operations.

The Group is guided by core principles that emphasise respect for human rights, fair working conditions, occupational health and safety (OHS), non-discrimination, business ethics and environmental stewardship. These foundational values underpin our approach to fostering a responsible and ethical supply chain, ensuring a positive impact on stakeholders and communities.

Number of suppliers by geographical region



52%	Australia 9,650	2%	New Zealand 306
25%	United Kingdom 4,663	1%	Canada 195
7%	United States 1,260	1%	Mainland China 212
6%	Europe 1,169	<1%	Asia (excluding Hong Kong, Mainland China) 67
5%	Hong Kong 930	<1%	Other Region 11

Commitments and Policies

To uphold these principles, we are committed to encouraging all suppliers to adopt sustainable and ethical practices that align with the Group's values. We strive to collaborate with stakeholders across the supply chain to strengthen resilience, sustainability and adaptability to global challenges. Additionally, we focus on driving innovation and continuously improving supply chain practices to effectively address the dynamic nature of globalisation.

Building on these commitments, the Group's policies establish a robust framework for supply chain sustainability, providing clear guidelines and actionable standards that translate our principles into practice.

- **Supplier Code of Conduct**: Serves as a comprehensive guideline for our business units and suppliers, promoting compliance with international standards and fostering sustainable practices. It integrates global frameworks such as the Universal Declaration on Human Rights and the International Labour Organisation Core Conventions.
- **Human Rights Policy**: Highlights respect for and promotion of human rights as a fundamental Group value.
- **Modern Slavery and Human Trafficking Statement**: Ensures that the Group's supply chain and contractors are free from modern slavery and human trafficking.
- **Environmental Policy**: Focuses on raising awareness among suppliers about environmental concerns, promoting eco-friendly practices and integrating professional environmental considerations into their operations.

Enduring Supplier Conformance

The Group expects business partners and suppliers to develop and implement corrective plans to align their operations with our Supplier Code of Conduct. Should a supplier fail to produce or act on such a plan, the Group may choose to terminate the business relationship. This reflects our commitment to upholding the highest standards across our supply chain.

VPN and United Energy: Enforcing Deal-breaking Terms with Management Platform

VPN and United Energy have implemented stricter supplier compliance with ethical and human rights standards by incorporating explicit anti-slavery and human trafficking requirements into all purchase orders. This policy promotes accountability and transparency across the supply chain.

To enhance these controls, they have adopted Felix, a state-of-the-art procurement and contract management platform, into their operations. Felix is tailored for the construction and utilities sectors, offering advanced tools for supplier pre-qualification, sourcing and performance management. Beyond streamlining processes, Felix plays a critical role in enforcing compliance, enabling real-time monitoring and ensuring that suppliers meet the Group's high standards.



VPN's measures illustrate a proactive approach to managing supply chain risks and fostering responsible procurement practices.

How the Group Powers Supplier Management

Implementing Modern Slavery Policies across the Supply Chain

To strengthen the enforcement of modern slavery policies, the Group has initiated targeted measures that focus on supplier accountability and compliance.



WWU: Improving Accountability in Modern Slavery Policies

WWU reviews at least 10 Modern Slavery Statements annually from mandated suppliers, a process that has already involved over 164 suppliers submitting statements or policy documents for evaluation. This rigorous review system has prompted many suppliers, including those not legally mandated, to formalise their efforts against modern slavery, thereby fostering greater responsibility and transparency across tier 2 suppliers.

VPN and United Energy: Increasing Supplier Compliance through Modern Slavery Assessments

Similarly, VPN and United Energy have expanded their supplier modern slavery self-assessment, now encompassing 85% of their supply chain by spend. This initiative has significantly enhanced supplier compliance with legislation and improved visibility into potential risks across the supply chain. To reinforce these efforts, comprehensive training on modern slavery and broader human rights issues has been rolled out for procurement teams and relevant employees. These programmes equip teams with the necessary knowledge to manage risks effectively and support sustained compliance.



Supplier ESG Programmes

To translate our commitments into tangible outcomes, the Group has implemented robust Supplier ESG Programmes. This overarching initiative enables businesses to identify, assess and plan corrective measures related to the sustainability of their supply chains. Four major measures are designed to ensure that our suppliers align with our principles and meet stringent ESG standards. By addressing potential ESG risks and enforcing strict compliance with ethical standards, our Supplier ESG Programmes ensure solid sustainability performance and strengthens accountability throughout the supply chain.

- Regularly conducting a strict supplier screening process to identify and select like-minded partners who align with the Group's values, while ensuring compliance with the Supplier Code of Conduct and related policies.
- Facilitating capacity-building initiatives and resources to support suppliers in adopting sustainable practices.
- Conducting audits and assessments to monitor adherence to our principles and policies.
- Strengthening partnerships across the supply chain to enhance resilience, sustainability and the delivery of essential services.

By prioritising principles, reinforcing commitments, implementing robust policies and taking decisive actions, the Group aims to create a sustainable and ethical supply chain that drives positive change and aligns with its overarching mission.

Supplier ESG Screening

The Group recognises that effective supplier screening is fundamental to robust supply chain management. To ensure suppliers meet our stringent standards for quality, reliability and ethical practices, we have developed a systematic approach to evaluate both potential and current suppliers. This process includes a thorough assessment of their sustainability performance, compliance with industry regulations and adherence to relevant standards.

Key Aspects of Supplier Screening

Our screening process encompasses a comprehensive review of ESG factors:

Environment – Environmental management and sustainable procurement practices.

Social – Anti-slavery measures, prevention of human trafficking, and respect for human rights, including labour rights such as the prohibition of child and forced labour.

Governance – Issues such as corruption, bribery, conflicts of interest and health and safety practices.

Business Relevance – Consideration of financial standing and insurance levels.

Each of our business unit tailors this process to their specific country and sectoral operating contexts. Through systematic desk research and pre-qualification questionnaires, we identify potential ESG risks within our supply chain and evaluate their relevance to our business operations.

How the Group Powers Supplier ESG Screening

Careful Selection of Like-Minded Suppliers

The Group places great emphasis on the careful selection of suppliers who align with our principles of sustainability and ethical business practices. AGIG and UKPN exemplify this commitment through their robust pre-qualification processes designed to assess supplier suitability.



AGIG: Implementing Supplier Pre-Qualification for Ethical Standards

AGIG requires potential suppliers to complete a Supplier Pre-Qualification Business Ethics Questionnaire when responding to tender packages. This questionnaire establishes an initial risk profile, determining whether a more comprehensive assessment is necessary before onboarding new suppliers. By enforcing this process, AGIG ensures that its supply chain upholds high standards of ethics and accountability.

UKPN: Adopting Risk-Based Pre-Qualification for Suppliers

Similarly, UKPN employs a risk-based pre-qualification approach using the Achilles Utility Vendor Database. All suppliers must meet stringent standards in areas such as health and safety, environmental impact, ethics, diversity and financial stability. For suppliers engaging in high-risk activities, UKPN mandates compliance with a Pre-Qualification and Approval Procedure, which includes an Achilles Verify audit before work commences. This layered approach categorises procurement risks into high, medium and low levels, ensuring tailored oversight based on activity type and potential impact.



Supplier Assessment

The Group is committed to fostering a sustainable and value-driven supply chain by upholding high standards of environmental stewardship, social responsibility and governance. ESG considerations are embedded into our procurement processes, ensuring that nearly all suppliers and contractors are assessed for compliance. This integrated approach aligns our supply chain management practices with the Group's overarching ESG goals and sustainability objectives.

To mitigate environmental and social risks inherent in supply chain operations, we systematically evaluate suppliers against stringent criteria for quality, reliability and ethical conduct. These assessments are supported by comprehensive due diligence and monitoring systems, overseen at the executive management level of each business unit to ensure consistent alignment across all functions.

In cases of non-compliance with the Supplier Code of Conduct, the Group works closely with suppliers to implement corrective action plans. If the supplier fails to address the identified issues or make necessary improvements, the Group may escalate measures, including terminating the partnership.

Our key actions include:

- **Systematic Supplier Assessments**: Each business unit conducts desk reviews, regular audits and evaluations to monitor supplier performance and purchasing practices, ensuring adherence to ESG policies.
- **Supplier Engagement**: Targeted engagement activities are designed to help suppliers enhance their sustainability capabilities and performance.
- **Risk Management Protocols**: Emergency escalation procedures and actionable plans are proactively established to address potential material shortages and mitigate supply chain instability.

Supplier Assessment



Due diligence processes within our business units empower the identification, prevention, mitigation and management of actual and potential negative impacts associated with suppliers' risks, focusing on:

Human rights

Labour rights

Environment

Corruption

WWU: Advancing Supplier Sustainability with Code Compliance

WWU is driving meaningful change in its supply chain by actively embedding sustainability across its operations and supply chain. In 2024, WWU achieved significant progress in supplier sustainability, with about 80% of surveyed suppliers complying with the Supplier Code of Conduct and over 70% establishing their own sustainability metrics or KPIs. These outcomes highlight WWU's success in encouraging suppliers to take ownership of their ESG performance.

Central to WWU's strategy is a systematic approach. The Supply Chain Charter, which targets 100% supplier acknowledgment, serves as the initial point of contact during onboarding, risk assessments, or contract renewals. To strengthen supplier accountability and mitigate supply chain risks, WWU conducts regular audits, desk reviews and targeted engagement activities. WWU also supports suppliers in implementing corrective action plans to address non-compliance. If improvements are not achieved, WWU escalates measures or terminates partnerships to uphold its high standards.



WWU is revamping the Pre-Qualification Questionnaire (PQQ) to prioritise suppliers committed to sustainability in its procurement practices.

Supplier Engagement and Capacity-Building

The Group adopts a vigilant approach to supplier screening and rigorous assessment, ensuring alignment with ESG principles. However, our Supplier ESG Programme goes further. Moving beyond a compliance-driven approach to ESG responsibilities, we partner with suppliers and provide the tools and support needed to achieve shared sustainability goals.



A robust and sustainable supply chain relies on meaningful engagement with suppliers, grounded in shared values and strategic collaboration. The Group actively cultivates partnerships with suppliers who align with our sustainability vision, recognising that collaboration is key to driving impactful change. Guided by a shared vision, we aim to build a value chain that not only meets sustainability ambitions but also enhances resilience across the ecosystem. By fostering open dialogue and setting clear expectations, we prioritise partnerships with suppliers committed to reducing carbon emissions and strengthening the value chain.

Empowering suppliers is critical to building this resilience, as their success directly contributes to achieving the Group's goals. Through tailored tools, knowledge-sharing and capacity-building initiatives, we enhance suppliers' ESG capabilities while fostering trust and collaboration. Programmes such as flexible learning resources, accreditation opportunities and sustainability-focused training empower suppliers to meet standards and boost their credibility. For the Group, this approach not only strengthens its leadership in ESG programmes but also builds a reliable network of partners committed to driving long-term progress.

Business Units' Targets & Initiatives

Business Unit	Target	Progress in 2024	
HK Electric	Conduct a Sustainable Procurement Survey with key suppliers in 2024 to enhance their awareness of climate change and related topics	Achieved in 2024	
UKPN	Work with suppliers to reduce Scope 3 by 25% by 2028, compared to a 2018/19 baseline	Supplier specific Scope 3 category reduction is 17%. Overall Scope 3 line reduction is 20%	
Phoenix Energy	Engaging with supply chain to further improve the quantification of Scope 3 indirect emissions associated with purchased goods and services	Engaged with the top 91% of its supply chain within the Purchased Goods and Services category	
WWU	Supply Chain Charter – Record 100% of our supply base acknowledging awareness of WWU's Supplier Charter, either through the supplier onboarding process, desktop risk analysis or contract renewal	78% (of spend) acknowledged Building on 76% and 74% in previous two years respectively	
United Energy	Contractors responsible for all network operations and projects are ISO 14001 Environmental Management System certified by 2026	Certified	
NGN	Minimum 85% supply chain compliance with Supplier Code of Conduct by 2031	87% signed	

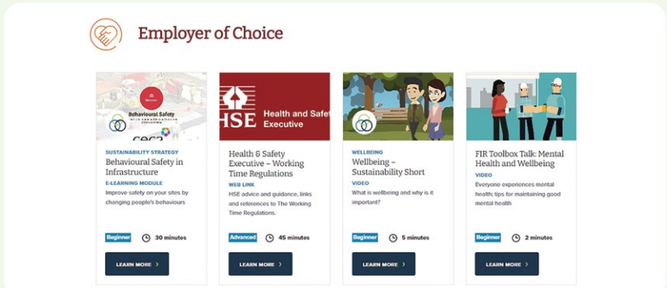
UKPN: Empowering Suppliers through the Virtual Supply Chain Sustainability School



UKPN is launching the Virtual Supply Chain Sustainability School, a digital learning platform to provide suppliers with tailored resources and training.

Core areas:

- **Employer of Choice**: Promoting fair employment practices. **1**
- **Respected and Trusted Corporate Citizen:** Upholding ethical standards. **2**
- **Sustainably Cost Efficient:** Encouraging sustainable operations. **3**
- **Enabling the Net Zero Transition for All:** Supporting the shift to a low-carbon economy. **4**



Benefits of the Programme

This initiative creates a win-win scenario for both UKPN and its suppliers:

- **For Suppliers:**
  - Access to on-demand, flexible learning resources tailored to different skill levels.
  - Opportunities to earn badges as proof of accredited learning, boosting business credibility and ESG capabilities.
  - Competitive advantages through compliance with sustainability standards.
- **For UKPN:**
  - Strengthened position as the UK's top-performing Distribution Network and System Operator.
  - A more sustainable and collaborative supply chain aligned with its environmental goals.

Interactive and Incentive-Based Learning

The platform's design ensures that suppliers can engage with the content at their own pace, earning badges to showcase their progress and commitment. These badges act as tangible evidence of accredited learning and reinforce the importance of sustainability within the supply chain.

Sustainable Procurement

Sustainable procurement is a cornerstone of a Group's ESG strategy, ensuring that purchasing decisions align with ethical, environmental and social values. By prioritising suppliers and products that minimise harm to the environment and uphold fair labour practices, the Group demonstrates its commitment to responsible consumption and production, contributing to a more sustainable future.

One key benefit of sustainable procurement is its ability to reduce environmental impact. By sourcing materials with lower carbon footprints, renewable components, or responsible manufacturing processes, the Group actively helps to combat climate change and conserve natural resources.

At the same time, this approach supports social responsibility by promoting fair labour practices, strengthening local communities, and ensuring that supply chain partners adhere to ethical standards.

In adopting sustainable procurement practices, the Group also contributes to broader global goals, such as the SDGs. Specifically, it advances objectives like climate action, responsible consumption and decent work, reinforcing the Group's role as a proactive corporate citizen while creating lasting value for the environment and society.

How the Group Powers Sustainable Procurement

Championing Ethical and Green Procurement across Business Units

In a time when environmental responsibility and ethical business practices are receiving growing attention, the Group is driving transformative sustainable procurement policies across its business unit to demonstrate that responsible procurement can deliver tangible environmental and social benefits while supporting local economies.

AGIG: Building Sustainability into Everyday Operations

In 2023, AGIG transformed its procurement process by introducing a company-wide Contracts and Procurement Policy, replacing fragmented, unit-specific guidelines with a unified framework. This new policy ensures that sustainable business practices and ethical standards form the foundation of all procurement decisions.

By prioritising local sourcing, AGIG's Australian supplier portfolio now accounts for 99.1%. This focus not only strengthens local economies but also reinforces AGIG's commitment to ethical sourcing. Looking ahead, AGIG plans to increase the proportion of Australian suppliers, further aligning its operations with sustainability goals.





HK Electric: Leading the Way in Responsible Procurement

HK Electric has set the standard for integrating sustainability into procurement practices. Adhering to ISO 20400 Sustainable Procurement Guidance, the company ensures its suppliers align with its Core Values, which encompass high standards in business ethics, labour rights and environmental stewardship.

HK Electric's Green Purchasing Policy emphasises resource conservation and climate action, with environmental impact as a key criterion for supplier selection. In 2024, environmentally friendly products accounted for an impressive 41% of general office items purchased through its Electronic Ordering System.

SAPN: Ethical Sourcing as a Strategic Priority

SAPN's Responsible Supply Chain framework incorporates specific focus areas including Human Rights and Environmental impacts, which are a focus area in the sourcing and management of our suppliers. As a member of the Chartered Institute of Procurement and Supply, SAPN continues to achieve the Certificate of Corporate Ethical Procurement & Supply. By embedding social and environmental ethical principles into its supply chains, SAPN ensures its supply chains meet the highest ethical standards.

As a proud member of Supply Nation, SAPN fosters diversity and inclusion by engaging with Indigenous businesses and supporting small businesses through prompt payment initiatives.



Our People

As the energy sector prioritises the Just Transition, investing in a skilled and adaptable workforce is essential for ensuring business resilience and a sustainable future. By focusing on talent development, employee well-being and stakeholder collaboration, we empower our people to drive innovation, adapt to evolving regulations and contribute to a fair and inclusive energy transition.



Material Topics

- Labour and Human Rights
- Human Capital Management
- Health, Safety and Well-being
- Diversity, Equity and Inclusion
- Future Ready Skills for Development





Empowering Our People for a Sustainable Future

The Group recognises that our people are at the heart of our success. As we navigate the Just Transition towards a sustainable and low-carbon economy, we are committed to ensuring that our workforce is equipped, protected and empowered through fair and responsible labour practices. A Just Transition means that as industries evolve, workers, communities and businesses must be supported in adapting to change. We take a holistic approach to this transition by embedding social considerations into our business strategy, ensuring that economic and environmental progress does not come at the expense of livelihoods, equity, or well-being.

To achieve this, we focus on ensuring job security, strengthening workforce capabilities and fostering social inclusion as we shift towards a more sustainable future. This includes providing employees and contractors with opportunities for continuous learning and professional development, promoting gender equality and fair labour practices and ensuring that our decarbonisation efforts align with Just Transition principles, recognising and addressing their social impacts.

As stated in our Sustainability Policy, we are committed to:

- Being an equal opportunity employer
- Caring for the well-being and health of our employees and aiming to achieve an injury-free workplace
- Creating a diverse and inclusive workplace by respecting the values, customs and traditions of our employees in different operating markets
- Assisting staff to develop in an engaged workplace and caring for them and their families

Labour and Human Rights

The Group recognises that our employees are the foundation of our continued success. Their skills, experience and dedication drive our business forward, and we are committed to upholding labour rights, fostering a fair and respectful workplace and ensuring ethical employment practices.

As part of our social responsibility and Just Transition commitments, we provide equal employment opportunities and cultivate a supportive environment that enables personal and professional growth. We instil core values such as candour, courtesy, adaptability and respect for human dignity, privacy and fairness. Our approach extends beyond compliance, ensuring that we align with global standards in labour and human rights.

Commitment and Action

The Group is committed to maintaining a workplace free from discrimination, harassment and unfair treatment, ensuring that all employees, regardless of race, ethnicity, sex, religion, age, or disability, are treated with fairness and respect. Our recruitment process follows strict equal opportunity guidelines, and we enforce anti-discrimination measures across all business operations to promote a respectful and inclusive work environment.

While child labour, forced labour and modern slavery are strictly prohibited within our organisation, we recognise the challenges these issues pose in global supply chains. Our expectations regarding respect for human rights are outlined in our Human Rights Policy, which specifies that both our operating companies and suppliers are expected to uphold the principles of human rights and adopt similar policies within their own businesses.

Our Modern Slavery and Human Trafficking Statement reinforces our responsibility to maintain a supply chain free from exploitative labour practices. We conduct due diligence assessments where appropriate and expect transparency from our operating companies and suppliers in tackling these risks. For more details on how we address human rights risk in the supply chain, please refer to Supply Chain Management section.

To strengthen workplace protection, we introduced the Anti-Harassment Policy in 2024, reinforcing the responsibility of all employees to prevent harassment, including sexual harassment, in the workplace and at work-related events. The policy provides clear reporting channels and escalation procedures and ensures corrective actions against violations, promoting a safe and professional work environment.

We also recognise collective bargaining as an essential tool for maintaining ethical and responsible labour practices. The Group actively collaborates with employees and their representatives to uphold fair and equitable labour standards, ensuring that employees have a voice in workplace matters.

Through these commitments, the Group continues to foster a workplace that is inclusive, ethical and aligned with international labour and human rights standards.

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, (ii) occupational health and safety, discrimination and harassment; (iii) nor did we identify any incidents relating to human rights including the use of child or forced labour.

WWU: Upholding Fair Pay as a Fundamental Labour Right



In the UK, the right to fair wages primarily refers to the legal right to receive at least the National Minimum Wage (NMW) for work performed. A Living Wage ensures workers earn enough to cover essentials like food, housing and unexpected expenses – especially crucial amid the UK's ongoing cost-of-living crisis, where rising energy, food and housing costs have placed financial strain on many households. The National Minimum Wage is the legal minimum pay per hour, while the Living Wage is a voluntary higher rate.

Since 2022, WWU has been an accredited Living Wage Employer by the Living Wage Foundation, ensuring employees are fairly compensated based on the real cost of living, not just the statutory minimum. Throughout 2023-2024, WWU has continued to align with Living Wage adjustments, reinforcing its commitment to supporting its workforce.

As a company delivering essential energy services across Wales and south-west England, WWU values its employees' dedication to keeping homes and businesses safe and warm. Fair pay not only recognises their contributions but also strengthens WWU's ability to attract and retain talent, ensuring a stable and motivated workforce.



WWU upholds human rights and workplace dignity, reinforcing the Group's broader commitment to ethical and responsible employment practices.

Human Capital Management

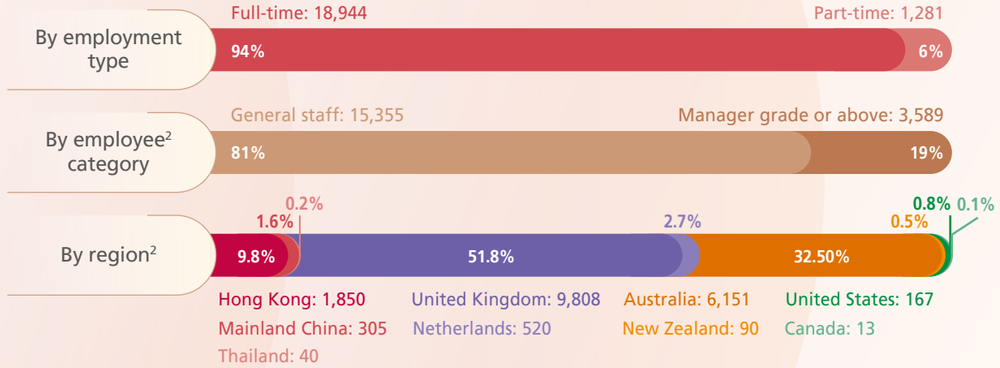
In 2024, the Group employs over 20,000 people. To manage a workforce at this scale, the Group prioritises employee development and engagement. Our business units are building resilient teams that are equipped to navigate the complexities of the industry while supporting the Group's strategic goals.

Commitment and Action

We are dedicated to creating a supportive and empowering work environment that enables employees to thrive and reach their full potential. Through the continuous enhancement of our human capital initiatives, we aim to meet employee needs while aligning with industry best practices. By prioritising talent retention and fostering strong, adaptable teams, we position ourselves to effectively navigate industry challenges and achieve the Group's strategic objectives. The Group collaborates with operating units to address human capital trends and challenges, ensuring a cohesive and forward-looking approach to workforce development.

Our Employee Profile in 2024[1]

Total no. of employees: 20,225



Notes:

1 All data includes only employees directly employed by the Group.

2 Data by employee category and region includes only full-time employees.

PR Conference

Power Assets joined the annual CKI PR Conference held in Hong Kong on 21-23 November 2024. This is an annual event where representatives from the corporate and public affairs functions of group associates gather to share ideas and experiences – from PR's role in driving net zero, to crisis management and effective stakeholder engagement and more. The three-day conference was attended by 28 PR professionals from 17 businesses units around the world.



Recruiting and Retaining Talent

Attracting and retaining top talent is essential to the Group's success. We are committed to developing a diverse and skilled workforce by offering graduate programmes that bring in talent from around the world and providing comprehensive employee benefits to enhance overall compensation. To strengthen our recruitment efforts, we also collaborate with external talent acquisition experts, broadening our talent pool and ensuring an efficient hiring process.

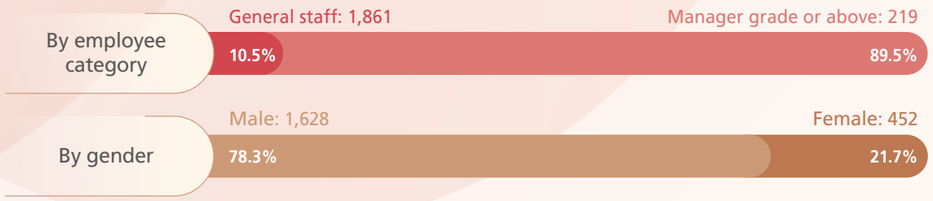
Employee Turnover in 2024[1]

	Voluntary[2]	Involuntary	Total
Overall	**5.3%**	**1.4%**	**6.7%**
By gender			
Male	4.9%	1.3%	6.2%
Female	6.9%	2.0%	8.9%
By age			
Below 30	5.9%	1.3%	7.1%
30-49	4.4%	1.2%	5.6%
50 or above	6.5%	1.8%	8.3%
By region			
Hong Kong	6.9%	1.9%	8.9%
Mainland China	2.3%	0.0%	2.3%
Thailand	7.5%	0.0%	7.5%
Australia	5.6%	2.2%	7.7%
New Zealand	17.8%	0.0%	17.8%
United States	16.2%	4.8%	21.0%
Canada	7.7%	0.0%	7.7%
United Kingdom	4.2%	0.8%	5.0%
Netherlands	12.5%	2.3%	14.8%

Notes:
1 Turnover rate refers to full-time employees only, which is calculated based on the employee departure during the year, divided by the average total number of employees as at 31 December 2024.
2 Voluntary turnover refers to employees who choose to leave an organisation such as resignation, retirement, early retirement, etc.

New Internal Hires in 2024

Total no. of internal hires: 2,080



How the Group Powers Talent Acquisition and Growth

Nurturing the Next Generation of Skilled Professionals

As industries grapple with a shortage of skilled labour and an increasing demand for specialised expertise, the Group is actively investing in training and talent development to bridge the gap. By proactively developing a pipeline of qualified professionals, the Group is not only strengthening its workforce but also future-proofing the industry against evolving challenges.

VPN: Expanding Apprenticeship Intake to Meet Industry Demand



VPN has launched their largest apprenticeship and traineeship intake in a decade. In 2024, 46 new apprentices were selected from a record 1,100 applicants, demonstrating strong demand for structured training pathways into the power industry.

Recruits come from diverse backgrounds, including hospitality, construction, plumbing, electrical trades, telecommunications and more, with ages ranging from 17 to 39 years. These apprentices are now based across regional and metropolitan Victoria, where they will receive hands-on training in power network maintenance and reliability—critical to keeping 1.2 million homes and businesses powered safely and efficiently.



EDL: Strengthening Young Professionals Early-Career Development

EDL's Young Professionals Network is helping early-career employees build industry connections and critical workplace skills. The programme supports graduate employees and student interns, offering opportunities for networking, mentorship and professional development.

Volunteering day provided members with a team-building experience, allowing them to strengthen collaboration and communication skills while contributing to their community. By fostering a strong support network, EDL is ensuring that young professionals develop the confidence and industry awareness needed for long-term success.



HK Electric: Facilitating Workplace Integration through E-Buddy Programme

Beyond technical training, mentorship and workplace integration are key to building a resilient and engaged workforce. Since 2015, HK Electric has been fostering a welcoming and inclusive work environment through its E-Buddy Programme, which supports newly hired employees as they transition into the company.

At the 2024/2025 E-Buddy Programme Seminar and Appreciation Ceremony, 69 employees were selected as E-Buddies to provide peer support and guidance to new hires. This initiative ensures that new employees adapt quickly, feel connected to their teams and develop a strong sense of belonging within the company.

UKPN: Winning Top Industry Award for Apprenticeship



Recognised with the Training Provision of the Year Award at the Energy & Utility Skills Awards in Birmingham, UKPN's Apprenticeship Programme ensures that the next generation of specialists is well-prepared to maintain and upgrade the electricity network.

Each year, UKPN's technical training schools train 110 craft apprentices, equipping them with the expertise needed for cable jointing, overhead line maintenance and electrical fitting. In 2024, UKPN recruited 26 new apprentices to begin their training under the Trailblazer Apprenticeship Framework, a rigorous three-year programme that leads to a qualified trade certification. Looking ahead, UKPN is set to expand its talent pipeline with 57 new trainee positions in 2025, reinforcing its commitment to workforce development.



Jinwan Power: Offering Internship Opportunities for University Students

In 2024, Jinwan Power offered internships across various departments, allowing students to work alongside industry professionals. The programme is designed to support students in their career development and prepare them for future employment opportunities in the industry.

Compensation and Benefits

The Group has established a structured performance review process that facilitates two-way feedback through its appraisal system, fostering constructive and long-term employee relationships. This process ensures that compensation is aligned with individual goals and broader management objectives, reinforcing a culture of collaboration and accountability. Conducted annually, performance reviews are team-based, promoting alignment across the Group and encouraging a shared commitment to success.

Recognising the importance of competitive incentives and benefits, the Group continuously reviews its human capital resources to ensure they remain aligned with industry best practices. Regular assessments of employee benefits help address evolving personal and professional needs, ensuring that employees feel supported and valued throughout their careers.

The Group is committed to creating a flexible and supportive working environment. Initiatives and personalised benefits are developed to accommodate diverse employee needs and promote work-life balance, including:

- Remote work options
- Marriage Leave
- 16-week Maternity Leave
- 10-day Paternity Leave
- Examination Leave
- Compassionate Leave
- Insurance (such as compensation insurance, group life and personal accident insurance, medical)
- Medical Check-up
- Mandatory Provident Fund (MPF)



Business units are encouraged to implement tailored support initiatives, including family benefits, stress management programmes, health and wellness initiatives and part-time roles.

For more details on mental health and wellness initiatives, please refer to the Health, Safety and Wellness section.



How the Group Powers a Family-Friendly Workplace

Supporting Employees at Key Life Stages

The Group is committed to fostering a family-friendly workplace culture that supports employees through major life transitions, including parenthood, caregiving and personal well-being. Recognising the evolving needs of its workforce, the Group's business units offer enhanced parental leave, flexible working arrangements and financial support to help employees balance their careers with family responsibilities.

SAPN and VPN: Enhanced Parental Leave for New Parents

To support employees in their journey into parenthood, SAPN provides 18 weeks of paid parental leave for primary carers and five weeks for secondary carers, allowing parents to care for and bond with their newborns. VPN offers up to 15 weeks of paid leave for primary carers and two weeks for secondary carers, with no waiting period. VPN also provides superannuation contributions on unpaid parental leave for up to 52 weeks, reinforcing long-term financial security for employees taking extended leave.





NGN: Flexible Work and Special Leave Options

To accommodate a range of family responsibilities, NGN offers a suite of family-friendly policies, including Emergency Leave, Carers Leave, Special Leave and career break options.

As a signatory to the Dying to Work Charter, NGN also supports colleagues diagnosed with terminal illnesses, ensuring they are treated with dignity and flexibility. This includes paid time off for treatment, flexible work arrangements for those well enough to continue working and financial support for their families through death-in-service payments.



WWU: Inclusive Support for Diverse Family Needs

Recognising that families come in many forms, WWU has expanded its policies to match adoption leave with maternity leave, ensuring adoptive parents receive the same level of support. The company also offers time off for fertility treatments, enhanced paternity leave and an inclusion policy for colleague events, reinforcing an equitable and supportive work environment.

WWU continues to lead the industry in championing equality, diversity and inclusion. Through innovative HR practices, WWU proactively fosters a respectful and inclusive work environment, committed to breaking down workplace barriers, eliminating prejudices and biases. Their continuous efforts to improve equality, diversity and inclusion were recognised by CIPD Awards in Wales where WWU won the "Best Equality, Diversity and Inclusion Initiative" award.

WWU's flexible benefits scheme, introduced in 2015, allows employees to customise their benefits package beyond the standard offering. Recent enhancements include well-being resources covering physical, mental and financial health. Employees can select or adjust benefits annually or access anytime benefits on a monthly basis, providing greater flexibility and personalisation.

United Energy: Empowering Employees with Flexible Work Options

United Energy encourages mutual agreements between managers and employees to establish tailored flexible work arrangements, guided by its well-established Flexible Work Arrangements Policy. The policy supports varied work hours, flexible start and finish times, remote work, part-time roles, compressed workweeks and other alternative schedules, enabling employees to balance their professional and personal commitments more effectively.



Employee Engagement

The Group recognises that engaged employees are essential to workplace productivity, innovation and long-term business success. By fostering an environment where employees feel valued, heard and empowered, we strengthen both individual and organisational resilience.

To enhance employee engagement and work performance, the Group prioritises understanding the needs and concerns of our workforce. We are committed to tracking and assessing key areas for improvement, ensuring that employees feel supported in their roles and career development.

We regularly monitor employee satisfaction, wellness and feedback through engagement surveys, which provide valuable insights into employee experiences. These surveys help us cultivate an inclusive culture that promotes personal growth, talent retention and long-term job satisfaction. By promoting transparency and empowerment, we enhance employee morale, innovation and adaptability in addressing future challenges.

Management reviews employee feedback and ensures that relevant insights are channelled to the appropriate teams to refine policies and practices. We remain committed to building a culture of well-being by seeking employee input and making meaningful progress in improving workplace morale, health and overall satisfaction.

How the Group Powers Employee Engagement

Using Systematic Tools to Gauge Employee Feedback

To foster a positive workplace culture and continuously improve employee engagement, the Group's business units leverage systematic employee feedback tools to gain valuable insights into workplace satisfaction, organisational culture and leadership effectiveness.

AVR: Strengthening Employee Engagement through Data-Driven Insights



In 2024, AVR is focusing on enhancing employee satisfaction. The company has leveraged insights from its 2023 employee satisfaction survey, which recorded a 53% participation rate, with 86% of respondents expressing pride and enjoyment in their roles. These findings have helped identify key areas for improvement, ensuring that AVR's workplace strategies reflect both employee priorities and sustainability objectives.

One direct outcome of these survey insights is the launch of a leadership programme focused on safety, demonstrating AVR's commitment to addressing employee feedback and fostering a workplace culture where well-being and leadership development go hand in hand. By systematically collecting and analysing feedback, AVR ensures that engagement efforts remain meaningful, targeted and aligned with evolving workforce expectations.



Phoenix Energy: Certified as a Great Place to Work

Phoenix Energy has taken a globally recognised approach to measuring workplace culture by participating in the Great Place to Work® employee survey. This rigorous assessment evaluates workplace culture, leadership behaviours and employee trust, providing clear benchmarks for continuous improvement. In 2024, Phoenix Energy earned Great Place to Work® certification, a recognition that validates its efforts in building a workplace culture that employees genuinely appreciate.

Highlights of employee feedback:

- **69%** of employees say it is a great place to work (compared to 54% of employees at a typical UK-based company)
- **93%** of employees say people here are treated fairly regardless of their sex.
- **98%** of employees say people here are treated fairly regardless of their race.

The use of a structured, globally recognised survey tool allows Phoenix Energy to track engagement trends over time, measure leadership effectiveness and strengthen its organisational culture in a data-driven and transparent manner.

Health, Safety and Well-being

Health, safety and well-being are essential to our operations, as they protect employees, ensure business continuity and uphold the integrity of our services. By fostering a safe and healthy workplace, we reduce the risk of accidents and injuries, minimising disruptions and maintaining productivity. Beyond physical safety, employee well-being encompasses a holistic state of physical, mental and emotional health at work. A workplace that prioritises well-being fosters higher morale, stronger engagement and better retention, enabling employees to perform at their best while feeling supported in all aspects of their health.

Commitment and Action

The Group is firmly committed to promoting health and safety across all business activities. We continually monitor, evaluate and improve our health and safety mechanisms to provide a secure working environment for employees, contractors, customers and stakeholders. Our ambition is to achieve zero accidents among employees and contractors while ensuring a safe and reliable supply of energy for customers and the public.

Our Health and Safety Policy outlines the Group's top management commitment and establishes a framework of minimum safety requirements that all operating companies must adopt while adhering to applicable legal requirements. Additionally, the Group encourages its associates, suppliers, contractors, business partners and, where applicable, its customers to respect the practices outlined in this policy, with a goal of ensuring that they feel protected, supported and empowered to perform at their best.

As part of this commitment, we pledge to:

- Fully comply with all applicable health and safety laws and regulations, integrating safety considerations into all business activities.
- Foster a company culture that promotes employee wellness and raises health and safety awareness through timely information, training and risk management.
- Implement and maintain safety management systems to monitor and improve health and safety performance, extending to our business, contractors, and suppliers.
- Encourage stakeholder alignment across all markets to uphold the same vision, values and safety standards, ensuring a collective commitment to a secure work environment.

To uphold these commitments, we actively:

- Conduct regular safety audits and risk assessments to identify potential hazards and implement preventive measures.
- Provide ongoing training and awareness programmes to enhance safety knowledge and preparedness among employees and contractors.
- Introduce workplace wellness initiatives that support employees' mental, physical and emotional well-being, reinforcing a holistic approach to workplace health.

Health and Safety Management System and Health Risk Assessment

The Group adheres to certification standards and legal requirements for health and safety in countries where we operate and has adopted well-established Health and Management Systems to maintain health and safety working conditions beyond mere regulations.

Throughout the year, internal and external audit programmes are conducted across different business units to facilitate continuous improvement and protect our stakeholders from harm. We also leverage Health and Safety Committees to effectively manage and oversee risk assessments for their respective operations, playing a crucial role in monitoring and addressing work-related injury risks. At the Group level, we hold biannual Health and Safety Management Meetings to review H&S performance and provide updates.

All work-related injuries, including fatalities, are meticulously documented. We also disclose relevant procedures and implement preventative measures to avoid similar incidents in the future, ensuring a safer workplace for all employees.

Our Safety Performance in 2024

Percentage of employees covered by OHSAS 18001/ ISO 45001
84.2%

Employees

Employee lost time injury incidents	51
Lost time injury rate (LTIR)[1]	0.27
Number of fatalities	0

Contractors

Contractors lost time injury incidents	38
Lost time injury rate (LTIR)[1]	0.62
Number of fatalities	0

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"

CKI PAH 2024 Health & Safety Conference

The Annual Health & Safety Conference, held on 8-9 October 2024, successfully convened over 80 participants under the theme "Turning Failures and Mistakes into Positive Safety Improvements".

The conference included comprehensive discussions among representatives from business units. Key topics addressed included proposed amendments to Electrical Safety Rules, aimed at enhancing safety protocols across the Group. Additionally, the conference provided a platform to explore driving behaviours that could further improve overall performance within the Group. This collaborative environment facilitated valuable knowledge sharing and reinforced the Group's commitment to continuous improvement in safety measures.



Creating a Safe and Secure Workplace for Employees and Contractors

Given the various sectors within the Group, employees and contractors face varying health and safety risks that require proactive management. To uphold the highest safety standards, we provide role-specific training and safety awareness programmes designed to enhance knowledge, improve preparedness and mitigate workplace hazards. These trainings cover emerging health and safety trends, occupational health and emergency response, ensuring that all personnel—whether employees or contractors are equipped with the skills and awareness needed to work safely and responsibly.

Business Units' Targets & Initiatives

Business Units	Details of Target	Progress in 2024	
HK Electric	Achieve a reduction in the Lost Time Injury Severity Rate in 2024 as compared to the average over the previous three years	Achieved in 2024	✓
NGN	Achieve 0.04 of lost time injury rate (injuries/100k hours) – employee and contractors – for 2023/24	Total Network: 0.02 Employees: 0.04 Contractors: 0.00	✓
United Energy	Zero fatalities by 2026	0 in 2024	▶
UKPN	Zero Significant (high potential) incidents by 2026 Increase commitment to engage with the public on safety issues, focusing on those who are at highest risk of injury from contact with our networks by engaging with 300,000 people per year during ED2 (vs. 250,000 people per year during RIIO-ED1)	Engaged with over 580,000 people through our website, school visits and other interactions with the public	✓
VPN	Zero fatalities by 2026	0 in 2024	▶



How the Group Powers Workplace Safety

Tailoring Safety Programmes to the Workplace Environment

The Group's business units implement tailored safety practices to address critical areas such as distribution safety, fire safety, road safety and contractor safety. These initiatives ensure employees and contractors are well-trained, informed and equipped to carry out their work safely and responsibly.

VPN: Raising the Bar on Road Safety

In 2024, VPN launched an enhanced road safety programme, delivering Heavy Vehicle Driver Assessment and Load Restraint training across 14 depots. Employees underwent four-hour driving assessments by external specialists, while in-house trainers conducted load restraint courses. These efforts have significantly improved driver competency and compliance with safety regulations.





RPCL: Introducing the Mental Health Clinic Project

RPCL implemented monthly counselling sessions in 2024, led by a psychologist, to provide continuous mental health support. The Mental Health Clinic Project offers individual mental health consultations, providing in-depth counselling and fostering a positive mindset. These sessions are conducted by a mental health professional from a government public hospital.

AVR: Strengthening Safety for Contractors

AVR has updated its Safety and Health Plan to reinforce safety protocols for contractors, outlining clear policies, procedures and rules. AVR has integrated contractors into its incident registration system (Ultimo), allowing them to directly report accidents, near misses, and incidents while ensuring transparency in follow-up actions. To further strengthen safety awareness, AVR is rolling out new safety instructions, exams, and regular contractor safety meetings to maintain ongoing communication, assess performance, and identify areas for improvement.



Implementing Employee Well-being Initiatives

Employee well-being is a core priority for the Group, extending beyond physical safety to encompass mental, emotional and overall workplace health. A holistic approach to well-being ensures that employees feel supported, valued and resilient, enabling them to thrive in their roles while maintaining a healthy work-life balance.

By fostering strong working relationships with employees and their representatives, we create a positive and inclusive workplace culture. We prioritise flexible working arrangements and comprehensive benefits that adapt to employees' needs across different life stages, reinforcing both well-being and resilience in the workforce.

Commitment and Action

The Group is committed to safeguarding the health, safety and well-being of its employees as part of its core values. Through structured initiatives, we aim to provide continuous support for mental, physical and emotional health, ensuring a work environment that fosters engagement, productivity, and overall job satisfaction.

Additionally, in line with our Health and Safety Policy, the Group encourages its associates, suppliers, contractors, business partners, and, where applicable, its customers to respect and adopt these well-being practices. This collaborative approach strengthens efforts across the entire business ecosystem, extending the impact of well-being initiatives beyond the Group's direct workforce.

To uphold these commitments, our business units actively:

- Provide mental health support programmes, including employee assistance programmes (EAPs), counselling services and stress management workshops.
- Promote physical wellness through workplace health initiatives, fitness programmes and preventive healthcare services.
- Support flexible work arrangements such as remote work, hybrid schedules and adaptable benefits that accommodate employees at different life stages.
- Foster emotional well-being by creating an inclusive and supportive culture through peer support networks, leadership training and wellness campaigns.

Business Units' Targets & Initiatives

Business Units	Details of Target	Progress in 2024	
NGN	Deliver mental health training for all colleagues by 2026	• 69 line managers completed the Mental Health Awareness Training • 205 non-operational colleagues have completed the mental health online training module on the Workrite Platform	
United Energy	Achieve 75% employee satisfaction in the well-being and mental health section of the Employee Opinion Survey (EOS) by 2026	87% favourable	
VPN	Achieve 75% employee satisfaction in the well-being and mental health section of the EOS by 2026	83% favourable	

How the Group Powers Employee Well-Being

Pioneering Holistic Health Support Across Business Units

The Group is setting a benchmark for employee well-being by pioneering a holistic approach to health support across its business units. By addressing physical, mental, emotional and financial health needs, the Group demonstrates its unwavering commitment to creating a supportive and resilient workforce.

NGN: Tackling Stress Through Innovation

NGN's approach to well-being is rooted in innovation and collaboration. Following the 2023 Stress Management Project in partnership with the University of Hull, the company implemented solutions to workplace stressors identified using the HSE Stress Risk Assessment Tool. Building on this success, NGN launched a Well-being Hub, offering resources such as counselling, physiotherapy, self-help apps and manager guidance. Covering topics like sleep, financial well-being, and healthy living, the hub ensures comprehensive support for employees.





United Energy: Comprehensive Well-being Programme

United Energy enhance employee well-being through a broad range of initiatives designed to support physical, mental, social and emotional health. These include the Employee Assistance Program (EAP) which enables employees and their immediate family members to access free and confidential counselling, a Well-being Subsidy to encourage participation in health-related activities and a Peer-to-Peer Support Network fostering mutual support among employees.

WWU: Proactive Leadership in Well-being

WWU supports employee health and well-being through regular communications on health topics, mental health awareness and response training, a suite of well-being support offerings and access to professional services. Health monitoring is conducted through the Health Surveillance Programme, while rehabilitation services such as physiotherapy, address both physical and mental health needs. In May 2024, the introduction of a Well-being Advisor underscored WWU's commitment to advancing its well-being initiatives.



Diversity, Equity and Inclusion

The Group is committed to fostering a workplace culture where inclusion and respect are fundamental values shared across all business units. Diversity, Equity and Inclusion (DEI) ensures that individuals from all backgrounds, identities and perspectives feel valued and empowered to contribute meaningfully. This commitment is not only integral to organisational success but also reflects the Group's dedication to creating a workplace that mirrors the communities it serves.

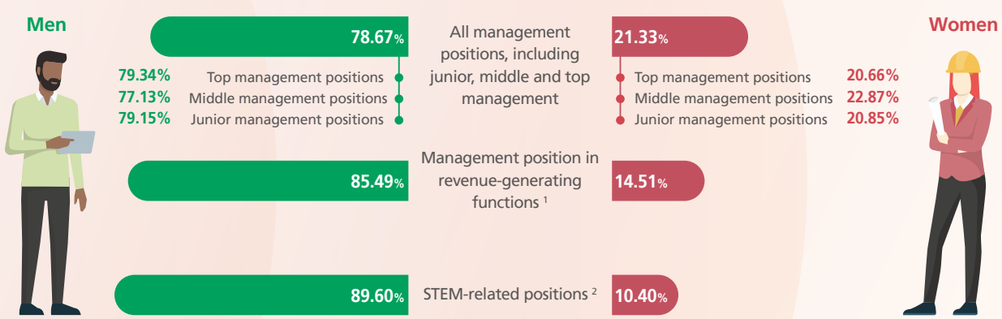
Commitments and Action

In 2024, the Group adopted a new SDG focused on Reducing Inequalities. This marked a significant step in our dedication to promoting equity within the workforce. The Group also became a signatory of the Racial Diversity and Inclusion Charter for Employers in 2023, affirming our pledge to advance racial diversity and inclusiveness in workplace policies, culture and environments.

To support these commitments, the Workforce Diversity Policy was introduced in 2024, establishing guidelines to ensure equal opportunities in recruitment, career progression and training. Additionally, this policy mandates DEI training to enhance employee awareness and foster inclusive practices at all levels of the Group.

Our approach is action-driven, integrating DEI into business operations through regular reviews in ESG committee meetings. These reviews, combined with active employee participation, enable us to identify gaps, implement targeted initiatives and cultivate a deeper understanding of diversity within the workforce. Notably, gender pay gap analyses and equitable employment practices remain key focus areas in our drive for meaningful progress.

Our Workforce Gender Diversity



1 Refers to line management roles that contribute directly to the output of products and services.
2 Refers to science, technology, engineering and mathematics (STEM) workers that use their knowledge of science, technology, engineering or mathematics in their daily responsibilities.

Business Units' Targets & Initiatives

Business Units	Details of Target	Progress in 2024	
AGIG	40% female representation in workforce by end 2027	36% overall female workforce representation	
	40% female representation in senior leaders category by end 2030	30% female representation at a senior management level, 37% at management level and 56% representation at an executive leadership level	
NGN	Gather and report workforce diversity data and produce baseline by 2026	25% as of December 2024	
SAPN	Female participate rate to 23% by the end of 2025	21.4%	
UKPN	Continue to build a diverse workforce to reflect and serve our communities by further improving equality of employment access, measuring continuous performance improvement. We will retain our NES accreditation and status as a Top 50 Inclusive Employer throughout RIIO-ED2	Has stayed in the Top 10 of the Inclusive Top 50 UK Employers List since 2019 and achieved its best ranking of second in December 2023	
United Energy	Reach 27% females in employment by 2026	27.6%	
	Reach 15% females in management roles by 2026	18%	
	Achieve 75% for Inclusion & Diversity index outcomes in the Employee Opinion Survey by 2026	89% favourable	
VPN	Reach 25% females in employment by 2026	21.7%	
	Reach 22% females in management roles by 2026	23.2%	
	Achieve 75% for Inclusion & Diversity index outcomes in the Employee Opinion Survey by 2026	83% favourable	
WELL	Achieve 50:50 gender balance across the business for new employees where possible by 2024	20% of new hires were female	

Inclusion Awareness and Gender Diversity

DEI entails creating an environment where diverse perspectives, experiences and identities are recognised, respected and celebrated. By fostering equity through fair access to opportunities and inclusion that empowers all employees, the Group champions a culture where everyone is valued and supported. This principle guides our continuous efforts to break barriers, address systemic challenges and build a sense of belonging within the workplace.

The Group prioritises inclusion awareness, employee participation and gender diversity as pillars of its DEI strategy. Through collaborative initiatives, we aim to advance equity, enhance engagement and ensure representation at every level. Our commitment extends beyond compliance, aspiring to foster a workforce that reflects the communities we serve while embracing inclusivity as a shared responsibility.

Our initiatives focus on equipping employees and leaders with tools to embrace diversity, integrate equity into daily practices and promote inclusive behaviours. Raising inclusion awareness is a key element, supported by training sessions and internal communications that encourage employees to reflect on their roles in fostering inclusivity. Employee participation is a cornerstone, with collaborative platforms enabling individuals to drive DEI efforts collectively. Additionally, the Group prioritises gender diversity through various initiatives. These actions contribute to an inclusive culture where employees at all levels can thrive.

How the Group Powers Inclusion Awareness

Advancing Inclusion Awareness through Trainings

The Group is leading the way in promoting inclusivity and respect across the workplace by implementing a series of comprehensive training initiatives. These programmes aim to raise awareness, equip employees with essential tools and foster a culture where everyone feels valued, respected and empowered to succeed. By tailoring their approaches to meet specific team dynamics and operational needs, the Group demonstrates its commitment to embedding inclusion into everyday practices.

Overview of Training Initiatives

Business Unit	Training Focus
DBP	Respectful Workplace Behaviour Training and role-specific training for gas network employees.
EDL	Inclusive hiring training by WORK180 to equip recruiters with tools to attract, interview and hire diverse candidates.
MGN	Respectful Workplace Behaviour Training, with role-specific training guided by a defined skills matrix.
United Energy	"Inclusion in Action" sessions for leaders since 2022, team-wide workshops and recurring Workplace Behaviours training.
WWU	Bespoke Inclusion, Equality and Diversity workshops tailored to team dynamics, encouraging reflection on practices.



Driving Inclusion through Employee Participation

The Group is committed to fostering a culture of inclusion by implementing strong policies, actively engaging employees and prioritising gender diversity. By empowering underrepresented colleagues and providing platforms for meaningful participation, the Group ensures every employee has the opportunity to thrive, contribute and maximise their potential. These efforts not only enhance workplace equity but also drive innovation and long-term success, benefiting both the Group and the communities it serves.

NGN: Fostering Workplace Equality through Colleague-led Communities



As part of its commitment to fostering an inclusive workplace, NGN has established five colleague-led communities under its Inclusion and Belonging Working Group. These communities lead initiatives that promote equity, support underrepresented groups and cultivate a culture of belonging.

Women's Community

- Launched a mentoring scheme in partnership with the Women's Utility Network to help women build confidence and skills.
- Hosted the first Women's Safety Bounce event.
- Set senior-level gender representation targets, now embedded in NGN's People and Planet Strategy.

LGBTQIA+ Community

- Introduced Allies training to help colleagues better support LGBTQIA+ individuals.
- Developed a Trans Policy and updated NGN's Dress Code Policy to be more inclusive.

Carers and Parents Community

- Launched a parent returner programme.
- Updated flexible working policies to support job-sharing and caregiving.
- Created the Carents Room, an online resource hub for employees balancing work and caregiving.

Disability Community

- Led NGN's decision to join the Business Disability Forum, strengthening inclusive policies for employees with visible and invisible disabilities.

Ethnic Minority Community

- Spearheaded NGN's Race at Work Charter commitment.
- Introduced Bank Holiday swapping, allowing colleagues to observe non-Christian religious festivals.

AGIG's Systematic Approach to Diversity, Equity and Inclusion



AGIG is making bold strides in fostering DEI within its workplace. With a workforce where 40% of employees come from non-English speaking cultural backgrounds and 37% are multilingual, AGIG's recently launched Diversity, Equity and Inclusion Engagement Plan for 2024-2026 reinforces its commitment to creating a workplace that reflects the communities it serves and empowers every employee to thrive.

AGIG's leadership believes that
DEI is not just ideals but key drivers of innovation, customer service excellence and high performance. By actively seeking feedback and challenging existing systems of work, AGIG aims to make meaningful changes to the employee experience, ensuring that every individual feels valued and recognised.

As a forward-thinking organisation, AGIG is determined to reflect the evolving social landscape and the diverse communities they serve. Through both internal and external collaboration, the company plans to address equity gaps and create a workplace that embraces employees' unique perspectives, knowledge and skills. AGIG emphasises the importance of providing fair and equal opportunities for all, ensuring that diversity becomes an everyday part of its business practices.

The DEI Engagement Plan outlines four focus areas to guide its efforts:

- **Being a diverse and culturally safe workplace**: AGIG is committed to attracting and retaining diverse employees and teams while ensuring they have a positive employee experience.
- **Promoting equity through fair and equal opportunities**: By fostering transparency and fairness, the company aims to enable everyone to succeed through equitable initiatives and practices.
- **Embedding inclusive practices in the way we work**: Recognising that diversity and inclusion are shared responsibilities, AGIG encourages all employees to play an active role in creating an inclusive workplace.
- **Leading by example**: AGIG's leaders are champions of inclusive behaviours, proactively contributing to a workplace that values diversity and equity.





Strengthening Gender Diversity across Our Operations

As part of our ongoing efforts, the Group is committed to promoting gender diversity and fostering fair representation across all levels. We support career progression, equitable practices and measurable goals to create a more inclusive workplace.

How the Group Powers Gender Diversity

Removing Gender Barriers and Building Inclusive Workplaces

The Group's commitment to gender diversity is reflected in the actions and recognition of its business units, each taking meaningful steps towards fostering an inclusive and equitable workplace.

EDL: Recognised as One of the Top 101 Workplaces for Women by WORK180

WORK180 endorsement of employers in Top 101 Workplaces for Women is a testament to its strong policies and practices in gender inclusion. The assessment, which evaluates ten workplace standards including representative leadership, flexible working arrangements and pay equity—acknowledges EDL's efforts in creating a diverse and equitable workplace where women can thrive.





WWU: Driving Cultural Change through Bespoke Inclusion, Equality and Diversity Workshops

Tailored to the unique dynamics of each team, these workshops encourage employees to reflect on inclusivity in daily interactions, reinforcing WWU's commitment to fostering a workplace where everyone feels valued, supported and empowered to succeed.

Gender Pay Gap

Addressing the gender pay gap is a crucial step toward workplace equality. The gender pay gap measures the difference in average earnings between men and women across an organisation, reflecting broader workforce trends such as representation in senior roles, industry norms and structural barriers to career progression. Generally, a gender pay gap comparison examines the average pay of all employees, regardless of their role, to identify differences between what men and women are paid on average. This differs from an equal pay comparison, which focuses on ensuring that men and women are paid equally for performing the same or similar jobs.

To better understand and address these gaps, our business units conduct regular gender pay gap analysis. These assessments help identify pay disparities, meet regulatory reporting requirements and devise targeted strategies to close the gap. By continuously monitoring and improving pay equity, our business units remain committed to fostering a workplace where all employees, regardless of gender, have equal opportunities to advance and thrive.



Details of Gender Pay Gap Analysis in UK businesses

Our UK-based businesses – UKPN, WWU and NGN publish their annual Gender Pay Reports on their websites and report their data to the UK Government.

NGN

- Gender pay gap: **19.4%** lower than men's (median hourly pay)
- Bonus pay gap: **38%** lower than men's (median bonus pay)

UKPN

- Gender pay gap: **19.1%** lower than men's (median hourly pay)
- Bonus pay gap: **23.6%** lower than men's (median bonus pay)

WWU

- Gender pay gap: **10.4%** lower than men's (median hourly pay)
- Bonus pay gap: **42%** lower than men's (median bonus pay)

In May 2024, WWU launched a 'Diversity Monitoring' form for new starters to collect diversity data for review and reporting purposes. Plans are in place to extend this initiative to all colleagues as a voluntary 'data refresh' aligned with the Equity, Diversity & Inclusion Strategy targets.



Details of Gender Pay Gap Analysis in Australia businesses

Our Australia-based businesses – AGIG, SAPN, VPN and United Energy report to the Workplace Gender Equality Agency (WGEA), an Australian government agency, on an annual basis.

AGIG

Average total remuneration WGEA Gender Pay Gap:

28.1% (in 2023) → **23.3%** (in 2024)

Median total remuneration Gender Pay Gap:

31.2% (in 2023) → **27.3%** (in 2024)

AGIG is committed to achieving gender equity across the business. Early in 2024, they completed an independent gender pay gap analysis using the AGIG Remuneration Framework, completing their ESG target under UNSDG 5.

This analysis, along with WGEA annual gender pay gap results, identified areas where they were performing well compared to comparison groups such as their paid parental leave policies, analysis of remuneration gaps, collection and reporting on sexual harassment claims and setting of gender targets.

SAPN

Gender pay gap:

13.3% (2023) → **15.6%** (2024)

This rise is primarily attributed to SAPN's emergency response to the River Murray flood event in late 2022 and into 2023, which required extensive overtime work from their field staff which is primarily male, to restore power in impacted areas.

VPN and United Energy

Median base salary gap for the 2022-2023:

9.4%

Median total remuneration Gender Pay Gap:

26.8%

VPN and United Energy conduct annual gender pay equity review, providing response to the WGEA to examine discrepancies in the compensation of male and female employees in comparable roles. A remuneration specialist analyses the salaries of males and females in like-for-like roles. Any anomalies identified are promptly addressed to ensure fair and equitable compensation practices.

Future Ready Skills for Development

In an ever-changing business landscape shaped by technological advancements, globalisation and evolving business needs, equipping the workforce with future-ready skills is essential for success. These skills enable employees to adapt to industry transformations, enhance their personal and professional growth and foster an agile workforce capable of overcoming challenges and capturing opportunities of tomorrow.

As the energy industry transitions toward a sustainable, low-carbon future, the concept of Just Transition underpins our approach to workforce development.

Enhancing Talent Learning and Development

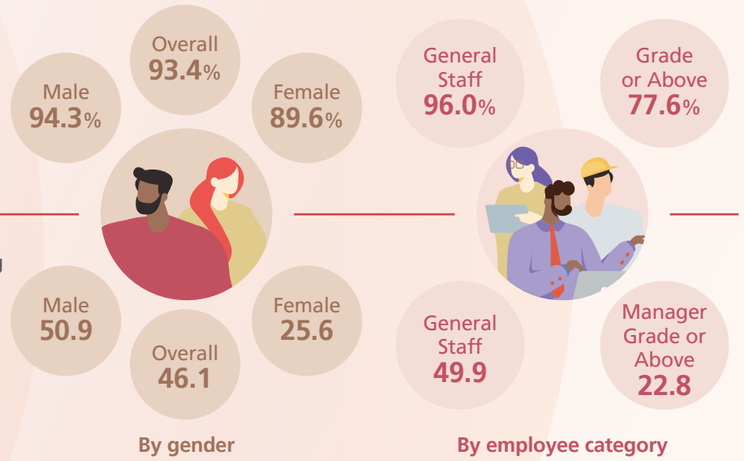
The Group is committed to creating an inclusive environment where employees are empowered to grow and develop. By prioritising talent learning and development, we ensure that our workforce is equipped with the skills, knowledge and confidence needed to navigate a dynamic and constantly changing environment.

By taking a holistic approach to workforce development, the Group attracts top talent while retaining, supporting and empowering employees with the expertise needed to drive the company's growth.

The Group regularly evaluates and enhances its talent development initiatives to meet the evolving expectations and requirements of employees. Through substantial investments in training programmes, mentorship and career advancement opportunities, we cultivate a highly skilled and motivated team.

By embedding sustainability and forward-thinking capabilities into workforce development strategies, the Group ensures its employees are prepared to meet the demands of a rapidly evolving industry. Aligned with the principles of Just Transition, our efforts prioritise the well-being and professional development of employees, ensuring they are equipped to contribute meaningfully to a sustainable, low-carbon future.

Employee Training in 2024



[1] Full-time staff including terminated employees who left the Company during the reporting period. Percentage of employees who received training = number of employees trained in the category / total workforce of the category at the end of the reporting period x 100%. The percentage of employees trained may exceed 100%.

How the Group Powers Future Skills Development

Fostering Employee Growth for a Just Transition

As the world transitions to a greener future, we are increasingly recognising the importance of equipping employees with the skills and mindset needed to support a decarbonised economy.



VPN: Strengthening Leadership to Drive Workplace Excellence

This year, VPN has delivered an impressive range of leadership programmes aimed at empowering employees and enhancing workplace performance. Courses such as "Coaching to Drive Performance", "Crucial Conversations" and "Elevate Your Team From Good to Great" provided valuable tools for fostering collaboration, accountability and team success.

The Leadership Excellence Programme, facilitated by the Australian Institute of Management, has enriched the learning experience of 99 employees, nurturing strong leadership and drives excellence across the company.

HK Electric: Building a Global Network of Energy Innovators



Through its "Belt and Road Advanced Programme in Power and Energy," HK Electric has collaborated with The Hong Kong Polytechnic University, Xi'an Jiaotong University and the State Grid Corporation of China to train over 800 energy professionals from more than 40 countries and regions since 2018. With the programme extended to 2028, HK Electric now focuses on fostering innovation and conducting on-site research to develop customised solutions for power infrastructure in Belt and Road countries and regions.

HK Electric has been recognised for its commitment to digital transformation, winning three accolades at the 2024 Award for Excellence in Training and Development organised by the Hong Kong Management Association (HKMA). The initiative empowered 114 employees from various departments, many without prior programming knowledge, to develop 132 functional apps using the eConnect no-code platform. These apps have streamlined work processes, saving more than 1,300 work hours annually and reducing paper usage by over 130,000 sheets, cutting carbon emissions by more than 2,900 kilograms. The programme has also delivered an impressive 200% return on investment.

Our Community

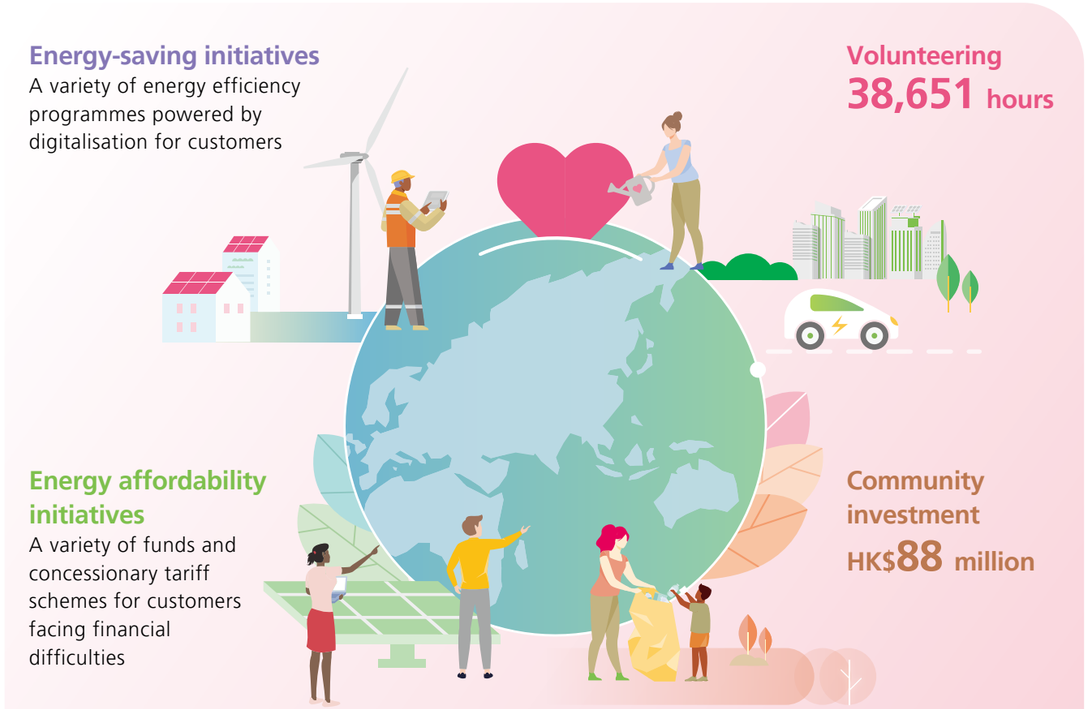
We value our relationships with communities and understand that our influence goes beyond our business activities. By prioritising the importance of social capital, we actively engage with local communities to understand their needs and support them. As we pursue a Just Transition to a green economy, we are committed to helping society decarbonise while also promoting initiatives that improve the well-being of our stakeholders.



Material Topics

- Initiating Sustainability Transition in Community
- Community Engagement and Investment





Powering Communities for a Just Transition

We believe the success of the energy transition depends on meaningful engagement with communities. As a global energy and utility investor, we are committed to ensuring this transformation is inclusive, fair, and beneficial for everyone. At the core of our approach are the principles of Just Transition, which focus on achieving decarbonisation while carefully considering its social impacts.

By building strong partnerships and actively engaging with local communities, we foster a shared sense of responsibility and ownership over the energy transition. This collaboration helps to raise awareness, secure support, and develop solutions tailored to the unique needs and challenges faced by each community in adapting to climate change.

Our commitment extends beyond dialogue. We actively seek to understand and amplify the voices of those most affected by this transition, ensuring their perspectives shape our strategies. Through open and inclusive discussions, we prioritise empowerment and collaboration, advancing environmental goals while creating a fair and low-carbon future that uplifts all communities, leaving no one behind.

In this Chapter, we will explore how our actions support the communities we serve throughout the low-carbon transition journey. For an overview of the Just Transition plan and the strategic considerations behind it, please refer to the Climate Action Plan section.

Initiating Sustainability Transition in Community

At the heart of our operations is the principle that infrastructure should enhance the well-being of the communities it serves. Sustainable transitions can take many forms, from promoting sustainable living—such as adopting low-carbon transportation—to ensuring that natural resources are utilised in ways that respect cultural heritage and community livelihoods.

The Group's business units prioritise engaging with communities through dialogue and cultural exchange, recognising that collaboration with impacted communities is key to fostering a Just Transition. By maintaining open communication and forming lasting partnerships, we aim to ensure that all stakeholders feel valued and included in the energy transition journey.

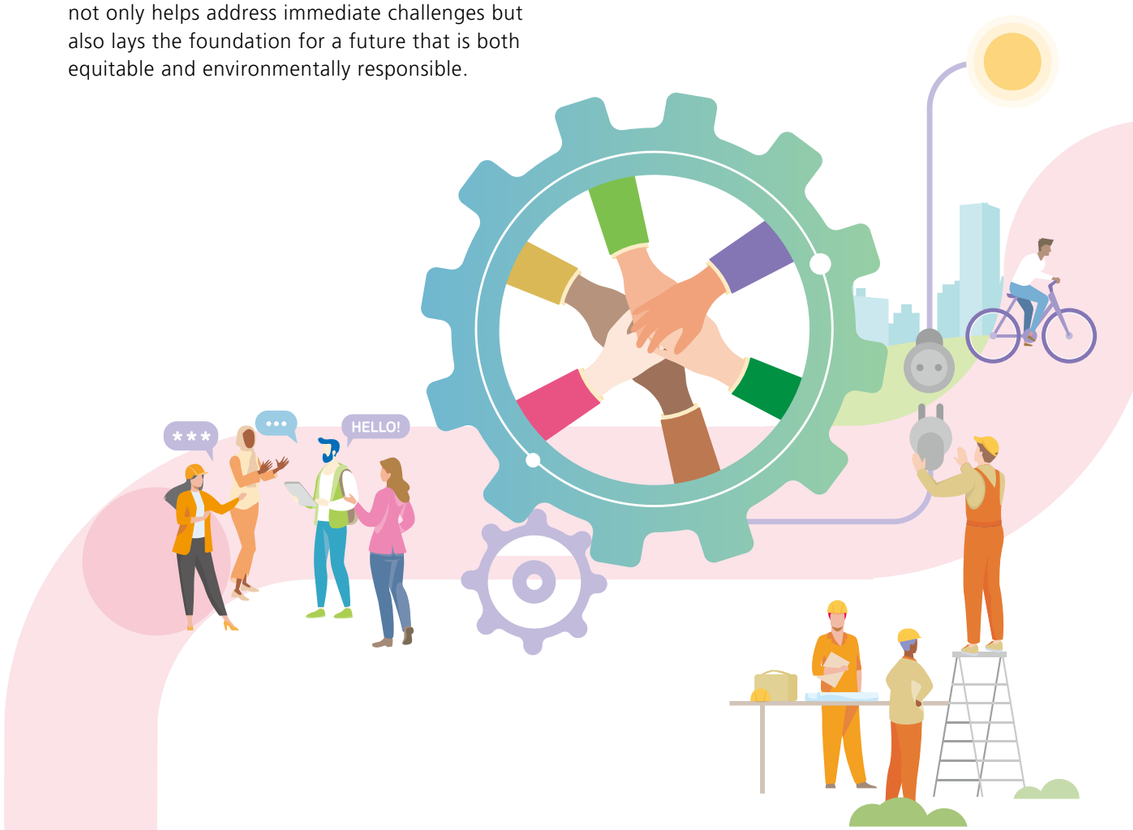
As we navigate major shifts, including the transition to low-carbon infrastructure, collaboration with local communities becomes essential for achieving sustainable and inclusive progress. This approach not only helps address immediate challenges but also lays the foundation for a future that is both equitable and environmentally responsible.

Commitment and Action

The Group is deeply committed to respecting local cultures and aligning its operations with the needs and aspirations of the communities it serves. This commitment is embedded in our business practices, focusing on fostering meaningful relationships built on trust, mutual growth, and collaboration.

Through ongoing collaboration, targeted initiatives, and open dialogue, we deliver practical outcomes that benefit all, regardless of background or circumstances. By creating accessible opportunities through the energy transition, we help communities embrace sustainable solutions that drive positive social and economic change.

These efforts ensure that the opportunities created by the energy transition are shared equitably, laying the foundation for a sustainable future that leaves no one behind.



How the Group Powers Sustainability Transition in Community

Advancing Reconciliation through Sustainable Practices and Community Empowerment

The Group's energy companies in Australia are demonstrating their commitment to reconciliation with First Nations peoples through innovative programmes that promote cultural understanding, economic empowerment, and environmental sustainability.



EDL : Empowering Indigenous Communities through Sustainability

Leading the charge is EDL, a global producer of sustainable distributed energy. Through its Innovate Reconciliation Action Plan (RAP), EDL supports impactful initiatives such as CareerTrackers, assisting Aboriginal and Torres Strait Islander students to build solid career pathways.

EDL's partnerships further highlight its dedication to reconciliation. For example, the company collaborates with Indigenous-owned businesses to drive the West Kimberley Power Project, delivering sustainable energy solutions. Similarly, EDL's partnership with the Djurrubu Rangers in Jabiru, Northern Territory, demonstrates how cultural preservation and environmental stewardship can go hand in hand.

SAPN : Supporting First Nations Youth through Education

SAPN is focusing on fostering meaningful relationships through its RAP. During National Reconciliation Week, SAPN's Employee Foundation raised A$1,600 to fully fund a place for a young First Nations child in the Nature Foundation's Kids on Country programme. This initiative builds self-confidence and life skills for Aboriginal youth.

In addition, SAPN has partnered with the Australia Day Council of South Australia, supporting events honouring First Nations voices and fostering reconciliation since 2019.





United Energy: Prioritising Cultural Heritage and Equity

United Energy is amplifying First Peoples representation through its Reflect RAP, which incorporates a First Peoples Advisory Committee to guide cultural initiatives. An in-house heritage advisor ensures projects align with Cultural Heritage Management Plans while minimising delays.

The company also supports First Peoples-owned businesses, such as First Nations Traffic Management, and continues to expand training and employment opportunities within its supply chain.

VPN: Scholarships and Employment Opportunities for First Nation Peoples

VPN is removing barriers to education for First Nation Peoples by offering scholarships of up to A$2,000 for students undertaking pre-apprenticeship training in electrotechnology. The scholarships not only cover essential expenses but also provide hands-on personal protective equipment and training at CitiPower and Powercor depots.

Additionally, VPN's Girgarre Solar Farm project exemplifies its commitment to economic empowerment. The project created 31 employment opportunities for Yorta Yorta men and women while fostering partnerships with First Nations businesses, including Rumbalara and Yurringa.



Energy Efficiency and Digitalisation

Digital skills play a crucial role in achieving energy efficiency, directly influencing energy consumption patterns and contributing to environmental sustainability. The Group firmly believes that empowering communities with digital tools and knowledge is key to fostering sustainable energy practices and building resilience in the face of climate challenges.

Aligned with our commitment to a sustainable future, the Group supports customers in improving energy efficiency as part of their journey toward low-carbon living. We aim to empower individuals and households with the skills, resources, and confidence to make informed energy decisions. These efforts not only reduce energy costs for customers but also promote sustainable lifestyles, reflecting our dedication to enhancing community well-being while advancing global sustainability goals.

Our business units lead a variety of programmes to drive energy efficiency through digital innovation. These include offering guidance on reducing energy waste, providing tips on optimising appliance usage, and equipping customers with information on adopting energy-efficient technologies.

Business Units' Targets & Initiatives

Business Units	Target	Progress in 2024	
HK Electric	Conduct 1,000 energy audits and provide subsidies for 500 buildings between 2024 and 2028	Completed over 200 audits under Smart Power Energy Audit in 2024, particularly for NGOs, schools and SMEs; Approved subsidies for 193 buildings in 2024	
	Help 500 businesses switch to energy-efficient electrical equipment for their operations during 2024 and 2028	85 businesses have been supported to adopt energy-efficient electrical equipment for business operations as at the end of 2024	
	Confirm energy efficiency enhancement project subsidies for at least 100 buildings in 2024, including residential buildings, commercial buildings, NGO buildings and schools	Achieved in 2024	
	Support 100 construction sites to use grid-electricity supply to replace diesel generators during the period from 2024 to 2028	20 construction sites have been supported to adopt grid-electricity supply to replace diesel generators as at the end of 2024	
	Support 20,000 parking spaces to install electric vehicle (EV) charging-enabling infrastructure during the period from 2024 to 2028	About 7,000 parking spaces have been supported to install EV charging-enabling infrastructure as at the end of 2024	
NGN	Provide over £1 million of regulatory and shareholder funding annually to support vulnerable customers and communities by 2026	Invested £3.7 million into supporting vulnerability in communities through this mechanism in 2023/24	
UKPN	Support all medically dependent PSR customers in understanding the benefits of having a smart meter by providing tailored advice every two years throughout RIIO-ED2	Continuing to run bi-annual smart meter targeted advice campaign for medically dependent PSR customers. The campaign ran in 2023, and the next cycle will be 2025	
	Share information on low-carbon technologies (LCT) and energy efficiency with 1.4 million customers in areas designated for electrified heating by 2028	93,481 customers contacted with information on LCT and energy efficiency in 2024	
	Ensure that 71% of off-gas grid homes in our regions have the suitable capacity to decarbonise their heating and transport by the end of RIIO-ED2	RAG status is green. We have carried out analysis to demonstrate the network has sufficient capacity to meet this commitment	
WELL	Offer commercial EV managed charging service by 2024	Commercial EV managed charging is in the market and is currently used by NZ Bus to manage load in a capacity challenged part of the network. WELL is currently in negotiations with NZ Bus with respect to an additional location which will also be managed	

How the Group Powers Energy Efficiency

Driving Energy Efficiency through Community Digital Empowerment

In today's energy landscape, digital skills have emerged as a cornerstone of achieving energy efficiency, empowering customers to make smarter choices that benefit both their wallets and the planet. Recognising this vital connection, forward-thinking initiatives were developed to enhance digital literacy and provide accessible tools, enabling consumers to play an active role in the energy transition.



HK Electric : Smart Power Solutions for Sustainable Communities

Through its innovative Smart Power Services (SPS) programme, HK Electric is bridging the gap between digital capabilities and energy efficiency. A shining example is its work with Everest Residence, Hong Kong Island's first Modular Integrated Construction (MiC) transitional housing project. By providing grid-electricity supply during construction and subsidising energy-efficient appliances, HK Electric has not only reduced the project's carbon footprint but also equipped tenants with the tools for low-carbon, all-electric living.

Beyond Everest Residence, HK Electric's SPS programme has supported eight transitional housing projects, benefiting over 260 units and 800 residents. Through these efforts, the company ensures that underprivileged families gain access to sustainable, energy-efficient solutions, creating a replicable model for eco-friendly housing that aligns with Hong Kong's sustainability goals.

UKPN: Empowering Local Authorities for Decarbonisation



UKPN's Local Net Zero team collaborates with local authorities to implement decarbonisation strategies through expert guidance, data and digital tools. Its free "Your Local Net Zero Hub" online planning tool, open to all 133 local authorities that UKPN serves, allows a local authority to visualise a range of data in their local area, plan deployment of LCTs, create scenarios and share their plans with UKPN to inform future investments, benefiting 17.9 million residents. Its LAEP Open Data page with more than 160 datasets available, empowers local authorities with the data they need for their local area energy planning process. With 82% of local authorities having declared a "Climate Emergency", UKPN fosters collaboration through workshops and open data initiatives, earning the Energy Institute's International Energy Engagement Award for its collaboration with local authorities and facilitating the UK's Net Zero goals.

Support for Economically Vulnerable Customers

The Group firmly upholds the principle of building a sustainable economy that not only addresses environmental challenges but also actively works to reduce social and economic inequalities. We are guided by the International Labour Organisation's (ILO) Just Transition framework, ensuring a balanced approach that integrates environmental, social, and economic priorities across all sectors of our operations.

As part of this commitment, we recognise the growing pressures faced by low-income families, particularly in light of rising energy costs and broader macroeconomic challenges. The Group is dedicated to ensuring affordable energy access during the global energy transition, ensuring no one is left behind in this energy transition.

In practice, our business units have implemented a range of tailored programmes to assist those in need. These include one-off subsidies to ease immediate financial burdens, customer support funds to provide further aid, concessionary tariff schemes to improve energy affordability, and green education campaigns aimed at empowering households to adopt sustainable energy practices. These initiatives provide vital relief while laying the foundation for long-term resilience and a more equitable, low-carbon future.

Business Units' Targets & Initiatives

Business Units	Target	Progress in 2024	
AGIG	Support customers in vulnerable circumstances	The AGIG Victorian Priority Services Programme (PSP) was launched in September 2024 Support has been provided to 124 customers to end-2024 and focus has now shifted to programme growth. The PSP was awarded the 2024 Service Champion for the Customer Service Project of the Year – Customer Impact	
NGN	Provide over £1 million of regulatory and shareholder funding annually to support vulnerable customers and communities by 2026	Between 2013 and 2021, provided over 15,600 free gas connections and provided £1.9 million funding	
UKPN	Enhance our services by better understanding customers in vulnerable circumstances, as well as our low-carbon and small business customers	Achieved 93.7% on average across the customers in vulnerable circumstances and from low carbon and small business customers	

How the Group Powers Vulnerable Customers

Distributing Economic Value to Address Fuel Poverty

Fuel poverty continues to be a pressing issue in the UK, affecting millions of households struggling to afford basic energy needs. Recognising this, the Group has adopted an innovative approach to address fuel poverty, combining immediate financial relief with long-term sustainability efforts.



UKPN: Empowering Communities through Innovation

UKPN has launched a transformative initiative targeting 500,000 fuel-poor and vulnerable customers during the RIIO-ED2 price control period. With a commitment to delivering £67 million in benefits by 2028, UKPN ensures that disadvantaged communities are not left behind in the transition to a low-carbon energy future. Importantly, this support is provided at no cost to recipients, showcasing the Group's focus on equitable energy solutions.

Central to UKPN's success is its vulnerability mapping tool, which identifies areas of greatest need, ensuring resources are allocated efficiently. In addition, the UK Power Networks Foundation co-funds grants to help vulnerable households install low-carbon technologies. This approach not only reduces energy costs but also builds long-term resilience, empowering customers to thrive in a more sustainable world.

NGN: A Safety Net for the Vulnerable

NGN has taken a similarly innovative approach with its Vulnerable Situations Strategy, combining financial relief with proactive community support. NGN has provided over £550,000 in essential fuel crisis payments, resulting in financial savings of more than £6 million for customers in need.

What sets NGN apart is its unique revenue model, which reallocates funds recovered from gas theft to directly support fuel-poor customers. This reinvestment strategy has enabled the completion of 82 NGN-specific and 34 collaborative projects, driving sustainability and resilience in the communities it serves.



Community Engagement and Investment

Our operations are guided by the principle that infrastructure should enhance the well-being of the communities it serves. By prioritising both community engagement and investment, we strive to create positive, lasting impacts that address local needs and foster trust.

The Group believes that investing in future generations is essential for achieving a sustainable and inclusive future. This involves not only addressing the immediate needs of communities but also empowering them to thrive in a rapidly changing world. By supporting education, environmental stewardship, and sustainable development, the Group lays the foundation for resilient communities that are equipped to meet future challenges.

We are dedicated to building strong, trusting relationships with local communities and integrating their perspectives into our strategies. By taking a proactive approach to supporting communities as they adapt to the impacts of climate change and decarbonisation, we aim to create solutions that are both inclusive and sustainable.

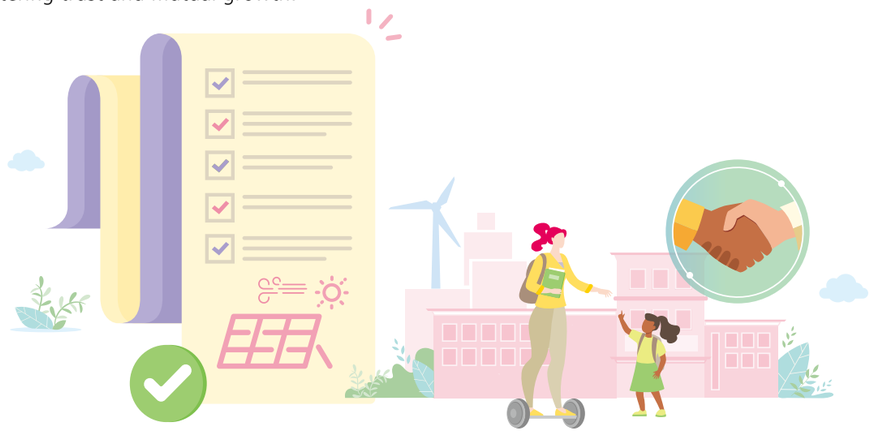
Commitments and Actions

The Group is committed to safeguarding the rights of communities and contributing to their economic and social well-being. Regular engagement with diverse stakeholders is central to this commitment, ensuring that our initiatives are guided by the voices of those we serve. By actively seeking and valuing feedback, we ensure that our operations align with the needs and priorities of local communities, fostering trust and mutual growth.

We also prioritise forward-looking investments that empower future generations, focusing on initiatives that address long-term challenges and build resilience. These efforts reflect our dedication to fostering a just and equitable transition to a low-carbon future, where no community is left behind.

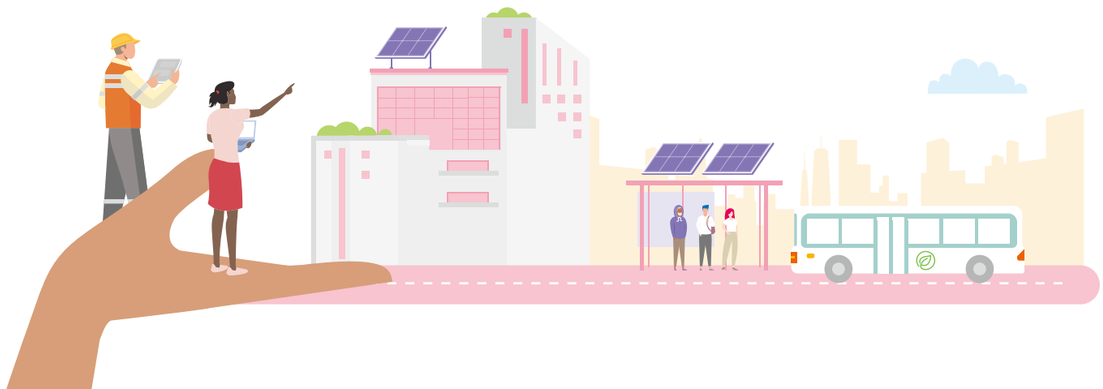
To translate our commitments into action, the Group leverages technology and innovation to drive meaningful community investment initiatives. Our programmes focus on education that cultivates a deeper understanding and appreciation of nature, laying the groundwork for environmental stewardship and sustainable living. Our programmes inspire communities to embrace sustainable practices while empowering future generations to care for the environment and address the challenges of a rapidly evolving world. Details can be found in the Innovation and Digitalisation section.

Employee participation plays a vital role in our community engagement efforts. Through volunteering opportunities and tailored programmes, employees actively contribute to initiatives that directly benefit local communities. This hands-on involvement strengthens the Group's connection with the communities it serves, fostering a sense of shared purpose and collective effort. These initiatives enable the Group and its stakeholders to build a more inclusive, resilient, and sustainable future.



Resources Contributed to Community Investment

	Number of hours contributed by focus areas	Amount of money donated by focus areas (HK$'000)
Education	8,277 hours	$59,292
Environment	6,043 hours	$512
Labour needs	1,706 hours	
Health	2,583 hours	$9,195
Culture	342 hours	$2,141
Sport	1,400 hours	$12,038
Others (e.g., chronic disease awareness, coastal conservation, vulnerable communities and animal care)	18,300 hours	$4,935



Business Units' Targets & Initiatives

Business Units	Target	Progress in 2024	
AGIG	Invest in the community through our Community Partnerships Programme (CPP)	During 2024 AGIG invested A$0.5 million and 825.5 volunteer hours through its CPP. In 2024, to recognise the importance of the CPP, AGIG published the Community Impact Report as part of their 2024 ESG Reporting Suite	
HK Electric	Organise 100 stakeholder engagement activities, including workshops and seminars, focused on smart zero-carbon caring cities and sustainability, during the period from 2024 to 2028	11 engagement activities have been arranged as at the end of 2024	
	Involve 120,000 participants in green education activities in 2024	Over 140,000 participants in 2024	
UKPN	Target to be the #1 DNO Group as measured by customer satisfaction, or to achieve at least a 93% score on average across our networks in each year of RIIO-ED2 by measuring and reporting on these specific customer segments	Ongoing engagement plans in place with partners to continue to achieve 93% on average	
United Energy	Involve 1,000 customers in energy literacy programmes by 2026	13,784 customers participated	
VPN	Involve 2,000 customers per annum participate in energy literacy programmes by 2026	60,596 customers participated	



How the Group Powers Community Investment

Building Stronger Communities Through Innovation and Inclusion

Our business units continue to demonstrate their commitment to creating lasting impacts in the communities they serve by investing in educational programmes, fostering inclusion, and supporting sustainability initiatives.

AVR : Inspiring the Next Generation through Technology



At the well-attended Technique Day in Arnhem, AVR engaged children and their parents in an educational experience showcasing the fascinating process of waste-to-energy conversion. Young participants had the opportunity to interact with computer-driven technical LEGO installations, operating buttons to understand how energy is generated from incinerating waste.

The hands-on setup sparked curiosity and excitement among attendees, making the event a huge success and reinforcing AVR's mission to inspire future innovators in sustainable technology.



RPCL: Enhancing Road Safety through Training and Innovation

RPCL organised road safety training for 1,500 students from 27 schools in the areas surrounding the power plant. Additionally, RPCL held an annual safety activity focused on sharing knowledge and ideas about innovation, safety, environment and energy conservation under the concept “I SEE 2024: Share together”.

Phoenix Energy: Empowering Local Change through Community Investment



Phoenix Energy’s Community Fund is at the heart of its mission to foster inclusive, connected, and thriving communities. In 2024, the Fund supported eight diverse community projects across the licensed area, driving initiatives aimed at reducing social isolation, breaking barriers to inclusion, and promoting equality.

Among the projects, Phoenix Energy collaborated with the Mae Murray Foundation to provide accessible music classes in Larne, ensuring individuals of all abilities could participate. The Fund also partnered with North Belfast Men’s Shed to create 60 bird nesting box kits for local primary schools, combining environmental education with practical action to support wildlife.



SAPN: Supporting Regional and Remote Communities

To address the unique challenges of regional and remote customers, the Regional and Remote Advisory Group was established in 2022. This group, which includes regional customers, local government, and energy experts, meets regularly to tackle issues like supply reliability and resilience. Annual in-person sessions in regional areas ensure even the most isolated customers have a voice.

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 1 January 2024 to 31 December 2024, unless otherwise specified.

Reporting Boundary

The information disclosed in this Sustainability Report covers all the businesses as given in Our Business Portfolio, including the generation of thermal and renewable power, the transmission of electricity, oil and gas, as well as the distribution of electricity and gas in Australia, Canada, Hong Kong, Mainland China, the Netherlands, New Zealand, Thailand, the United Kingdom, and the United States.

The selected in-scope entities refer to Business Units over which the Group holds more than a 10% effective interest.

Verification and Endorsement

In line with our commitment to promoting transparency concerning our sustainability impacts and performance and to managing those impacts responsibly, we have commissioned an independent third party to verify the content of this report and assure its credibility. Details of the verification can be found in the Verification Statement. This report has been endorsed by our Sustainability Committee and approved by our Board of Directors (the Board). Please refer to the chapter on Sustainability Governance for information about how the Board oversees the Group's sustainability strategy, management, performance and reporting.

Reporting Framework

HKEX ESG Reporting Guide

This Report is prepared in compliance with the requirements of the ESG Reporting Guide (ESG Guide) (the version effective from 31 December 2023, which remains applicable to annual reports for financial years commencing before 1 January 2025) set out in the Appendix C2 to the Main Board Listing Rules of the Stock Exchange of Hong Kong Limited. The Report has also referenced HKEX's ESG Reporting Code (effective from 1 January 2025), including the new climate-related disclosure requirements under Part D of the Code, as a preparatory measure for the next reporting cycle.

As a LargeCap issuer listed on HK Stock Exchange, the Group will need to follow the new climate reporting requirements from HK Stock Exchange which aligns with the International Financial Reporting Standards (IFRS) S2 Standard. These new requirements will be "comply or explain" for the financial year 2025 and mandatory starting in 2026. The Group will continuously enhance our climate-related disclosures to comply with these new requirements.

Sustainability Accounting Standards Board (SASB) Standards

This year, the Group has voluntarily begun reporting on industry-specific metrics from the Sustainability Accounting Standards Board (SASB) Standards, with a focus on the Electric Utilities & Power Generators and Gas Utilities & Distributors sectors. These disclosures aim to provide our stakeholders with a more detailed and transparent understanding of the Group's sustainability performance through a sector-specific lens. The SASB Content Index is available on pages 207 to 211.

United Nations Global Compact (UNGC)

The Group has been a signatory to the UNGC from April 2022. As a signatory, the Group is committed to aligning its operations and strategies with ten universal principles in the areas of human rights, labour, environment, and anti-corruption. The content index is made available on pages 212 to 213.

This Report should be read in conjunction with the Group's Annual Report 2024, which contains a comprehensive review of its financial performance and corporate governance, and also key policies published on the Group's website. For more detailed information on our Business Units' efforts and achievements in sustainability, please refer to their separate sustainability reports or websites.

These, together with further information about our approach to sustainability, policies, ESG ratings content index, can be found online at www.powerassets.com/en/sustainability.

Reporting Principles

The content of this Report follows the ESG Reporting Code 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 and Stakeholder Engagement on pages 24 to 35.
- **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.



Environmental and Social Performance Indicators

Environmental KPIs[1]	Unit	2022	2023	2024
GHG emissions				
Total Scope 1 and 2 emissions (location-based)	tonne CO_2e	**7,753,574**	**7,632,026**	**7,069,543**
Total Scope 1 and 2 emissions (market-based)		**7,350,865**	**7,224,818**	**6,626,440**
Total Scope 1, 2 and 3 emissions (location-based)		8,353,180	8,317,119	7,898,833
Total Scope 1, 2 and 3 emissions (market-based)		7,950,471	7,909,911	7,455,730
Scope 1 emissions		6,942,303	6,875,967	6,256,096
Scope 2 emissions (location-based)		811,271	756,059	813,447
Scope 2 emissions (market-based)		408,562	348,851	370,344
Scope 3 emissions	tonne CO_2e	599,606	685,093	829,290
Total Scope 1 and 2 intensity (location-based)	tonne CO_2e/ HK$'000 revenue	**0.289**	**0.277**	**0.251**
Total Scope 1 and 2 intensity (market-based)		**0.274**	**0.262**	**0.235**
Scope 1 emissions intensity		0.259	0.249	0.222
Scope 2 emissions intensity (location-based)		0.030	0.027	0.029
Scope 2 emissions intensity (market-based)		0.015	0.013	0.013
Biogenic emissions	tonne CO_2e	588,203	511,509	378,372
Use of energy[3]				
Total energy consumption[4]	'000 kWh	**17,174,598**	**17,936,419**	**19,163,581**
Direct energy consumption		16,545,774	17,352,518	18,452,212
i) Non-renewable energy consumed		**24,488,187**	**24,924,272**	**25,576,011**
Gasoline/Petrol		5,365	5,610	6,378
Diesel		210,616	197,014	191,147
Natural gas		9,267,388	9,838,650	10,703,780
Liquified petroleum gas (LPG)		119	100	93
Waste-derived fuels (non-biomass)[5]		1,748,614	1,490,074	1,012,803
Coal		12,428,543	12,559,869	12,877,499
Other fuels[6]		827,542	832,955	784,311
ii) Renewable energy consumed		**2,104,954**	**1,797,977**	**1,713,846**
Wind		4,567	5,782	4,073
Solar		995	1,619	1,596
Biomass		2,099,393	1,790,576	1,708,177
iii) Self-generated energy	'000 kWh	**86,029**	**89,893**	**100,760**
Electricity		86,029	89,893	100,760
Heating		–	–	–
Cooling		–	–	–
Steam		–	–	–
iv) Sale of energy	'000 kWh	**9,305,854**	**9,458,623**	**8,938,405**
Electricity		8,318,520	8,557,707	8,183,666
Heating		372,494	279,222	217,102
Cooling		–	–	–
Steam		614,840	622,695	537,638
Indirect energy consumption[7]		628,825	583,901	711,369
Electricity		628,825	583,901	711,369
Total energy intensity	'000 kWh/ HK$'000 revenue	**0.640**	**0.620**	**0.679**
Direct energy intensity		0.616	0.629	0.654
Indirect energy intensity		0.023	0.021	0.025
Air emissions[8]				
NO_x emissions	tonnes	5,077	5,024	4,783
SO_x emissions		993	879	947
RSP emissions		173	157	168
Use of water[9]				
Total water withdrawal	'000 m^3	**1,085,876**	**1,033,380**	**677,643**
Surface water		42,555	24,571	10,398
Groundwater		43	46	75
Seawater		1,039,277	1,005,423	663,973
Third-party water		3,784	3,121	3,004
Other sources		217	218	193
Water withdrawal intensity	'000 m^3/ HK$'000 revenue	**0.040**	**0.037**	**0.024**
Total water discharge	'000 m^3	**1,082,253**	**1,030,630**	**674,194**
Surface water		41,817	23,692	6,853
Groundwater		–	–	–
Seawater		1,039,273	1,005,423	663,973
Third-party water		1,008	1,261	3,148
Other sources		155	253	220

Environmental KPIs[1]	Unit	2022	2023	2024
Water discharge intensity	'000 m^3/ HK$'000 revenue	**0.040**	**0.037**	**0.024**
Total water consumption	'000 m^3	**3,624**	**2,750**	**3,448**
Water consumption intensity	'000 m^3/ HK$'000 revenue	**0.00013**	**0.00010**	**0.00012**
Waste production				
Total hazardous waste produced	tonnes	**13,641**	**12,449**	**16,375**
Total non-hazardous waste produced[10]		**437,572**	**351,097**	**415,126**
Total hazardous waste produced intensity	tonne/ HK$'000 revenue	**0.001**	**0.001**	**0.0006**
Total non-hazardous waste produced intensity		**0.016**	**0.013**	**0.0147**
Packaging material				
Total packaging material used for finished products	tonnes	**4.51**	**6.18**	**5.31**
Paper		4.51	6.18	5.31

1 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 2025. If significant changes occur after preparation of this report, they will be updated in the following year's publication.

2 The 2022 and 2023 data have been restated due to enhanced data collection and reporting to ensure comparability of data over time.

3 The 2023 data related to direct energy consumption have been restated due to enhanced data collection and reporting to ensure comparability of data over time.

4 Total energy consumption = Non-renewable energy consumed + renewable energy consumed + electricity purchased for consumption + self-generated energy that is not consumed – sales of energy.

5 Waste-derived fuels (non-biomass) include municipal waste (non-biomass fraction), industrial waste, waste oils, and waste coal mine gas.

6 Other fuels include residual fuel oil, lubricants, and other petroleum products.

7 Indirect energy consumption refers to purchased energy (electricity and heating) for consumption.

8 Our electricity generation businesses produced 0.35 tonnes of mercury emissions in 2024.

9 The data related to water consumption have been restated due to enhanced data collection and reporting to ensure comparability of data over time.

10 Our power-generation businesses produced 220,485 tonnes of ash and gypsum waste in 2024.

Social KPIs		2022	2023	2024
Number of employee				
Total		**17,897**	**19,165**	**20,225**
By employment type	Full-time	17,095	18,012	18,944
	Part-time	802	1,153	1,281
Number of full-time employees				
By gender	Male	14,028	14,663	15,355
	Female	3,067	3,349	3,589
By employee category	General staff	14,983	15,464	16,309
	Manager grade or above	2,112	2,548	2,635
By age group	Below 30	2,300	2,493	2,614
	30 – 49	8,976	9,578	10,223
	50 or above	5,819	5,941	6,107
By region	Hong Kong	1,865	1,848	1,850
	Mainland China	305	303	305
	Thailand	42	42	40
	United Kingdom	8,761	9,235	9,808
	Netherlands	511	551	520
	Australia	5,359	5,764	6,151
	Canada	13	13	13
	United States	165	171	167
	New Zealand	74	85	90

Social KPIs		2022	2023	2024
Turnover rate for full-time employees (voluntary + involuntary)[1]				
Overall		**9.1%**	**7.1%**	**6.7%**
By gender	Male	8.6%	6.8%	6.2%
	Female	11.3%	8.5%	8.9%
By age group	Below 30	9.2%	7.7%	7.1%
	30 – 49	8.1%	5.9%	5.6%
	50 or above	10.7%	8.8%	8.3%
By region	Hong Kong	7.7%	10.8%	8.9%
	Mainland China	7.9%	4.0%	2.3%
	Thailand	2.4%	0.0%	7.5%
	United Kingdom	8.3%	5.4%	5.0%
	Netherlands	9.8%	13.4%	14.8%
	Australia	10.3%	7.8%	7.7%
	Canada	7.7%	0.0%	7.7%
	United States	24.2%	17.5%	21.0%
	New Zealand	24.3%	14.1%	17.8%
Work-related fatalities				
Number of work-related fatalities (full-time employees)		0	1	0
Number of work-related fatalities (part-time employees)		0	0	0
Number of work-related fatalities (contractors)		0	0	0
Rate of work-related fatalities		0	0.006	0
Work-related injury (employees)				
Number of lost days due to work injury		875	1,667	2,647
Number of lost time injury incidents		34	50	51
Lost time injury rate[2]		0.21	0.29	0.27
Number of first aid incidents		Not reported	174	194
Number of high potential incidents		Not reported	16	16
Work-related injury (non-employees)				
Number of lost time injury incidents		Not reported	41	38
Lost time injury rate		Not reported	0.59	0.62
Number of first aid incidents		Not reported	143	184
Number of high potential incidents		Not reported	54	31

Social KPIs		2022	2023	2024
Health & safety management system				
% of employee covered by OHSAS 18001/ISO 45001[3]		83.2%	83.3%	84.2%
Percentage of full-time employees who received training[4]				
Overall		**94.0%**	**97.0%**	**93.4%**
By gender	Male	95.6%	97.9%	94.3%
	Female	86.8%	92.7%	89.6%
By employee category	General staff	92.4%	99.9%	96.0%
	Manager grade or above	100%	79.0%	77.6%
Average hours of training per full-time employee				
Overall		**36.0**	**48.4**	**46.1**
By gender	Male	39.0	53.7	50.9
	Female	21.8	25.5	25.6
By employee category	General staff	37.1	51.7	49.9
	Manager grade or above	27.9	28.7	22.8
Number of suppliers				
Total		**18,805**	**16,825**	**18,463**
By region	Hong Kong	911	904	930
	Mainland China	203	215	212
	Asia (excluding Hong Kong, Mainland China)	72	65	67
	United Kingdom	4,813	3,975	4,663
	Europe	1,091	1,154	1,169
	Australia	7,962	8,205	9,650
	Canada	310	295	195
	United States	3,141	1,677	1,260
	New Zealand	296	330	306
	Other regions	6	5	11
Number of complaints received				
Products and services related		6,871	5,790	6,232

Social KPIs		2022	2023	2024
Number of employees who received training on anti-corruptive/ethics and integrity				
Total		**7,419**	**10,286**	**13,417**
By employment type	Full-time	7,341	9,445	12,518
	Part-time	78	841	899
Percentage of full-time and part-time employees who received training on anti-corruptive/ethics and integrity[5]		41.5%	53.7%	66.3%
Number of training hours on anti-corruptive/ethics and integrity completed by employees				
Total		**6,710.1**	**8,028.4**	**10,242.7**
By employment type	Full-time	6,678.7	7,723.8	9,921.2
	Part-time	31.4	304.6	321.5

1 Turnover rate refers to full-time employees of the in-scope entities (excluding Husky Midstream) 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%".

2 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 the total hours worked".

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

4 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 period and then multiplied by 100%". The percentage of employees who received trainings may exceed 100%.

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

GHG Calculation Methodology

This section outlines the reporting boundaries, methodologies, and assumptions used in the preparation of the Group's greenhouse gas (GHG) inventory, for 2024.

OVERVIEW

GHG emissions scope

The Group's GHG inventory covers six greenhouse gases: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6). NF_3 is excluded from this inventory as it is not relevant to the Group's operations or processes.

Verification

The Group's Scope 1, 2, and 3 emissions have been independently verified by a third party. Please refer to the Verification Statement on page 214.

Standard and guidelines

We calculate GHG emissions in accordance with the following standards and guidelines:

- The GHG Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), 2004
- The GHG Protocol: Scope 2 Guidance
- The GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)
- IPCC Guidelines for National Greenhouse Gas Inventories, 2006
- ISO 14064-1: 2018, Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals
- GHG inventory guidance of national or local authorities, including regions where the Group's operations are located.

Consolidation approach

The Group consolidates GHG emissions using the equity share method, which accounts for emissions based on our ownership interest in each business unit. Under this approach, each business unit's emissions are multiplied by the Group's ownership interest. If the ownership duration is less than a year, the GHG emissions are prorated.

The inventory includes only data confirmed by the end of March 2025. If significant changes occur after this report's preparation, updates will be reflected in the following year's publication.

Changes from prior year

There are no material changes in the approach, inputs, and assumptions used in measuring GHG emissions.

APPROACH, INPUTS AND ASSUMPTIONS

Scope 1 emissions

Definition
Scope 1 emissions include direct emissions from sources owned and controlled by our business units for their operations. These sources include:

- Combustion of fuel in stationary sources such as plants and equipment;
- Combustion of fuel in mobile sources such as company-owned vehicles; and
- Fugitive emissions resulting from intentional or unintentional releases, including gas shrinkage for our gas transmission and distribution businesses, methane emissions from venting, HFCs and PFCs emissions from the use of refrigeration and air conditioning equipment, and SF_6 emissions from industrial processes.

Calculation methodology
Scope 1 emissions are calculated using the following standards and guidelines:

- The Greenhouse Gas Protocol
- International Energy Agency's Energy Statistics Manual
- Australian National Greenhouse and Energy Reporting (Measurement) Determination
- Canada's National Inventory Report 1990-2020: Greenhouse Gas Sources and Sinks in Canada
- Dutch Emissions Authority
- New Zealand Ministry for the Environment, Measuring Emissions: A Guide for Organisations
- UK Government GHG Conversion Factors for Company Reporting
- Hong Kong Environmental Protection Department's Guidelines

Biogenic emissions, as defined by GHG Protocol, refer to GHG emissions from the combustion or biodegradation of biomass. Starting in 2023, we began reporting biogenic emissions separately in accordance with the GHG Protocol and restarted past figures accordingly.

Scope 2 emissions

Definition
Scope 2 emissions include indirect emissions from the following sources:

- Third-party generated energy consumed by our businesses for their own use, including purchased electricity, steam or heat; and
- Electricity network losses, which are emissions associated with energy losses from electricity transmission and distribution grid, for our electricity transmission and distribution businesses.

Calculation methodology
Scope 2 emissions from consumption of purchased electricity, steam or heat are calculated using two methods:

- Location-based method: Calculates the average electricity or heat emissions based on the geographical location and reflects the emissions intensity of the electricity grid(s) from which electricity is purchased or acquired. Emissions are calculated using the emission factors for electricity and heat generation in the local or national region, or general emission factors for electricity and heat generation provided by the International Energy Agency; and
- Market-based method: Calculates electricity emissions based on electricity choices made by business units, such as their electricity supplier or product, where applicable under regulation. This method uses emission factors derived from contractual instruments (e.g., renewable energy certificates, power purchase agreements) or supplier-specific emission rates.

Scope 2 emissions related to network losses are calculated as the difference between the electricity entering the network and the electricity consumed by customers. This calculation is based on data provided by the industry, typically derived from meter readings.

Scope 3 emissions

Definition
Scope 3 emissions refer to indirect emissions resulting from the activities of our businesses' value chain. The GHG Protocol Scope 3 Standard organises Scope 3 emissions into 15 categories, divided into upstream and downstream emissions.

Calculation methodology
Our business units conducted a materiality assessment to identify their relevant Scope 3 categories, which were then consolidated and reported at the Group level. In 2024, the Scope 3 emissions inventory covered the Group's most significant businesses, accounting for approximately 87% of our attributable revenue.

The Group reports the following Scope 3 categories:

- Category 1: Purchased Goods and Services
- Category 2: Capital Goods
- Category 3: Fuel-and Energy-Related Activities
- Category 4: Upstream Transportation and Distribution
- Category 5: Waste Generated in Operations
- Category 6: Business Travel
- Category 7: Employee Commuting

Additionally, the Group reports other Scope 3 categories aggregated under "Others", which include:

- Category 8: Upstream Leased Assets
- Category 9: Downstream Transportation and Distribution
- Category 10: Processing of Sold Products

These categories are generally calculated using a hybrid method that combines spend data and activity data, with appropriate emission factors applied.

We believe that adopting a more holistic view of Scope 3 emissions across our portfolio not only helps mitigate risks but also uncovers opportunities for value creation. The Group is actively working to expand the coverage of its Scope 3 inventory to include additional business units.

Mandatory Disclosure Requirements

The tables below present the compliance requirements of the HK Stock Exchange's ESG Guide, effective for the 2024 reporting year.

Mandatory Disclosure Requirements		Section/ Topic
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.	Approach to Sustainability > Sustainability Governance
Reporting Principles – Materiality	The ESG report should disclosed: i) the process to identify and the criteria for the selection of material ESG factors; and (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.	Approach to Sustainability > Materiality Assessment and Stakeholder Engagement
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.	Appendix > GHG Calculation Methodology
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.	Appendix > GHG Calculation Methodology
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.	Appendix > About this Report

Subject Areas, Aspects, General Disclosures and KPIs		Section/Topic
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 n0on-hazardous waste.	Our Environment > Environmental Management Environmental Policy Supplier Code of Conduct
KPI A1.1	The types of emissions and respective emissions data.	Appendix > Environmental and Social Performance Indicators
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).	Appendix > Environmental and Social Performance Indicators
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix > Environmental and Social Performance Indicators
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix > Environmental and Social Performance Indicators
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Climate Action > Our Climate Action Plan
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.	Our Environment > Resources Management

Subject Areas, Aspects, General Disclosures and KPIs		Section/Topic
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Sustainability 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).	Appendix > Environmental and Social Performance Indicators
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix > Environmental and Social Performance Indicators
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Our Environment > Environmental Management
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.	Our Environment > Resources Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Appendix > Environmental and Social Performance Indicators
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Our Environment > Environmental Management Environmental Policy Supplier Code of Conduct
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Our Environment
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.	Climate Action > Climate-related Disclosures Cross-reference provided to: Climate-related Disclosures Report
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.	Climate Action > Climate-related Disclosures Cross-reference provided to: Climate-related Disclosures Report

Subject Areas, Aspects, General Disclosures and KPIs		Section/Topic
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.	Our People
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Appendix > Environmental and Social Performance Indicators
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix > Environmental and Social Performance Indicators
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.	Our People > Health and Safety, and Well-being 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.	Appendix > Environmental and Social Performance Indicators
KPI B2.2	Lost days due to work injury.	Appendix > Environmental and Social Performance Indicators
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Our People > Health and Safety, and Well-being
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our People > Future Ready Skills for Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Our People > Future Ready Skills for Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	Our People > Future Ready Skills for Development Appendix > Environmental and Social Performance Indicators

Subject Areas, Aspects, General Disclosures and KPIs		Section/Topic
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.	Our People > Labour and Human Rights
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Our People > Labour and Human Rights
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Our People > Labour and Human Rights
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Our Value Chain > Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Appendix > Environmental and Social Performance Indicators
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.	Our Value Chain > Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Our Value Chain > Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Our Value Chain > Supply Chain Management
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.	Sustainable Business > Privacy and Data Security Our Value Chain > Service Excellence
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Sustainable Business > Privacy and Data Security Our Value Chain > Service Excellence

Subject Areas, Aspects, General Disclosures and KPIs		Section/Topic
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Our Code of Conduct outlines our commitment to intellectual property rights protection.
KPI B6.4	Description of quality assurance process and recall procedures.	Our Value Chain > Service Excellence
KPI B6.5	Description of consumer data protection and privacy, policies and how they are implemented and monitored.	Our Value Chain > Service Excellence
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.	Sustainable Business > Integrated Governance Structure
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.	Sustainable Business > Integrated Governance Structure
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Sustainable Business > Integrated Governance Structure
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.	Our Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Our Community > Community Engagement and Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Our Community > Community Engagement and Investment

New Climate Disclosure Requirements

The tables below outline the HK Stock Exchange's new climate-related disclosure requirements under Part D of the ESG Code. These requirements have been referenced in the Sustainability Report as a preparatory measure for the next reporting cycle. Details regarding their applicability are provided in About this Report Section.

Item	Requirements	Section/Topic
(I) Governance		
19.	An issuer shall disclose information about:	
	(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	Cross-reference provided to: Annual Report 2024 Climate-related Disclosures Report
	(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	
	(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	
	(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	
	(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	Remuneration is currently not reported
	(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	Approach to Sustainability > Sustainability Governance Cross-reference provided to: Climate-related Disclosures Report
	(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	
	(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	

Item	Requirements	Section/Topic
(II) Strategy		
Climate-related risks and opportunities		
20.	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
	(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	Climate Action > Climate-related Disclosures Cross-reference provided to: Climate-related Disclosures Report
	(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	
	(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	
	(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	
Business model and value chain		
21.	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	
	(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	Climate Action > Climate-related Disclosures Cross-reference provided to: Climate-related Disclosures Report
	(b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	

Item	Requirements	Section/Topic
Strategy and decision-making		
22.	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
	(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	Climate Action > Climate-related Disclosures Climate Action > Our Climate Action Plan Cross-reference provided to: Climate-related Disclosures Report
	(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	
	(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	
	(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	
	(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any), described in accordance with paragraphs 37 to 40; and	
	(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Cross-reference provided to: Climate-related Disclosures Report
23.	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Climate Action > Our Climate Action Plan

Item	Requirements	Section/Topic
Financial position, financial performance and cash flows		
Current financial effect		
24.	An issuer shall disclose qualitative and quantitative information about:	
	(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	Currently not reported
	(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	
Anticipated financial effect		
25.	The issuer shall provide qualitative and quantitative disclosures about:	
	(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	Partially reported. Cross-reference provided to: Climate-related Disclosures Report
	(i) its investment and disposal plans; and	
	(ii) its planned sources of funding to implement its strategy; and	
	(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	

Item	Requirements	Section/Topic
Climate resilience		
26.	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	
	(a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	Climate Action > Climate-related Disclosures Cross-reference provided to: Climate-related Disclosures Report
	(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	
	(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	
	(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	
	(b) how and when the climate-related scenario analysis was carried out, including:	
	(i) information about the inputs used, including:	
	(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;	
	(2) whether the analysis included a diverse range of climate-related scenarios;	
	(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	
	(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	
	(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	
	(6) time horizons the issuer used in the analysis; and	
	(7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	
	(ii) the key assumptions the issuer made in the analysis; and	
	(iii) the reporting period in which the climate-related scenario analysis was carried out.	

Item	Requirements	Section/Topic
(III) Risk Management		
27.	An issuer shall disclose information about:	
	(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	Sustainable Business > Integrated Governance Structure > Risk Management Cross-reference provided to: Annual Report > Corporate Governance
	(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	
	(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	
	(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	
	(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;	
	(v) how the issuer monitors climate-related risks; and	
	(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	
	(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
	(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	
(IV) Metrics and Targets		
Greenhouse gas emissions		
28.	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO^2 equivalent, classified as:	
	(a) Scope 1 greenhouse gas emissions;	Our Environment > GHG Emissions
	(b) Scope 2 greenhouse gas emissions; and	
	(c) Scope 3 greenhouse gas emissions.	

Item	Requirements	Section/Topic
29.	An issuer shall:	
	(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	
	(b) disclose the approach it uses to measure its greenhouse gas emissions including:	Appendix > GHG Calculation Methodology
	(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	
	(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	
	(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	
	(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	
	(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	
Climate-related transition risks		
30.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Cross-reference provided to: Climate-related Disclosures Report

Item	Requirements	Section/Topic
Climate-related physical risks		
31.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Cross-reference provided to: Climate-related Disclosures Report
Climate-related opportunities		
32.	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Cross-reference provided to: Climate-related Disclosures Report
Capital deployment		
33.	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Climate Action > Sustainable and Responsible Investment
Internal carbon prices		
34.	An issuer shall disclose:	
	(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	Currently not reported
	(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;	
	or an appropriate negative statement that the issuer does not apply a carbon price in decision making.	
Remuneration		
35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Currently not reported
Industry-based metrics		
36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Appendix > About this Report Appendix > SASB Content Index

Item	Requirements	Section/Topic
Climate-related targets		
37.	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
	(a) the metric used to set the target;	Climate Action > Our Climate Action Plan
	(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
	(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	
	(d) the period over which the target applies;	
	(e) the base period from which progress is measured;	
	(f) milestones or interim targets (if any);	
	(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	
	(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	
38.	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
	(a) whether the target and the methodology for setting the target has been validated by a third party;	Climate Action > Our Climate Action Plan
	(b) the issuer's processes for reviewing the target;	
	(c) the metrics used to monitor progress towards reaching the target; and	
	(d) any revisions to the target and an explanation for those revisions.	
39.	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Our Environment > GHG Emissions Climate Action > Our Climate Action Plan

Item	Requirements	Section/Topic
40.	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
	(a) which greenhouse gases are covered by the target;	Climate Action > Our Climate Action Plan
	(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
	(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	
	(d) whether the target was derived using a sectoral decarbonisation approach; and	
	(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
	(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	
	(ii) which third-party scheme(s) will verify or certify the carbon credits;	
	(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
	(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	
Applicability of cross-industry metrics and industry-based metrics		
41	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Appendix > About this Report Appendix > SASB Content Index

Electric Utilities & Power Generators

	SASB Code	Section/Topic
GHG Emissions & Energy Resource Plannnig		
(1) Gross Scope 1 emissions	IF-EU-110a.1	Our Environment > GHG Emissions
(2) Percentage of gross Scope 1 GHG emissions covered under emissions-limiting regulations	IF-EU-110a.1	Currently not reported
(3) Percentage of gross Scope 1 GHG emissions covered under emissions-reporting based regulations	IF-EU-110a.1	100%
GHG emissions associated with power deliveries	IF-EU-110a.2	Our Environment > Decarbonisation, Hydrogen Economy and Energy Transition
Discussion of long- and short-term strategy or plan to manage Scope 1 GHG emissions, emissions reduction targets, and an analysis of performance against those targets	IF-EU-110a.3	Climate Action > Our Climate Action Plan
Air Quality		
Air emissions of the following pollutants: (1) NO_x (excluding N_2O), (2) SO_x, (3) particulate matter (PM10)	IF-EU-120a.1	Our Environment > Resources Management > Ensuring Air Quality Appendix > Environmental and Social Performance Indicators
(4) lead (Pb), and	IF-EU-120a.1	Currently not reported
(5) mercury (Hg)	IF-EU-120a.1	Our Environment > Resources Management > Ensuring Air Quality
Percentage of each in or near areas of dense population	IF-EU-120a.1	Currently not reported
Water Management		
(1) Total water withdrawn, (2) total water consumed;	IF-EU-140a.1	Our Environment > Resources Management > Conserving Water Resources Appendix > Environmental and Social Performance Indicators
Percentage of each in regions with High or Extremely High Baseline Water Stress	IF-EU-140a.1	Currently not reported. However, we plan to strengthen the Group's understanding of water stress levels within the context of our business units and operating locations.
Number of incidents of non-compliance associated with water quality permits, standards and regulations	IF-EU-140a.2	Our Environment > Environmental Management
Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-EU-140a.3	Our Environment > Resources Management > Conserving Water Resources

	SASB Code	Section/Topic
Coal Ash Management		
(1) Amount of coal combustion products (CCPs) generated, (2) percentage recycled	IF-EU-150a.1	Appendix > Environmental and Social Performance Indicators
Description of coal combustion products (CCPs) management policies and procedures for active and inactive operations	IF-EU-150a.3	Our Environment > Resources Management > Promoting Circular Economy
Energy Affordability		
Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	IF-EU-240a.1	Currently not reported
(1) Number of residential customer electric disconnections for non-payment, (2) percentage reconnected within 30 days	IF-EU-240a.3	
Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	IF-EU-240a.4	Our Community > Sustainability Transition in Community
Workforce Health & Safety		
1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	IF-EU-320a.1	Our People > Health and Safety, and Well-being Appendix > Environmental and Social Performance Indicators
End-Use Efficiency & Demand		
Percentage of electric load served by smart grid technology	IF-EU-420a.2	Our Environment > Decarbonisation, Hydrogen Economy and Energy Transition
Customer electricity savings	IF-EU-420a.3	Our Community > Sustainability Transition in Community
Nuclear Safety & Emergency Management		
Total number of nuclear power units, broken down by results of most recent independent safety review	IF-EU-540a.1	Not applicable
Description of efforts to manage nuclear safety and emergency preparedness	IF-EU-540a.2	Not applicable

	SASB Code	Section/Topic
Grid Resiliency		
Number of incidents of non-compliance with physical or cybersecurity standards or regulations	IF-EU-550a.1	The Group is not aware of any material non-compliance in this area.
(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	IF-EU-550a.2	Our Environment > Decarbonisation, Hydrogen Economy and Energy Transition
Activity Metrics		
Number of residential customers served	IF-EU-000.A	Over 12 million customers
Number of commercial customers served	IF-EU-000.A	
Number of industrial customers served	IF-EU-000.A	
Total electricity delivered to: (1) residential customers	IF-EU-000.B	Currently not reported
Total electricity delivered to: (2) commercial customers	IF-EU-000.B	
Total electricity delivered to: (3) industrial customers	IF-EU-000.B	
Total electricity delivered to: (4) all other retail customers	IF-EU-000.B	
Total electricity delivered to: (4) wholesale customers	IF-EU-000.B	
Length of transmission and distribution lines	IF-EU-000.C	Our Business Portfolio
Total electricity generated, percentage by major energy source, percentage in regulated markets	IF-EU-000.D	Our Business Portfolio
Total wholesale electricity purchased	IF-EU-000.E	Not applicable, as our electricity business segment is focused on electricity distribution.

Gas Utilities & Distributors

	SASB Code	Section/Topic
Energy Affordability		
Average retail gas rate for (1) residential, (2) commercial, and (3) industrial customers, and (4) transportation services only	IF-GU-240a.1	Currently not reported
(1) Number of residential customer gas disconnections for non-payment, (2) percentage reconnected within 30 days	IF-GU-240a.3	
Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory	IF-GU-240a.4	Our Community > Sustainability Transition in Community
End-Use Efficiency		
Customer gas savings from efficiency measures, by market	IF-GU-420a.2	Our Community > Sustainability Transition in Community
Integrity of Gas Delivery Infrastructure		
Number of (1) reportable pipeline incidents, (2) corrective actions received and (3) violations of pipeline safety statutes	IF-GU-540a.1	Currently not reported
Percentage of distribution pipeline that is (1) cast or wrought iron and (2) unprotected steel	IF-GU-540a.2	
Percentage of gas (1) transmission and (2) distribution pipelines inspected	IF-GU-540a.3	
Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions	IF-GU-540a.4	Our Environment > Decarbonisation, Hydrogen Economy and Energy Transition

	SASB Code	Section/Topic
Activity Metrics		
Number of (1) residential customers served	IF-GU-000.A	Over 7 million customers
Number of (2) commercial customers served	IF-GU-000.A	
Number of (3) industrial customers served	IF-GU-000.A	
Amount of natural gas delivered to: (1) residential customers	IF-GU-000.B	Currently not reported
Amount of natural gas delivered to: (2) commercial customers	IF-GU-000.B	
Amount of natural gas delivered to: (3) industrial customers	IF-GU-000.B	
Amount of natural gas delivered to: (4) transferred to a third party	IF-GU-000.B	Not Applicable
Length of gas (1) transmission and (2) distribution pipelines	IF-GU-000.C	Our Business Portfolio

UNGC Content Index

Power Assets has strongly committed to integrating the ten principles into our overall strategy, culture and daily operations. These are reflected in the written commitments and policies below, with comprehensive information provided throughout this report. Performance metrics are tracked and are available on pages 180-186.

UN Global Compact Principle	Power Assets written commitment/ policies	Sustainability report page reference & further notes
Human Rights		
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights Principle 2: make sure that they are not complicit in human rights abuses	• Human Rights Policy • Modern Slavery and Human Trafficking Statement • Supplier Code of Conduct	The Group's Human Rights Policy, Modern Slavery and Human Trafficking Statement, and Supplier Code of Conduct set out our expectations regarding respect for human rights. We strive to help increase the protection and enjoyment of human rights within the communities in which we operate. Information on how the Group and our business unit address human rights protection is available in the Our People Chapter.
Labour		
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining Principle 4: the elimination of all forms of forced and compulsory labour Principle 5: the effective abolition of child labour Principle 6: the elimination of discrimination in respect of employment and occupation	• Human Rights Policy • Modern Slavery and Human Trafficking Statement • Code of Conduct	Power Assets strives to provide a decent place to work and committed to create a diverse and inclusive workplace by respecting the values, customs, and traditions of our employees in different operating markets. We believe that collective bargaining is an essential tool for ensuring our business is conducted ethically and responsibly. As of year-end 2024, 87.9% of our 20,225 employees from all our business units are covered by collective bargaining rights. We will continue to work with our employees and their representatives to ensure that fair and equitable labour practices are at the heart of everything we do. We also prohibit the use of all forms of child labour or forced labour, including prison labour, bonded labour, any form of slavery and any form of human trafficking. The Group conducts due diligence as part of our initiative to identify and mitigate relevant risks, such as in our assessment of potential new suppliers and our handling of whistle blowing cases. Please refer to the Diversity, Equity and Inclusion section to understand how the Group promotes inclusion and diversity.
Environment		
Principle 7: Businesses should support a precautionary approach to environmental challenges Principle 8: undertake initiatives to promote greater environmental responsibility Principle 9: encourage the development and diffusion of environmentally friendly technologies	• Sustainability Policy • Environmental Policy • Supplier Code of Conduct	According to our Environmental Policy, Sustainability Policy and Supplier Code of Conduct, the Group aims to provide clear and comprehensive guiding approaches to sustainability practices across our operations. Power Assets has made a clear public commitment to phase out our coal-fired generation by 2035 and further iterate our ambition to reduce our Scope 1 and 2 emissions. We also strive to support various government decarbonisation plans and net zero commitment proactively. Please refer to the Climate Action and Our Environmental Chapters further explore how we manage these environmental targets and relevant objectives.
Anti-Corruption		
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	• Code of Conduct • Anti-Fraud and Anti-Bribery Policy • Supplier Code of Conduct	Power Assets is committed to upholding the highest compliance and anti-corruption standards and always behaving with integrity. For further information, please refer to the Business Ethics and Anti-corruption section.

HKQAA
HONG KONG QUALITY ASSURANCE AGENCY
香 港 品 質 保 證 局

Verification Statement

Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") was commissioned by Power Asset Holdings Limited ("PAH") to conduct an independent verification for its sustainability disclosures stated in its Sustainability Report 2024 ("the Report"). The disclosures covered the period from 1st January 2024 to 31st December 2024 and represented the sustainability performance of PAH.

The objective of this verification is to provide an independent opinion with a limited level of assurance on whether the sustainability disclosures are prepared in accordance with the following reporting criteria:

- the Environmental, Social and Governance Reporting Guide ("ESG Guide") set out in Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited (version effective from 31 December 2023, which remains applicable to annual reports for financial years commencing before 1 January 2025).

The verification team also reviews the disclosures in the Report by making reference to the following disclosure frameworks, as the Report has been prepared with references to:

- ESG Reporting Code (effective from 1 January 2025), including the new climate-related disclosure requirements under Part D of the Code, as a preparatory measure for the next reporting cycle; and
- Sustainability Accounting Standards Board ("SASB") industry-specific standards.

Level of Assurance and Methodology

HKQAA's verification procedure has been conducted with reference to the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000") issued by the International Auditing and Assurance Standards Board. The evidence gathering process was designed to obtain a limited level of assurance as set out in the ISAE 3000 by using a risk-based approach.

Our verification procedure included, but not limited to:

- Sampling the sustainability information stated in the Report, e.g. claims and performance data for detail verification;
- Verifying the raw data and supporting information of the selected samples of the sustainability information;
- Interviewing responsible personnel; and
- Checking the internal control mechanism.

Roles and Responsibilities

PAH is responsible for the organisation's information system, the development and maintenance of records and reporting procedures in accordance with the system, including the calculation and determination of sustainability information and performance. HKQAA verification team is responsible for providing an independent verification opinion on the disclosures provided by PAH for the reporting period. The verification was based on the verification scope, objectives and criteria as agreed between PAH and HKQAA.

HKQAA
HONG KONG QUALITY ASSURANCE AGENCY
香 港 品 質 保 證 局

Verification Statement

Independence

HKQAA did not involve in collecting and calculating data or compiling the reporting contents. Our verification activities were entirely independent and there was no relationship between HKQAA and PAH that would affect the impartiality of the verification.

Limitation and Exclusion

The following limitations and exclusions were applied to this verification due to the service scope, nature of verification criteria, and characteristics of the verification methodology:

I. Our verification scope is limited to examining the raw data or information that transcript into the sustainability disclosures, e.g., Claims and Performance Data stated in the Report. The identified sustainability information may be subject to inherent uncertainty because of incomplete scientific and technical knowledge.

II. Evaluating the quality of execution and implementation effectiveness of the ESG practices, the appropriateness of the assumptions made, and the estimation techniques applied are outside the scope of our verification.

III. The verification of raw data or information is based on the use of a sampling approach and reliance on the client's representation. As a result, errors or irregularities may occur and remain undetected.

IV. Any information outside the established verification period has been excluded.

Conclusion

1 Based on the evidence obtained and the results of the verification process, it is the opinion of the verification team that, with a limited level of assurance, nothing has come to the team's attention that the report has not been prepared, in all material respects, in accordance with the ESG Guide set out in Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited (former version, which remains applicable to annual reports for financial years commencing before 1 January 2025).

2 The verification team reviewed the Report and considered that the Report has been prepared by making reference to the contents or parts of the contents of the ESG Reporting Code and SASB industry-specific standards.

Signed on behalf of Hong Kong Quality Assurance Agency



Connie Sham
Head of Audit
April 2025
Ref: 14942262

Abbreviation

Abbreviation	Long form
AI	Artificial Intelligence
CEDD	Civil Engineering and Development Department
CMIP5	Coupled Model Intercomparison Project Phase 5
CO_2	Carbon dioxide
COP	Communication on Progress
COP29	The 29th United Nations Climate Change Conference
D&I	Diversity and Inclusion
DBNGP	Dampier-to-Bunbury Natural Gas Pipeline
DCCEEW	Department of Climate Change Energy, Environment and Water
DEI	Diversity, Equity and Inclusion
DNO	Distribution Network Operator
DOE	Dynamic operating envelope
DSO	Distribution System Operator
EBIT	Earnings Before Interest and Tax
EMS	Environmental Management System
ENA	Energy Networks Association
ESG	Environmental, Social and Governance
ESG Guide	Environmental, Social and Governance Reporting Guide
EV	Electric vehicle
FiT	Feed-in Tariff
FSRU	Floating Storage and Regasification Unit
GHG	Greenhouse gas
GIS	Gas Insulated Switchgear
HFC	Hydrofluorocarbons
HKQAA	Hong Kong Quality Assurance Agency
HSE	Health, safety, and environmental
HSSE	Health, safety, security and environment
HVO	Hydrotreated vegetable oil
HyP	Hydrogen park
IIASA	International Institute for Applied Systems Analysis
ICAC	Independent Commission Against Corruption
IEA	International Energy Agency
IT	Information Technology
ILO's	International Labour Organisation's
IPCC	Intergovernmental Panel on Climate Change

Abbreviation	Long form
JRC	Joint Research Centre
KPIs	Key performance indicators
LCTs	Low carbon technologies
LiDAR	Light detection and ranging
LPG	Liquified petroleum gas
LTIFR	Lost Time Injury Frequency Rate
LTIs	Lost Time Injuries
LV	Low voltage
MAGICC	Model for the Assessment of Greenhouse Gas Induced Climate Change
MERV	Mobile Engagement and Response Vehicle
MGP	Methane Guiding Principles
NGO	Non-governmental organisation
NOx	Nitrogen oxides
PAH	Power Assets Holdings Limited
PFC	Perfluorocarbons
PSR	Priority service register
RAPs	Reconciliation Action Plans
RCP	Representative Concentration Pathway
REC	Renewable Energy Certificates
RNG	Renewable natural gas
RSP	Respirable suspended particulates
SAIDI	System Average Interruption Duration Index
SBTi	Science Based Targets initiative
SDGs	Sustainable Development Goals
SF_6	Sulfur hexafluoride
SOx	Sulfur oxides
STEM	Science, technology, engineering and mathematics
TCFD	Task Force on Climate-Related Financial Disclosures
TNFD	Taskforce on Nature-Related Financial Disclosures
UNGC	UN Global Compact
WRI	World Resources Institute
WCMG	Waste coal mine gas



Power Assets Holdings Ltd.
電能實業有限公司

