



Power Assets Holdings Ltd.

電能實業有限公司

(Stock Code : 6)



Empowering Change

Through ESG-Driven Opportunities

Sustainability Report 2025



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.

Having established in Hong Kong more than 135 years ago, the Group has operations across four continents in nine different markets including the United Kingdom, Australia, New Zealand, Chinese Mainland, Thailand, the Netherlands, Canada and the United States, to provide 20 million homes and businesses with reliable and affordable energy. The majority of our business stems from our interest in approximately 509,000 km of power, gas and oil networks, supplemented by investments in around 9,500 MW (Net attributable capacity of 2,805 MW) of power generation, wind power, solar power and energy-from-waste facilities.

Our investments comprise primarily regulated energy infrastructures. In 2025, around 80% of the 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 less than 10% of the Assets with coal-fired generating facilities having been reduced steadily over the years and currently down to around 2% of the Assets.

With climate change at the forefront of international discussions, the energy sector is embracing the challenge to develop effective solutions that address this critical issue. We take pride in serving our communities sustainably by providing cleaner energy solutions, including the transition to low carbon energy sources and the electrification of home heating and transportation. This report highlights our innovative strategies, proactive approach to decarbonisation, and strong commitment to social responsibility, all underpinned by robust sustainability governance that sets ambitious targets and monitors performance to ensure a just transition for all. We are pleased to share our progress toward a more sustainable future as we continue to innovate and operate in alignment with our comprehensive climate strategies.

Power Assets is listed on the Stock Exchange of Hong Kong as a constituent share of the Hang Seng Index and has been a constituent of the Hang Seng Corporate Sustainability Index since 2010. In addition, we are 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.

Empowering Change Through ESG-Driven Opportunities

The cover design centres on a heart-shaped fingerprint, symbolising Power Assets Holdings’ people-centric ethos and steadfast commitment to ESG advancement through integrity, compassion, and corporate culture. The heart conveys genuine care, responsibility, trust, inclusion, and empathy to stakeholders, while the intricate fingerprint highlights that every ESG initiative is thoughtfully tailored to human needs and societal expectations. We drive innovation and forward-thinking solutions to foster sustainable progress and long-term resilience.



CONTENTS

Overview

- 2 Message from Chief Executive Officer
- 6 Our Business Portfolio
- 8 Business at A Glance
- 10 Low-carbon Transition Strategy

Our Sustainability Blueprint

- 14 Sustainable Governance
- 22 Risk and Opportunity Management
- 25 Business Ethics and Anti-corruption
- 27 Double Materiality Assessment and Stakeholder Engagement
- 42 Sustainable Value Chain
- 56 Sustainable and Responsible Investments
- 61 Information and Cybersecurity
- 65 Reliability, Asset Integrity and Crisis Management

Climate-related Disclosures

- 68 Our Approach
- 71 Climate-related Risks and Opportunities on Our Business Model and Value Chain

Caring for the Environment and Planet

- 82 Management Oversight
- 86 Electricity Generation, Transmission & Distribution
- 108 Gas Transmission & Distribution
- 124 Energy-from-waste

Valuing Community and People

- 134 Just Transition
- 136 Labour and Human Rights
- 138 Human Capital Management
- 144 Health, Safety and Wellness
- 153 Diversity, Equity and Inclusion
- 159 Community Engagement and Development

Appendix

- 170 About this Report
- 172 GHG Calculation Methodology
- 177 Environmental and Social Performance Indicators
- 192 Disclosure Requirement Content Index
- 211 Assurance Report
- 213 Awards and Initiatives, Charters and Membership
- 214 Abbreviations

Message from Chief Executive Officer



The year 2025 presents significant challenges, characterised by ongoing pressures from disjointed climate policies across geographical regions, international discord, mixed economic signals, and an increasing frequency of extreme climate events. These factors create an uncertain landscape requiring us to navigate complex risks and adapt our strategies. Against this backdrop, stakeholders also expect greater transparency as Environmental, Social, and Governance (ESG) disclosure standards evolve. Nonetheless, I am proud to say that our unwavering commitment to sustainability empowers us to transform these challenges into lasting value for our various stakeholders, including the environment.

Our Sustainability Vision remains the cornerstone of initiatives in 2025, ensuring they are inclusive and attentive to the diverse needs of stakeholders while promoting long-term environmental and social responsibility. Guided by our commitment to ESG leadership, we navigate the rapidly evolving energy landscape with agility and foresight, transforming transition challenges into investable opportunities that deliver enduring value.

We are dedicated to a responsible energy transition, deepening our focus on decarbonisation underpinned by transparency and strong governance. To enhance clarity on our 2025 environmental performance, we present our 2025 environmental data by key industry segments – Electricity Generation, Transmission & Distribution, Gas Transmission & Distribution, and Energy-from-waste. This enables stakeholders to better understand our impact across the energy landscape, identify improvement opportunities, and recognise best practices that demonstrate our promise to sustainability.

Accelerating Decarbonisation Through Harnessing Opportunities

Turning climate-related risks into opportunities plays a pivotal role in the Group's decarbonisation journey, driving innovation, enhancing policy engagement, and fostering cross-sector collaboration. Emerging technologies, such as Renewable Energy (RE), hydrogen, battery energy storage system, and carbon capture, utilisation, and storage, offer promising pathways for transitioning to a low-carbon economy thereby significantly reducing emissions.

We continued to advance a range of decarbonisation and broader sustainability initiatives, and remain committed to making every effort to reduce our emissions. Highlights from our three industry segments are outlined below:

Electricity Generation, Transmission & Distribution

We are making significant progress in our decarbonisation efforts, having successfully phased out a total of 3,850 MW of coal-fired power generation assets in Chinese Mainland, Canada, and Hong Kong since 2017, representing around 40% of our total generation capacity. This includes the retirement of two coal-fired generating units in Chinese Mainland and the transition from coal to gas of the Sheerness plant in Canada. HK Electric progressed its HK\$22 billion 2024-2028 Development Plan, advancing the construction of the L13 gas-fired unit and other projects. HK Electric supported Hong Kong's transition towards a lower carbon economy by enabling the city's first electric ferry and supporting the conversion of petrol filling stations into quick charging stations through timely supply infrastructure planning.

Gas Transmission & Distribution

Gas network businesses in the United Kingdom (UK) and Australia continued to champion and implement hydrogen use in 2025. The Australian Gas Infrastructure Group's (AGIG) Hydrogen Park (HyP) initiative continues to be a driving force behind Australia's green hydrogen ambitions, making significant strides in the transition to renewable gas while building a robust industrial foundation. HyP South Australia received regulatory approval to increase the blend of renewable hydrogen with natural gas from 10% to 15% by volume, a significant transitional strategy in decarbonisation to reduce carbon emissions. This endeavour enables the utilisation of existing infrastructure without major and immediate modification to end-user application, highlighting Australia's commitment to leveraging innovation to achieve long-term carbon emission reductions. In 2025, the Group achieved an 8% increase in renewable gas production compared to 2024, marking good progress through various blending and technical trials to unlock the potential of our green gas networks.



Energy-from-waste

Dutch Enviro Energy Holdings B.V. (AVR) reached the CO₂ capture milestone in Duiven in October, which delivered 46,000 tonnes of liquified CO₂ for greenhouse use in the horticulture sector, promoting plant growth and cultivating crops. Going forward, AVR plans to expand its CO₂ capture facility at Rozenburg waste incineration, underlining its commitment to circular economy and emission reduction. Energy Developments Pty Limited's (EDL) new acquisition of a biogas plant in October marked a significant achievement as well, complementing its landfill gas and renewable capabilities. Furthermore, this endeavour supports the promotion of resource recovery and sustainable waste management.

Responding to Evolving Regulatory Disclosure Requirements

With the Hong Kong Stock Exchange's enhanced ESG Reporting Code taking effect in 2025, the Group has crafted the climate-related disclosures, sharpening the link between risk, strategy and financial implications. The enhanced disclosures will strengthen the Group's decision-making processes by facilitating clearer identification of the financial impacts associated with climate-related risks and opportunities across our value chain.

Robust governance is embedded across the Group and remains an indispensable element of our sustainability framework. In response to the evolving regulatory reporting landscape, we further strengthened our governance structures in 2025. Through regular reviews of our corporate policies, we ensured alignment with leading practices and emerging frameworks, enhancing transparency, accountability, and ethical conduct at all levels of the organisation.

Embedding robust governance also encompasses developing the right capabilities and culture across the organisation. Our Board of directors recognises

the importance of staying informed about the latest ESG developments, including disclosure requirements and stakeholder expectations. The Group provided a range of training opportunities to empower board members to effectively navigate an increasingly complex sustainability landscape.

To foster collaboration at the business unit level, the Group convened our inaugural regional ESG workshops in June, uniting overseas colleagues to align ESG reporting with the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards, improving disclosure consistency, transparency, and comparability across our global portfolio.

Building on our early adoption of the double materiality assessment in 2024, we extended our double materiality approach in 2025. We identified and prioritised sustainability and climate-related topics that resonated with our stakeholders, integrating their insights into our business processes to support sustainable value creation for the future.

Managing ESG Risks with Strategic Oversight

Amid another year of frequent extreme weather events, we continue to prioritise and invest in infrastructure resilience, grid and network reliability, and supply-chain diversification. Our Board and management committees maintain direct oversight of material risks, both physical and transition, ensuring every investment decision is evaluated based on resiliency and long-term value across our value chain.

With the growing use of Artificial Intelligence (AI), cybersecurity risks to businesses have become more significant. To address these emerging threats, we established a new Generative AI (GenAI) Use policy in July. This policy aligns our practices with corporate values as AI becomes integral to our operations. It safeguards our employees and assets, enable safe innovation, and strengthen cyber readiness through drills, monitoring, access controls, and targeted training.

This year, we have also embedded opportunity assessment in our ESG Risk Management Framework as a guide to our investment screening process. Climate scenario analysis results are used to shape our strategy, portfolio construction, and climate risk management. By combining these elements, we are better positioned to anticipate challenges and seize opportunities in the evolving energy landscape.

Ensuring a Just, Inclusive, and Nature-Positive Transition

The Group considers energy transition to be inclusive, nature-positive, and community-driven. To support this, we strengthened our Just Transition Plan in 2025 with safeguards to deepen governance for equity and inclusion by fostering meaningful stakeholder engagement and focusing on vulnerable and indigenous communities. This enhanced plan opens pathways into skilled roles aligned with our Workforce Diversity Policy and focuses on fair access to opportunities, affordability, and community benefits supported by clear oversight mechanism and key performance indicators. Together with our business units, we contributed over 30,000 hours on community initiatives.

Across our portfolio, Wales & West Utilities (WWU) advanced workforce diversity and inclusion by removing non-essential recruitment barriers and incorporated inclusion into management through workshops and training on well-being. Partnering with the Women's Inclusion Network, WWU offers mentoring for female employees and collaborates with external organisations for professional development, reflecting their commitment to equity and inclusion. UK Power Networks (UKPN) leads customer-first and innovative initiatives such as the SHIELD project, which repurposes heat from mini data centres to provide low-cost, low-carbon heating for vulnerable customers. This award-winning system integrates solar panels, battery storage, and heat captured in social housing to reduce carbon emissions by over 90% and improve energy affordability.

Under the RIIO-GD3 commitment, Northern Gas Networks (NGN) recruits 12 apprentices annually. This ongoing programme ensures a resilient pipeline of skilled colleagues to enable NGN to deliver its regulatory commitments and ready to enable the net-zero transition.

Forging Ahead

Power Assets' success in the coming years will be defined by our performance in aligning sustainability with our business goals. As we continue this journey, we will actively seek new investment opportunities that align with our sustainability strategies, enabling us to pursue our interim decarbonisation targets and achieve net-zero before 2050.

In parallel, we will continue to be a trustworthy and reliable partner by advancing decarbonisation in an equitable manner and supporting indigenous and underrepresented communities. As the sustainability reporting landscape becomes increasingly complex, transparency and accountability will remain central to our approach. We pledge to provide regular updates on the environmental and social impacts of our investments, ensuring that stakeholders are informed of our progress and performance.

I believe we are well-positioned to embark on this sustainable journey and capitalise on investment opportunities that transform evolving policy signals and market demands into reliable, affordable, and low-carbon outcomes. Looking ahead, we are determined to continuously innovate and adapt our strategies to address future challenges and seize new opportunities. In closing, I would like to emphasise that our dedication to sustainability not only delivers lasting benefits for our stakeholders and the planet, but also establishes a strong foundation for a resilient and sustainable future.

Tsai Chao Chung, Charles

Chief Executive Officer and Chair of Sustainability Committee
Hong Kong, March 2026

Our Business Portfolio

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

ASIA

Chinese Mainland

- Jinwan Power
- Dali Wind Power
- Laoqing 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 Networks
- Energy Developments Pty Ltd

New Zealand

- Wellington Electricity

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.

Employees **20,601** Customers **20,073,000**

Power and Gas / Oil Network Length

Power Network **391,500 km** Gas / Oil Pipeline **117,500 km**

Generation Mix

Renewable Energy 453 MW 819 GWh	Gas-fired 5,630 MW 13,414 GWh	Energy-from-waste 387 MW 1,279 GWh
Biomass 213 MW 1,693 GWh	Coal-fired 2,250 MW 10,001 GWh	Oil-fired Standby gas turbine 555 MW
		Diesel generators 53 MW 23.8 GWh

Business at A Glance

Electricity Generation, Transmission & Distribution

Australian Energy Operations (AEO)

Network Length 92 km
 Joined / Interest 2012 / 50%

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%

Dali Wind Power

Installed Capacity 48 MW
 Joined / Interest 2007 / 45%

Energy Developments Pty Ltd (EDL)

Installed Capacity 454 MW
 Joined / Interest 2017 / 20%

HK Electric

Installed Capacity 3,083 MW
 Network Length 7,100 km
 Customers 599,000
 Established / Interest 1889 / 33.37%

Jinwan Power

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

Laoting Wind Power

Installed Capacity 49.5 MW
 Joined / Interest 2008 / 45%

Ratchaburi Power (RPCL)

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

SA Power Networks (SAPN)

Network Length 91,000 km
 Customers 936,000
 Joined / Interest 2000 / 27.93%

Seabank Power

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

UK Power Networks (UKPN)¹

Network Length 192,100 km
 Customers 8,500,000
 Joined / Interest 2010 / 40%

UK Power Networks Services¹ (a non-regulated business of UKPN)

Installed Capacity 69 MW

UK Renewables Energy

Installed Capacity 175 MW
 Joined / Interest 2024 / 20%

United Energy

Network Length 13,600 km
 Customers 726,000
 Joined / Interest 2017 / 20%

Victoria Power Networks (VPN)

Powercor
 Network Length 78,000 km
 Customers 963,000
 Joined / Interest 2000 / 27.93%

CitiPower

Network Length 4,600 km
 Customers 350,000
 Joined / Interest 2002 / 27.93%

Wellington Electricity

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

Gas Transmission & Distribution (Including Oil Pipelines & Storage Facilities)

Australian Gas Networks (AGN)²

Gas Pipeline Length 27,000 km
 Customers 1,433,000
 Joined / Interest 2014 / 27.51%

Dampier Bunbury Pipeline (DBP) & AGI Development Group²

Gas Pipeline Length 4,100 km
 Joined / Interest 2017 / 20%

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%

Northern Gas Networks (NGN)

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

Phoenix Energy

Gas Pipeline Length 4,100 km
 Customers 266,000
 Joined / Interest 2024 / 20%

Wales & West Utilities (WWU)

Gas Pipeline Length 32,900 km
 Customers 2,500,000
 Joined / Interest 2012 / 36%

Multinet Gas Networks (MGN)²

Gas Pipeline Length 10,100 km
 Customers 723,000
 Joined / Interest 2017 / 20%

Energy-from-waste

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


Installed Capacity
 Energy-from-waste Units³ 111 MW
 Biomass-Fired Units 27 MW
 Joined / Interest 2013 / 27%


Energy Developments Pty Ltd (EDL)


Installed Capacity 462 MW
 Joined / Interest 2017 / 20%


 Electricity Generation

 Gas Transmission & Distribution

 Energy-from-waste

 Renewables

 Electricity Transmission & Distribution

 Oil Pipelines & Storage Facilities

¹ Entered into an agreement to divest interest of UKPN in February 2026.

² AGN, DBP and MGN together formed Australian Gas Infrastructure Group (AGIG).

³ The new 88 MW turbines, scheduled to enter operation in 2026, are being installed to replace the older units.

Low-carbon Transition Strategy

As a global investor in the energy and utility sectors, the Group plays a crucial role in advancing climate action and facilitating the low-carbon transition. Our Climate Action Plan guides portfolio-wide initiatives, while our climate resilience assessment provides stakeholders with insights into how we address climate risks and impacts.

Climate Action Plan

Power Assets remains abreast of international climate developments, in particular the increased pressure to lower GHG emissions, including

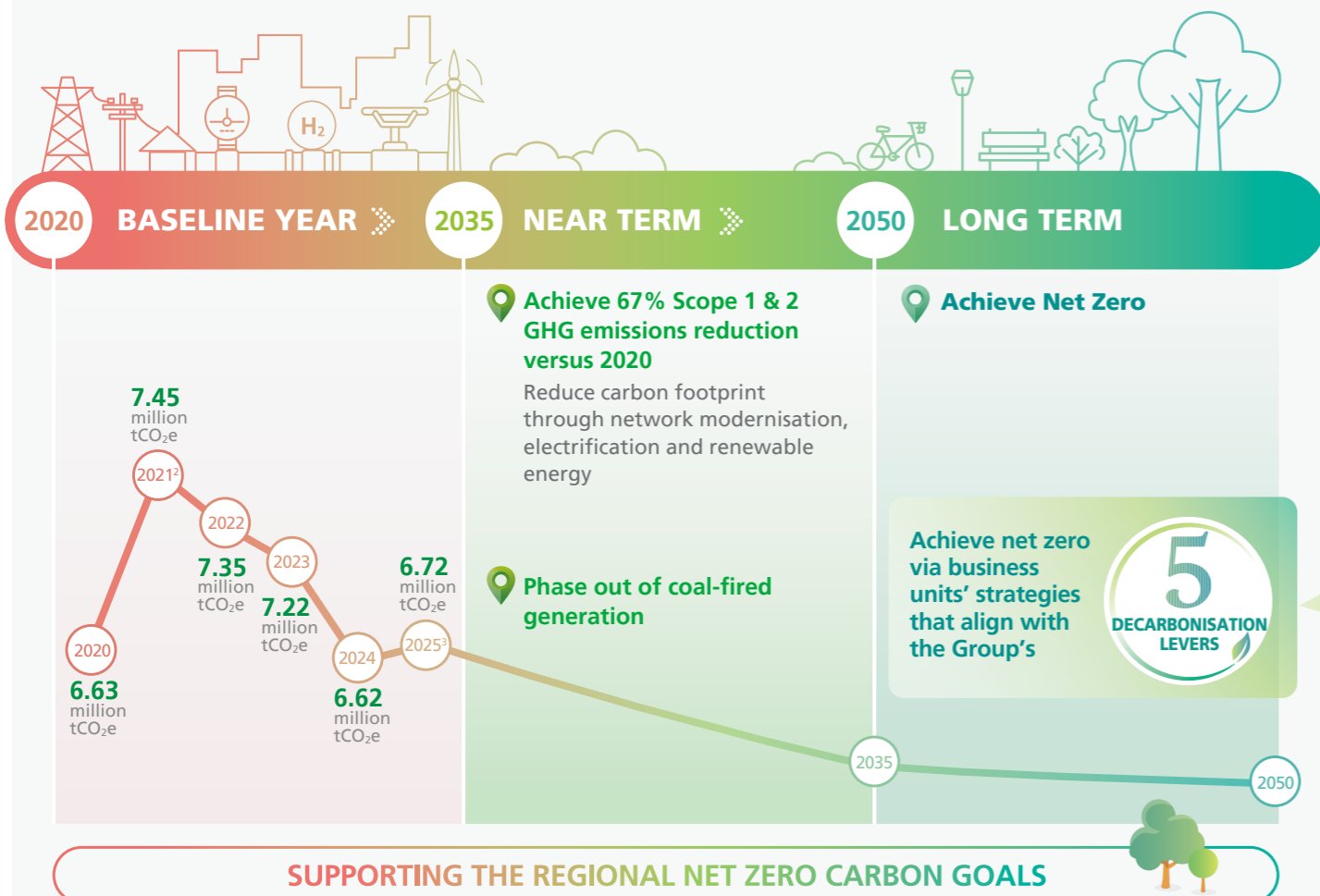
developments from COP30, hosted in Brazil in 2025. The summit responded to the heightened ambition demanded by the first Global Stocktake, launched the Global Methane Status Report and set pathways to reduce this potent GHG, emphasising urgent action on energy, food waste and agriculture. The Global Methane Pledge now has more than 150 countries as signatories with programmes strengthening measurement, reporting and verification. As one of the signatories, the Australian and UK Government have committed to reducing the methane emissions by increasing funding to support innovations in the low emissions technologies.

In line with these developments and applicable frameworks, we are enhancing leak detection and repair, prioritising mains replacement for higher-risk assets, expanding trials of lower-carbon gases in our gas networks and increasing transparency of around methane performance across our portfolio.

We are also implementing strategies and initiatives to reduce GHG emissions, targeting a 67% reduction in Scope 1 and 2 GHG emissions by 2035 from a 2020 baseline. Additionally, we aim for net-zero emissions by 2050 and will phase out coal-fired generation by 2035.

The Board-level Sustainability Committee annually reviews the development and progress of our climate targets and action plan. Details are provided in the [Sustainability Governance](#) section of the Report. Moreover, the Group has completed a climate scenario analysis, identifying material climate risks and opportunities to evaluate potential impacts and assess business resilience across various climate scenarios through 2050.

Our Low-carbon Transition Plan¹



Our Five Decarbonisation Levers Guiding our Low-carbon Transition



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

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.
³ The increase of emissions in 2025 was partially contributed to the resumption of operations at our AVR facility, which has now resumed full service following the replacement of its turbine in 2024.

OUR SUSTAINABILITY BLUEPRINT

Sustainability is central to our business approach, driving long-term growth while meeting stakeholder expectations through transparent reporting and accountability. We maintain a strong governance structure to ensure our actions not only deliver profitable returns to shareholders but also create positive impacts for stakeholders throughout our value chain.



OVERVIEW OF 2025 GOVERNANCE ACHIEVEMENTS

Published GenAI Use Policy

to set clear standards for responsible AI use

10,608 hours

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

42.3 average hours

of training per full-time employee

Sustainable Governance

The Group has developed a robust sustainability governance structure where the framework is embedded at all levels of the organisation, from the Board to the Sustainability Committee and the Sustainability Management Committee, comprising the Chief Executive Officer (CEO) and selected management members. A well-established structure is vital to integrating sustainability principles successfully across our business operations, thereby establishing momentum to achieve sustainable growth.

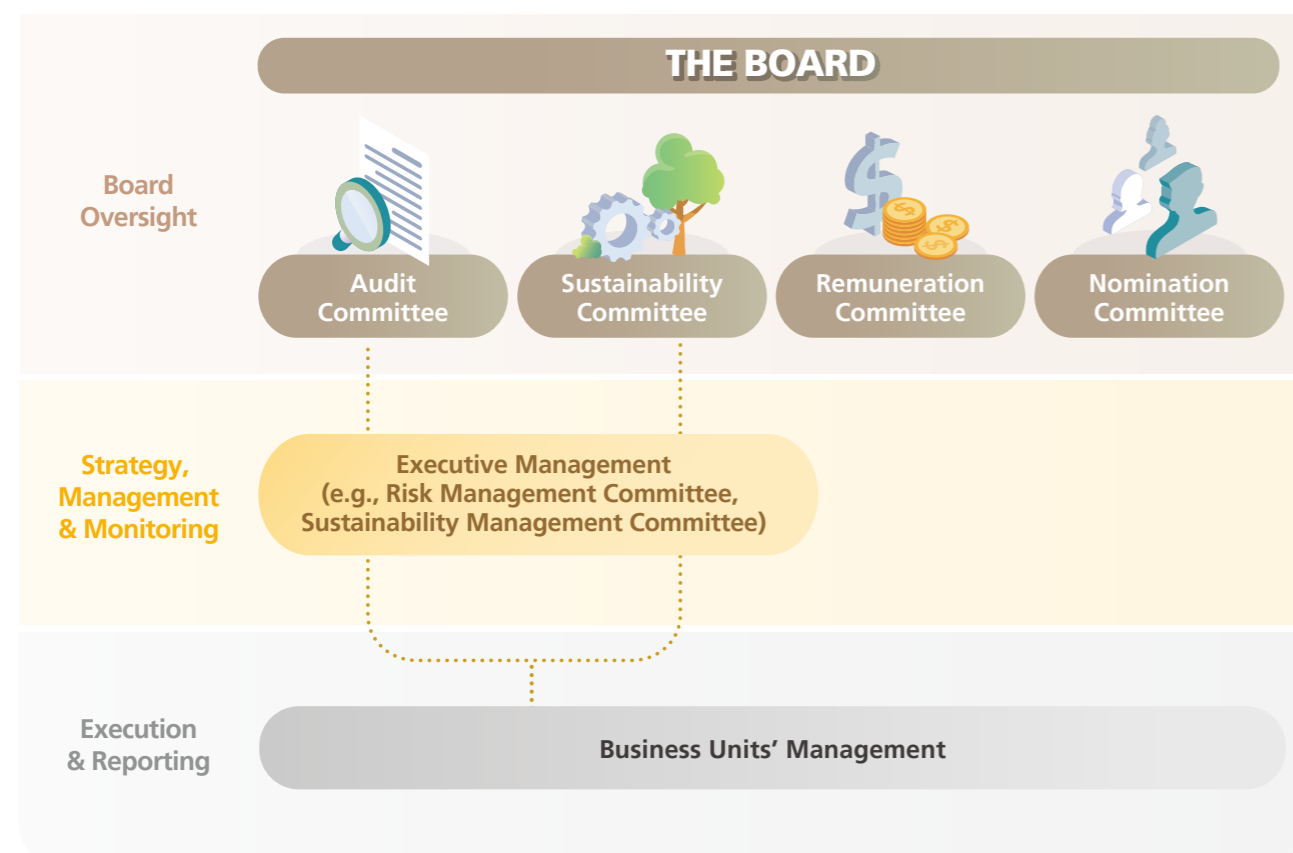
Integrated Governance Structure

Apart from our vision, values and strategy, our robust corporate governance structure is key to aligning the sustainability initiatives that are implemented across the Group and our business units.

Good corporate governance dictates many aspects of a business from developing a positive workspace, pursuing sustainable opportunities, to creating value for shareholders. By practicing sound corporate governance, the best interests and needs of the Group and our investments will be maintained. With appropriate internal controls, transparent reporting and accountability at the Board level, this maintains the integrity and quality of our governance structure.

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 and Board Oversight

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 Group's 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.

The Board, led by the Chairman, is collectively responsible for the management and operations of the Group. 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. The Board also endorses and periodically reviews all corporate policies to ensure alignment with regulatory requirements and the Group's strategies. Management, led by the CEO is responsible for the day-to-day operations of the Group. The senior management of the Group, comprising the Executive Directors, is accountable to the Board and ultimately to the shareholders.

Directors always 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.

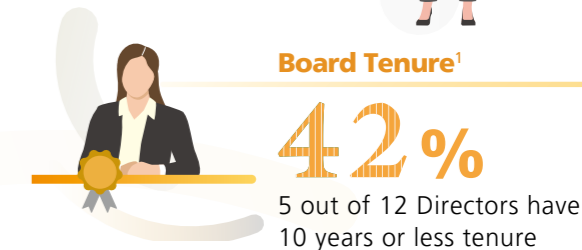
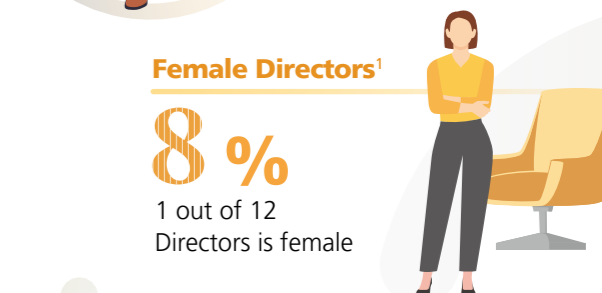
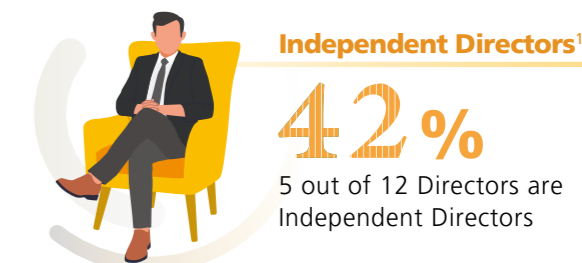
All Directors, including the Non-executive Directors and the Independent Non-executive Directors, have independent access to the management team for information on the Group and unrestricted access to the advice and services of the Company Secretary on governance matters and board procedures. There is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

Board Composition and Competence

The Board in 2025 comprised four Executive Directors, three Non-executive Directors and five Independent Non-executive Directors (one of the which, Mr. Wu Ting Yuk, Anthony resigned with effect from 21 January 2026). The number of Independent Non-executive Directors meets the one-third requirement under the Listing Rules, among which at least one of them have appropriate professional qualifications or accounting or related financial management expertise.

The Board has adopted a Board Diversity Policy to ensure a balanced mix of skills, experience, tenure, gender and cultural backgrounds that aligns with the Group's strategies. Embedding these diversity considerations strengthens independent challenge, enriches debate on strategy and risk, including ESG matters, and enhances decision-making, thereby supporting the Group's effective oversight and long-term, sustainable performance.

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.



¹ As of 31 December 2025.

Overview of Responsibilities and Activities

Prioritising sustainable development within the Boardroom is crucial for ensuring robust oversight and strategic guidance on ESG matters, including climate-related risks and opportunities. Our Board member(s) possesses knowledge of ESG through regular board and committee dialogues with business units across regions, complemented by participation in external conferences and workshops and by curated online learning. Additionally, we organise workshops tailored to industry specific ESG topics to help members stay informed of ESG developments and challenges and to leverage opportunities for sustainable growth.

Boards recognise the value of diverse skill sets and ongoing training to navigate complex challenges and dynamic market conditions. By taking part in training programmes, including those focused on the latest ESG trends and AI, the Board can enhance individual capabilities and build collective expertise. The Group provides a variety of training opportunities, regularly assessing our training plan to identify gaps and adapt strategies. The Board sustains a robust skills base spanning strategy, leadership and policy execution, financial and risk management and diverse perspectives. These capabilities are embedded in financial reporting, capital allocation and risk management through processes that track, assure and disclose ESG

performance alongside financial results, enabling sound decisions and transparent accountability. This proactive approach ensures that Board members are well-equipped to make informed decisions, uphold ethical standards and lead their organisations towards sustainable growth in an increasingly complex sustainability landscape.

Climate-linked Remuneration

The Remuneration Committee, in assessing the performance-based remuneration proposals for CEO and Executive Directors, has considered the Group's performance towards achieving the Group's climate-related and sustainability metrics and targets and the progress in other areas such as climate, environment and health and safety, measured against such applicable metrics and targets.

Linking compensation to these climate objectives incentivises leadership to prioritise climate action aligned with our long-term environmental goals, enhances accountability and promotes responsible business practices. The remuneration policy is regularly reviewed to ensure that executive compensation aligns with evolving sustainability goals, market expectations and regulatory requirements.



ESG Topics and Learning Avenues

Key ESG Topics	LEARNING AVENUES	
	Online training	In-person training
Sustainable development <ul style="list-style-type: none"> Climate change and resilience Sustainable resource management Development on sustainable development goals 		
ESG & climate-related risk and opportunities management <ul style="list-style-type: none"> Enterprise risk and opportunity management framework Climate-related risks and opportunities Defined controls covering identification, assessment, mitigation and ongoing monitoring Climate scenario analysis 		
Innovation & cybersecurity <ul style="list-style-type: none"> Sustainable energy solutions Emerging technologies in energy (e.g., AI) Cybersecurity best practices Risk management in cybersecurity 		
Corporate governance <ul style="list-style-type: none"> Frameworks, practices and processes that guide the management and control of the organisation to ensure accountability, transparency and ethical decision-making Ethics and compliance Risk management and oversight Business contingency planning 		
Health & safety <ul style="list-style-type: none"> Policies, procedures and practices implemented to protect the well-being of employees, contractors and the surrounding community during energy operations 		
ESG disclosure <ul style="list-style-type: none"> ESG metrics and standards Double materiality assessment Regulatory requirements and compliance 		
Business Ethics and anti-Corruption <ul style="list-style-type: none"> Anti-Corruption policies and regulations Due diligence control Prevention of Bribery Ordinance 		

Sustainability Governance Framework

Board and Management Oversight

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 climate change, especially those climate-related risks and opportunities. Our CEO 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.

Board Oversight: Process and Frequency

The Board is kept informed of climate-related matters through reviews and reports from the Sustainability Committee two times per year. Climate issues are a standing agenda item in the meeting, ensuring they remain a priority in decision-making. The Board conducts periodic reviews of the Low-carbon Transition Plan and related targets, oversees climate-related disclosures, and receives updates as necessary to address evolving challenges and opportunities.

ESG Committees in Business Units

In alignment with the Group’s sustainability governance, our business units have also 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

	Composition	Main Responsibilities
THE BOARD	<p>The Board has the 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.</p> <p>Our Chief Executive Officer, Mr. TSAI Chao Chung, Charles, oversees the overall climate change strategies by sitting in the Board, Sustainability Committee and Sustainability Management Committee. 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 unit.</p>	<ul style="list-style-type: none"> Examine and approve the Group’s sustainability objectives, strategies, priorities, initiatives, goals and targets. Endorse all the corresponding corporate policies, e.g. sustainability policy and frameworks that support their achievement.
SUSTAINABILITY COMMITTEE	<p>Sustainability Committee is established as a Board committee and 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.</p> <p>The Committee has an overarching role in supporting the Board on matters of sustainability, including climate-related aspects.</p>	<ul style="list-style-type: none"> Review the ESG Risk and Opportunity Management Framework, as well as resources and training related to sustainability performance and reporting. Oversee all sustainability-related policies reviews, evaluate updates and effectiveness, assess risks and incidents and approve actions for improvement concerning the Group’s sustainability governance, strategy, planning and risks. Evaluate the Group and its business units’ material sustainability issues, stakeholder engagement, environmental management and other sustainability areas. Review the Sustainability Report.
SUSTAINABILITY MANAGEMENT COMMITTEE	<p>It is 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.</p> <p>It advises and receives feedback from the Sustainability Committee on matters required to enable effective oversight and decision making.</p>	<ul style="list-style-type: none"> Hold discussions on the requirements and pathways to achieve the Group’s sustainability objectives. Review the Group’s pledge to the United Nations Global Compact (UNGC). Assess the Group’s alignment with the SDGs. Confirm sustainability and climate considerations as strategic priorities, given the essential nature of the Group’s operations. Review policies and Sustainability Report and recommend it for Board approval. Review newly established policies, e.g., GenAI Use Policy to ensure responsible use of AI, alignment with information security and data privacy frameworks and clear governance, risk controls and training for Group wide deployment. Review and evaluate sustainability and climate resilience measures performance across major operations.
MANAGEMENT OF BUSINESS UNITS	<p>It is governed by the ESG Committees of our business units, comprising both Director and Management-level personnel from both the Group and individual business units, to monitor the progress of sustainability strategies across each unit.</p>	<ul style="list-style-type: none"> Identify operational-specific sustainability-risks and opportunities; escalating promptly on relevant climate-related risk issues. Monitor and track progress against agreed targets and initiatives. Provide feedback to the Sustainability Management Committee on sustainability-related achievements and progress.

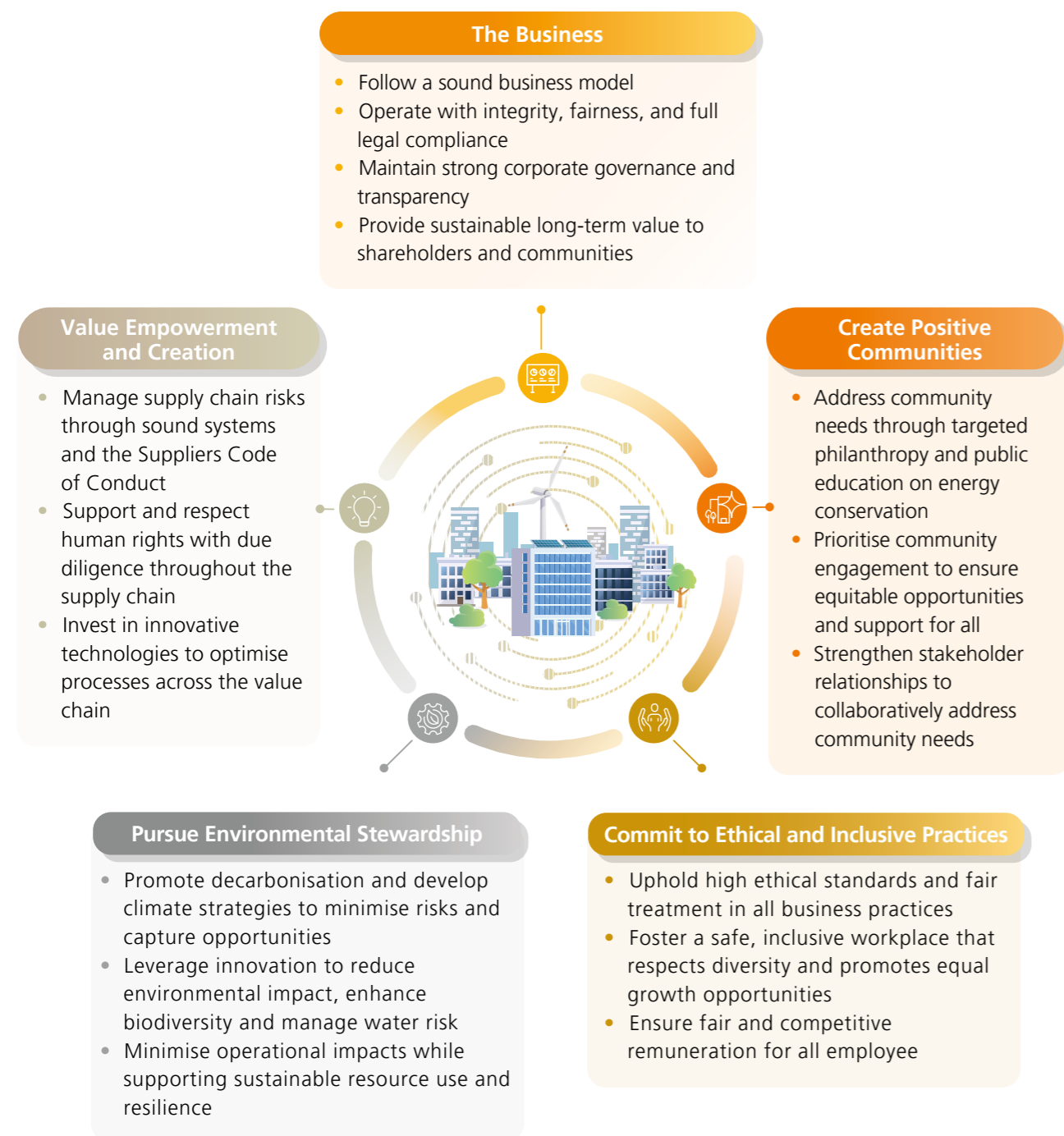
Top-down STRATEGY

Bottom-up INFORMATION FLOW

Sustainability Vision and Policy

Sustainability Vision

Sustainability vision is our cornerstone for powering sustainable business growth and creating lasting value, by anchoring in five core stakeholder groups—employees, customers, suppliers, communities, and investors. This commitment guides the design of initiatives that address diverse stakeholder expectations and promote long-term environmental and social responsibility.



Sustainability-related Policies

The Group policies, procedures and guidelines, endorsed by the Board, are tailored to meet local contexts, enhancing their relevance and effectiveness. This approach helps to address sustainability challenges and informs management practices across our operations. We conduct regular management reviews, supported by reporting mechanisms, to ensure compliance and promote continuous improvement, reinforcing sustainability as a key driver of long-term business success.

Details regarding our policies, procedures and guidelines are outlined to enable management to effectively address sustainability issues. These guiding principles are implemented across the Group, with each business unit adjusting reflect specific social, economic and environmental circumstances. 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](#).

ENVIRONMENT	SOCIAL	GOVERNANCE
<ul style="list-style-type: none"> Biodiversity Policy Environmental Policy Sustainability Policy 	<ul style="list-style-type: none"> Anti-harassment Policy Code of Conduct Customer Services Policy Health and Safety Policy Quality Policy Supplier Code of Conduct Workforce Diversity Policy 	<ul style="list-style-type: none"> Anti-fraud and Anti-bribery Policy Board Diversity Policy Director Nomination Policy GenAI Use Policy <small>NEW</small> Human Rights Policy Modern Slavery and Human Trafficking Statement Information Security Policy Media, Public Engagement and Donation Policy Personal Data Privacy Policy Policy on Inside Information and Securities Dealing Shareholder Communication Policy Whistleblowing Procedure

Risk and Opportunity Management

Effective management of climate-related risks and opportunities is essential for resilience and innovation in today's business landscape. By integrating sustainability into risk management, we strengthen operational safeguards, capitalise on emerging green technology opportunities in the energy market, and foster responsible growth that delivers long-term value for stakeholders across our value chain.

Management Framework

The Group has in place an Enterprise Risk and Opportunity Management 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. This framework also emphasises on the identification and assessment of opportunities that arise from these risks.

Oversight of the framework is provided by the Risk Management Committee, which sets risk appetite, approves methodologies, reviews risk registers and key risk indicators and monitors management's response plans and progress. Findings from the climate scenario analysis enabled us to understand how climate change impacts our business.

Risk Management Assessment and Criteria

The Group employs a rigorous approach to identifying and evaluating climate-related risks and opportunities. This process permeates all levels within the Group and integrated into our day-to-day activities, ensuring comprehensive risk assessment

that aligns with our commitment to sustainability and value preservation. Each identified risk is assessed, considering both its potential impact and likelihood of occurrence, allowing us to prioritise our mitigation efforts effectively. Material opportunities are assessed qualitatively based on their significance to the Group's operations and development.



In accordance with our risk management framework and processes, designated risk owners are tasked with the critical responsibility of developing and overseeing the implementation of appropriate mitigation strategies for each identified risk. These strategies are dynamic and are regularly reviewed and adjusted to remain effective in a changing risk landscape.

The risk and opportunity identification considers both internal and external factors, employing a top-down and bottom-up approach. This dual strategy enables the Group to effectively

manage material ESG risks and opportunities at both corporate and business unit levels. Key methodologies include megatrend analysis, stakeholder engagement and, peer analysis, benchmarking. Additionally, results from climate scenario analyses are referenced to account for various climate-related risks and other hypothetical climate conditions that could impact the Group's value chain. For key assumptions, parameters, financial range and thresholds adopted in the climate scenario analysis, please refer to our standalone [Climate-related Disclosures Report](#).



Business Ethics and Anti-corruption

We have also in place an ESG Risk and Opportunity Universe, capturing a wide range of potential ESG risks and opportunities applicable to our operations, complete with detailed descriptions for each identified risk and opportunity. This comprehensive framework ensures a proactive approach to sustainability and risk management.

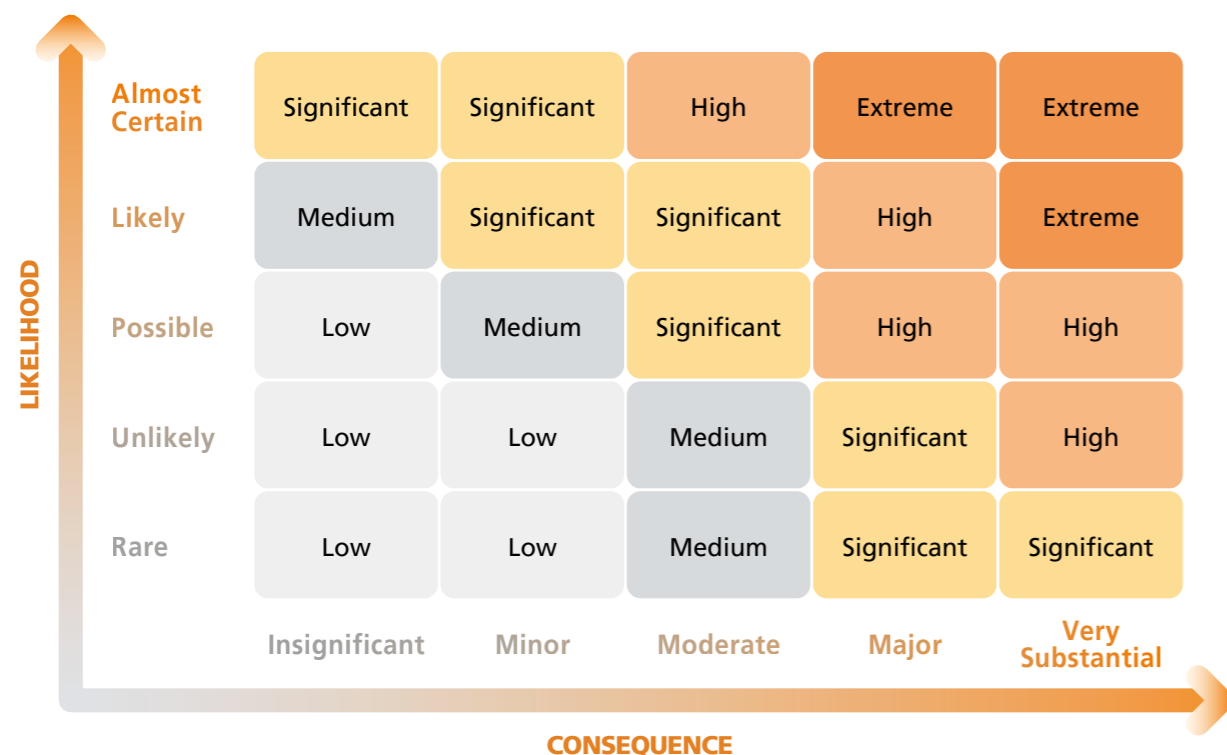
A risk management report that highlights key corporate and business level risks and action plans is reviewed by the Risk Management Committee on a biannual basis. A register of top corporate risks is also presented to the Audit Committee for reporting to the Board. Significant changes in key risks on a day-to-day basis are handled as they arise and reported to management.

There is no substantial change in risk identified from previous year, all controls are also thoroughly reviewed to ensure relevance throughout the year. For more detailed information about our risk management approach, please refer to our [Annual Report](#).

Climate-related Risk and Opportunities Prioritisation

Each identified ESG risk or opportunity is analysed, assessed and prioritised. Material risks are evaluated according to their likelihood and impact using a 5-by-5 risk matrix, also known as a "Risk Heat Map". Each risk is assigned an ESG risk rating of Low, Medium, Significant, High, or Extreme.

Risk Heat Map



Conversely, material opportunities are assessed qualitatively by considering their significance to the Group's operations and development. Each opportunity is assigned an ESG opportunity rating of Low, Medium, or High, which reflects its potential impact on the Group. This rating system

highlights the importance of these opportunities and effectively streamlines the prioritisation process, enabling us to allocate resources effectively and focus on initiatives that drive sustainable growth and enhance our competitive advantage.

We remain steadfast in our commitment to local regulations that govern our operations, upholding a zero tolerance for unethical behaviour in the workplace and to ensure compliance. Our robust governance structure is vital for championing business ethics and preventing corruption, enabling us to pursue a low-carbon future while effectively balancing the interest of stakeholders. Furthermore, we actively engage our supply chain to embrace the same standards in their business activities, fostering a culture of responsibility and integrity throughout our value chain.

Management Oversight

The Group is dedicated to maintaining the highest standards of ethical conduct, which is echoed to all levels of the organisation to ensure integrity, honesty and openness. We strictly prohibit any acts of fraud or bribery, emphasising our commitment in preventing, identifying and addressing any such misconduct.

Policy	TOPICS				
	Corruption and Bribery	Discrimination	Conflicts of Interest	Money-laundering and/or Insider Trading/Dealing	Whistleblowing
Anti-Fraud and Anti-Bribery Policy					
Code of Conduct					
Supplier Code of Conduct					
Whistleblowing Procedure					

Regulatory Compliance

Regulatory adherence remains to be a top priority of the Group, with comprehensive measures implemented 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. Our proactive approach to legal and ethical compliance underscores our efforts to preventing such incident and promoting a culture of integrity.

Whistle-blower Programmes

We encourage all stakeholders, including directors, employees and others to report any suspected violations of the Code of Conduct or other policies. To facilitate this, we have established formal escalation channels with allow for anonymous submission, which include:

-  **An independent 24/7 whistleblowing hotline**
-  **Available in local languages**
-  **A dedicated email and post address**

All reported incidents are treated with utmost confidentiality. Informants are protected from any retaliation such as unfair dismissal, victimisation, or unwarranted disciplinary action.

Each breach will be recorded and investigated thoroughly. Findings from the investigations will be reported to the Board through the Audit Committee. The nature of each report will dictate the specifics of the investigation process and any substantiated violations would result in appropriate disciplinary actions, which can include termination of employment. In 2025, Power Assets had one reported whistleblowing case, and no convicted cases of corruption.

Communication and Training

All employees are required to attend the mandatory induction training 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 with and comply with the Code of Conduct as part of working at the Group. Additionally, training on specific topics, such as anti-fraud and anti-corruption are regularly tailored and assigned to employees based on their roles and areas of responsibility.

COMPLIANCE AND LEGAL

- Whistleblowing and Anti-Corruption
- Prevention of Bribery Ordinance
- Anti-Discrimination Ordinance
- Personal Data (Privacy) Ordinance

PERFORMANCE MANAGEMENT

- Performance Management System (PMS) and Competency Model
- Performance Planning Workshop



Double Materiality Assessment and Stakeholder Engagement

Process and Methodology

We value the feedback from various stakeholders, including employees, customers, regulators and capital providers to improve business performance and address their needs in a dynamic industry. This engagement is vital for improving the transparency of our sustainability disclosures and responsiveness to evolving market conditions and global sustainability trends. The double materiality approach addresses both impact and financial dimensions, offering a comprehensive view of sustainability issues. This dual approach ensures that our operations align with stakeholder expectations, enhancing long-term value and fostering responsible growth in a changing sustainability landscape.

Objectives of Conducting Double Materiality Assessment (DMA)

DMA is a core element of the Group’s sustainability management, governance and disclosure framework. Impact materiality examines how the Group’s activities affect the community and environment, while financial materiality assesses related risks and opportunities. The purpose of the DMA is to identify key economic, environmental and social issues that have a material impact both on the Group’s business and on the broader community.

The Group can:

- Define key priorities, strengthen accountability and support long-term sustainable value creation.
- Integrate DMA outcomes into the overall risk management framework.
- Provide a balanced and transparent view, reflecting both financial risks relevant to the Group and wider impacts on society and the environment.

Double Materiality Assessment Cycle

Following our first comprehensive DMA in 2024, we conducted a scheduled update in 2025, which involved engaging stakeholders to validate and, where needed, revise perspectives on material issues relative to the prior year and conducting an internal review to confirm priority topics. These insights enable a more robust evaluation of the impacts, risks and opportunities associated with our top material topics.

The Group applies a three-year cycle for DMA, with the depth and scope calibrated annually.

	First year Comprehensive assessment (baseline)	Current year Second year Refresh based on first year assessment findings	Third Year Refresh based on first- and second-year assessment findings
Interview/focus group discussions with internal and external stakeholders	✓	–	–
Online survey to internal and external stakeholders	✓	✓	–
Conduct peer review	✓	✓	✓
Consolidate and analyse results	✓	✓	✓
Identify sustainability impacts, risk and opportunities	✓	✓	✓
Review and consolidate sustainability impacts, risks and opportunities into the overall results	✓	✓	✓
Validate results with senior management	✓	✓	✓

Process and Methodology – A 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). It considers both the impacts on people and the environment and financial aspects related to sustainability issues.

2 Identifying Relevant Sustainability 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. Some of the megatrends / topics considered in 2025 as follows:

Global Megatrends in 2025

Climate Change 2025 was the third-warmest year in its global temperature record, which dates back to 1850	Demographic Bifurcation As workforce demographics shift, companies are increasingly recognising the need for inclusivity and diversity
Technological Acceleration Rapid advancements in digital technologies like AI and IoT enhance operational efficiency. As reliance on technology increases, the demand for robust cybersecurity measures intensifies.	Geostrategic Shifts Emerging markets gain influence in global supply chains, prompting businesses to re-evaluate their strategies and adapt to new geopolitical realities.

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

Analyse the quantitative and qualitative insights from the surveys at the Sustainability Committee meeting which serves as the ultimate authority. The Committee reviewed the materiality threshold and approved the DMA results.

4 Reporting the Materiality Assessment Result

The results are presented in a materiality matrix to offer a comprehensive view of the Group's ESG priorities, considering both how sustainability influences financial performance and how the Group impacts the external environment.

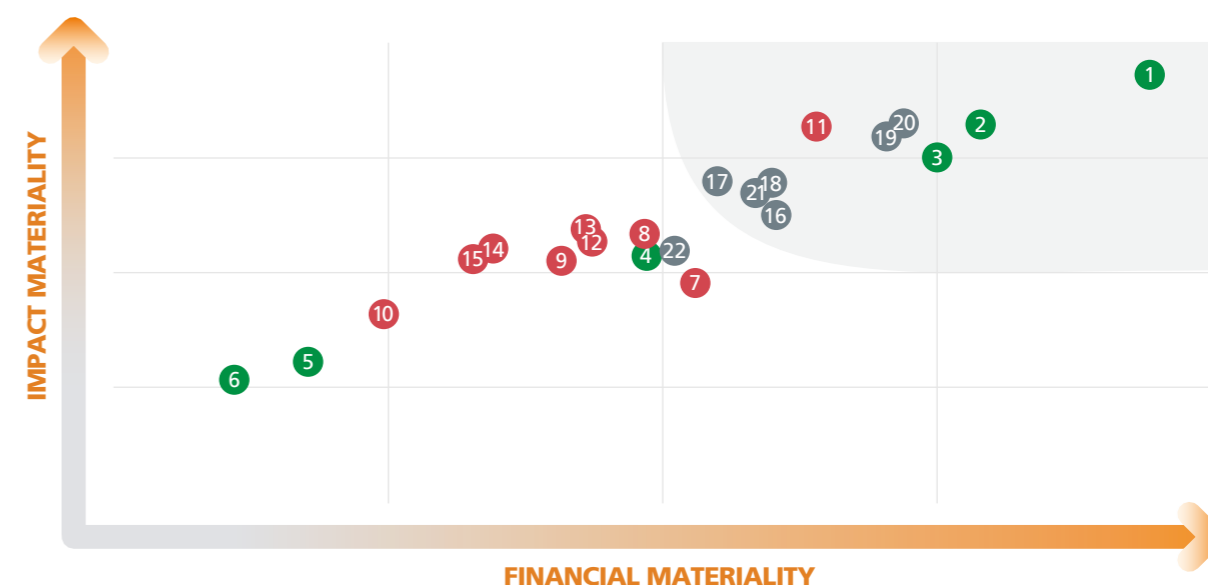
Assessment Results

Identified Material Topics

In 2025, we identified the following 22 material topics that encompass a broad range of ESG-related issues. Importantly, these topics are linked with the UNSDGs, enabling us to prioritise our initiatives to these vital global objectives, ultimately driving positive impact in the communities we serve.

	UNSDGs												
	5	7	8	9	10	11	12	13					
Environmental (6 topics)													
1. Decarbonisation, Hydrogen Economy and Energy Transition													
2. Greenhouse Gas Emissions													
3. Climate Resilience and Adaptation													
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													
11. Future-ready Skills Development													
12. Occupational Health, Safety and Well-being													
13. Stakeholder Health and Well-being													
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													
21. Reliability, Asset Integrity and Crisis Management													
22. Sustainable and Responsible Investment													

Double Materiality Matrix 2025



IROs Alignment on Key Material Topics

We prioritised the following top ten topics most relevant to our stakeholders and business in 2025. For our methodology and governance, please refer to the [Double Materiality Assessment and Stakeholder Engagement](#) section.


















The table below summarises the IROs for each key materiality topic, visualised using a three-level pill indicator. We assess scale, scope, irremediability, and likelihood, considering upstream, operational, and downstream activities, as














well as stakeholder perspectives. Risks and opportunities reflect financial materiality, defined as matters that could trigger significant financial effects on the Group, evaluated by their likelihood and impact. Icons in the financial materiality column illustrate their effects on our value chain.

Governance and assurance are integral to our process. Sustainability-related Integrated Reporting Objectives for each key material topic are evaluated and refined annually by the Sustainability Management Committee and endorsed by the Sustainability Committee.

Key Material Topic	UNSDG Alignment	Impact Materiality + Positive impact - Negative impact	Impact Materiality Level	Financial Materiality			Financial Materiality Level	Overall Materiality Level (double materiality)
				! Risk	🔗 Opportunity	🌍 climate-related 👤 customers-related 🏛️ regulator-related 🏢 supplier-related 👥 investors-related		
Decarbonisation, Hydrogen Economy and Energy Transition		<ul style="list-style-type: none"> + Expand footprint into RE, green hydrogen, biogas, smart grid and energy-from-waste, delivering more diverse energy to the community. + Assist societies and economies in transitioning to a low carbon future. Benefit the environment and communities in achieving their net-zero ambitions. + Contribute to reducing global warming. - Insufficient efforts to support decarbonisation and energy transition may lead to delays in achieving business's net-zero target. - Significant changes to energy regulatory frameworks could impact investment policies and the long-term business strategies of regulated business. - Government and regulatory support are crucial for securing reliable green hydrogen and biogas supplies at affordable costs, enabling the industry to meet contractual emission obligations. 		<ul style="list-style-type: none"> ! 🌍 Natural climate hazards can damage assets and disrupt operations. ! Inadequate support or frequently changing policies on decarbonisation and energy transition from local governments may increase uncertainty for business's investments in these areas. ! 🏛️ Significant changes to energy regulatory frameworks may impact investment policies and the long-term strategies of regulated business. 🔗 🏛️ As regulations and customer preferences shift toward cleaner products, assets with green technologies and low-carbon capabilities gain a competitive edge, leading to higher revenues and valuations. Government policies supporting renewables and green gas provide valuable investment opportunities and boost demand for clean energy during the transition to low-carbon fuels. 🔗 🏢 Adapting to industry trends through diversification of energy services allows businesses to capitalise on expanding markets and generate robust investment opportunities, while a focus on decarbonisation makes them more attractive to investors. 🔗 🌍 🏢 Decarbonisation planning improves access to green capital and strengthens energy infrastructure, lowering costs and enhancing resilience to climate impacts. Growing awareness of RE and supportive policies for hydrogen and carbon capture, utilisation and storage (CCUS) offer operational certainty and stable revenue streams, making businesses more appealing to investors. 				

Key Material Topic	UNSDG Alignment	Impact Materiality + Positive impact - Negative impact	Impact Materiality Level	Financial Materiality		Financial Materiality Level	Overall Materiality Level (double materiality)
				Risk	Opportunity		
Greenhouse Gas Emissions	13 CLIMATE ACTION	<ul style="list-style-type: none"> + Contribute to global GHG reduction and climate mitigation efforts. + Assist the communities the business serves in achieving net zero. + Reduce the frequency and mitigate impacts of extreme climate events. - Insufficient efforts to reduce GHG emissions of businesses can exacerbate climate change, resulting in more extreme climate events in the locations the business serves. 		<ul style="list-style-type: none"> ! Government regulatory policies that limit GHG emissions, including carbon tax, may result in increased operational costs. ! Aggressive restrictions on the use of fossil fuels as transition fuel may impact energy supply reliability and increase stranded asset risks. 🔧 Businesses with lower GHG emissions face reduced risks from carbon policies. By providing low-carbon energy and services, they can access the expanding clean energy market and generate new revenue streams. 🔧 Businesses emphasise on reducing GHG emissions are considered less risky, and often able to negotiate better borrowing terms with financiers. 			
Reliability, Asset Integrity and Crisis Management	11 SUSTAINABLE CITIES AND COMMUNITIES	<ul style="list-style-type: none"> + A sufficient, reliable and secure energy supply can support the social and economic development of local communities. - Insufficient, unreliable or unsafe energy supply could disrupt social and economic functioning. 		<ul style="list-style-type: none"> ! Damage to facilities caused by extreme weather can result in prolonged shutdowns and high repair costs, leading to higher insurance premiums. ! Poor asset integrity, coupled with inadequate contingency plans, may amplify the impact of unexpected climate and non-climate events. ! Unreliable supply may lead to regulatory penalties, impacting regulatory performance and potentially hindering business's growth and stakeholders' confidence. 🔧 Investing in capital expenditures to enhance asset integrity helps protect against both climate impacts, improving business continuity and operational performance. 🔧 Offering sustainable energy services can attract a growing market of environmentally conscious customers, expanding customer base and creating additional earning opportunities. 🔧 Reliable operations may lead to lower replacement and repair costs, resulting in higher valuations from investors and financiers. 			
Information and Cybersecurity	11 SUSTAINABLE CITIES AND COMMUNITIES	<ul style="list-style-type: none"> + Enhanced Information Technology (IT) resilience and operational integrity, safeguarding critical infrastructure from cyber threats. + Robust cybersecurity measures can minimise disruptions and foster trust among stakeholders, leading to stronger partnerships. - Inadequate cybersecurity protection coupled with an incomplete crisis management plan may result in data breaches and service disruptions, undermining customer trust. 		<ul style="list-style-type: none"> ! Cybersecurity vulnerabilities may arise if business fails to invest and implement robust cybersecurity measures, resulting in leakage of sensitive information and operational disruptions. 🔧 Investing in capital expenditures to strengthen cybersecurity can enhance system resilience against attacks and improves both commercial and operational performance, leading to revenue growth of the business. 			

Key Material Topic	UNSDG Alignment	Impact Materiality + Positive impact - Negative impact	Impact Materiality Level	Financial Materiality ! Risk 🌟 Opportunity	🌍 climate-related 👤 customers-related 🏛️ regulator-related 🏢 supplier-related 💰 investors-related	Financial Materiality Level	Overall Materiality Level (double materiality)
Climate Resilience and Adaptation	    	<ul style="list-style-type: none"> + Increased investment in climate resilience equips businesses to withstand extreme weather events, minimising damage and disruptions. - A lack of effort to strengthen assets against extreme climate events could lead to infrastructure damage and service downtime. - Service interruptions may impact the business's reputation. 			<ul style="list-style-type: none"> ! 🌍 Increasing severity and frequency of extreme climate events may heighten the risk of asset failure, causing unplanned service interruptions and increasing expenses e.g., insurance renewal. 🌟 🌍 🏢 Investing in asset resilience against climate risk lowers chances of damage or system failure during extreme weather events and attract investors. 🌟 🌍 👤 Investing in climate resilience can improve operational efficiency, reduce costs associated with service disruptions and plant damage repair/replacement. 		
Occupational Health and Safety and Well-being	 	<ul style="list-style-type: none"> + A sharper hazard awareness, and attention to employee well-being foster a proactive mindset among the business's workforces. + Emphasis on health, safety and well-being strengthens trust with stakeholders and enhances brand reputation. - Insufficient focus on employee well-being may also affect workforce morale, and quality of services delivered. - Frequent health and safety incidents can damage reputation, complicate resource management, and hinder the ability to attract new recruits. 			<ul style="list-style-type: none"> ! 🏛️ Failure to maintain a safe and healthy environment as required by regulatory safety standards may result in penalties and litigation, incur substantial repair/replacement costs and negatively impact business's reputation. 🌟 A strong commitment to health and safety may lead to lower insurance premiums and foster motivated workforce. Investments in a comprehensive health and safety system can reduce long-term operational expenses by preventing accidents and injuries. 🌟 A strong safety record often differentiates a business from competitors, making it more appealing that open new doors to new investment opportunities, creating new revenue streams. 		
Privacy and Data Security		<ul style="list-style-type: none"> + Enhancing protection and resilience of data systems strengthens trust and safeguards the right to privacy. + Robust compliance practices enhance digital inclusion and build confidence in using online services, benefiting customer engagement and satisfaction. - Breaches can disrupt critical operations and services, leading to misuse of data and causing reputational damage. - Inadequate controls may enable discrimination or bias through improper data handling or unauthorised profiling. 			<ul style="list-style-type: none"> ! 🏛️ Regulatory actions, including fines alongside civil claims may incur significant financial and reputational repercussions for business. ! Operational disruption costs including incident response recovery, ransom extortion and increased cyber insurance premiums. ! 👤 Revenue loss from customer churn, partner disengagement, and brand impairment, can significantly affect access to capital and valuation. 🌟 Implementing stronger data security in regulated businesses can attract cyber investments and expand the asset base. 		

Key Material Topic	UNSDG Alignment	Impact Materiality + Positive impact - Negative impact	Impact Materiality Level	Financial Materiality ! Risk 🌟 Opportunity	🌱 climate-related 👤 customers-related 🏛️ regulator-related 🚚 supplier-related 💰 investors-related	Financial Materiality Level	Overall Materiality Level (double materiality)
Sustainable and Responsible Investment		<ul style="list-style-type: none"> + Sustainable and responsible investments in clean energy and asset improvements enable businesses to provide greener energy while enhancing efficiency and reliability in energy supply. + Foster a low-carbon transition by reducing GHG emissions. - Inadequate investment in sustainable and responsible activities may hinder the business's progress toward net-zero. - Service disruptions may arise if underinvestment prevents assets from operating effectively, particularly during adverse climate conditions. 		<ul style="list-style-type: none"> ! 🏛️ Not meeting investors' sustainable investment criteria can make it difficult to attract funding, leading to higher capital and debt costs and limited access to resources. ! 👤 Failure to meet net-zero commitments may create market scepticism and erode investor and customer confidence, hindering long-term business growth. ! A diminished ability to respond to regulatory requirements and necessary industry innovations could result in existing assets becoming stranded. 🌟 🌱 Expanding the climate-related transition of the business portfolio through investments in green energy and energy networks strengthens the business's position as a leader in sustainability and innovation. 🌟 Investing in renewable assets, including network/assets improvement complement the business's existing operations, creating synergies that enhance overall value while unlocking new opportunities and revenue streams. 			
Business Ethics and Anti-corruption	 	<ul style="list-style-type: none"> + High ethical standards and zero tolerance for corruption fosters trust among stakeholders while supporting fair transparent markets. + A strong speak up culture protects individuals from retaliation and enables early detection and resolution of issues. - Misconduct such as bribery kickbacks and fraud can harm communities by enabling unsafe or poor-quality outcomes and undermining human rights. - Unethical behaviour erodes stakeholder confidence damages reputation and weakens governance across value chain. 		<ul style="list-style-type: none"> ! 🏛️ Violating ethical standards or engaging in corruption may lead to investigations, fines, repayment of illicit gains, disqualification from public tenders and the suspension or revocation of licences. 🌟 🚚 Integrating ethical and anti-corruption measures into the supply chain enhances business reputation, mitigates risks, leading to cost savings and improved access to capital. 			
Integrated Governance Structure		<ul style="list-style-type: none"> + A healthy culture, strong governance, effective risk management, and a commitment to ethical behaviour and compliance enhance business performance and build trust with stakeholders. - A lack of internal control standards and policies can lead to inconsistent corporate practices, poor performance and insufficient transparency, eroding trust within the business as well as other stakeholders. 		<ul style="list-style-type: none"> ! 🏛️ 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 sustainability focus could undermine the business's overall decarbonisation strategies. 🌟 🏛️ A business with robust governance frameworks is typically seen as lower risk by investors and financial institutions, resulting in better financing terms and to gain access to broader range of funding resources. 🌟 An effective governance framework ensures that decision-making processes are transparent and data-driven within a business, leading to better strategic choices that enhance profitability. 			

Stakeholder Engagement

Given the breadth of our operations, the Group interacts with a diverse array of stakeholders across our value chain. We promote open, two-way communication and ensure that both internal and external stakeholders have access to appropriate channels for engagement. Their perspectives and feedback are invaluable, enabling us to address sustainability challenges, seize opportunities and make agile, informed decisions.

Additionally, we actively engage with local authorities, technical institutions and industry coalitions to foster responsible business practices and advance decarbonisation efforts. Our participation in platforms such as the UN Global Compact Network, Hydrogen Council, Energy Institute (Hong Kong) and the Hong Kong Institution of Engineers allows us to collaborate with global partners and access international best practices.

Group-level Engagement with Business Units

The Group-level team has consistently supported the success of our businesses by participating in board meetings, contributing to committees and special projects, facilitating communication between local management and executives of the Group and promoting collaboration through committees, workshops and conferences.

These efforts have focused on key areas such as ESG disclosures, health and safety, risk management, innovation and public relations. We have also established a shared platform to align business units in pursuing shared values. In collaboration with other CK Group Companies, the Group participated conferences on various topics such as Electrical Safety Rules Colloquium, AI Conference and PR Conference. These initiatives promote open dialogue, encourage collaborative problem-solving and greater resilience in addressing sustainability challenges.



Regional CKI/PAH ESG Workshops with Business Units



In June 2025, we jointly hosted our inaugural regional ESG workshops with CK Infrastructure (CKI), designed to enhance business units' understanding and implementation of ESG practices across the organisation. These workshops brought together ESG specialists from various companies, cultivating an environment of synergy and collaboration as a united front. Participants had the opportunity to exchange insights, share best practices and collaboratively develop actionable solutions for common ESG challenges.



Notably, the workshops aligned diverse teams with the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards, enabling us to collectively identify sector-wide challenges and formulate practical responses. This initiative significantly enhanced the consistency, transparency and comparability of sustainability disclosures across sectors and regions, positioning us as leaders in ESG reporting standards.



In addition to discussing the reporting framework, the team took the opportunity to introduce the ESG teams from our business units to emerging ESG trends. This included conducting various energiser activities to foster engagement and deepen understanding of these trends. By creating an interactive environment, we aimed to enhance collaboration and inspire proactive strategies in response to evolving sustainability challenges and opportunities.



Overview of Stakeholders

Guided by the principles of integrity, openness and transparency, we are committed to actively engaging with our stakeholders and understanding their views, concerns and expectations through ongoing dialogue. These continuous engagements inform our sustainability initiatives, projects and processes, helping ensure

alignment with stakeholder interests and perspectives. The insights gathered are regularly communicated to our Sustainability Management Committee and Sustainability Committee.

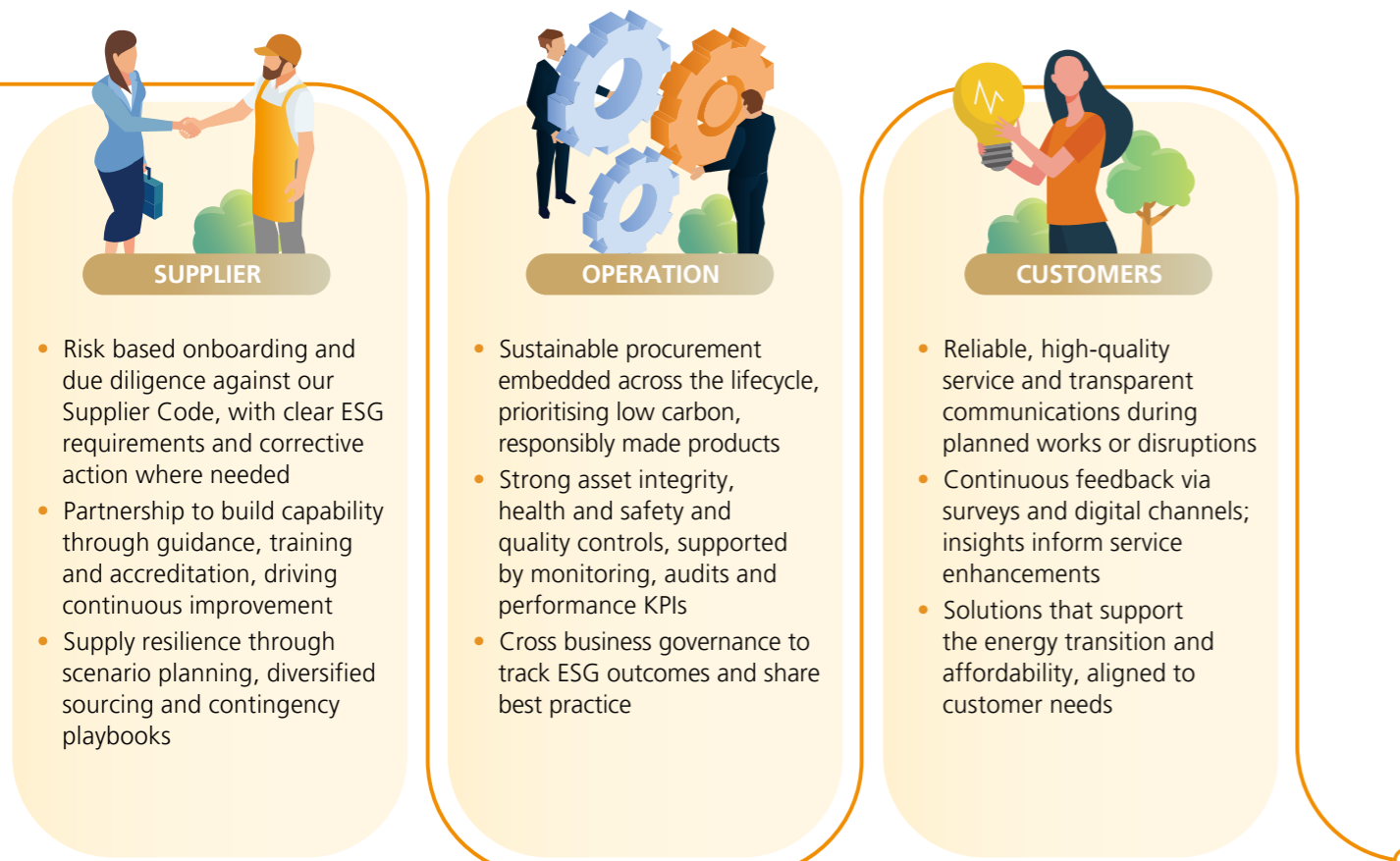
Stakeholder Group	Purpose of Engagement	Engagement Channels	Engagement Channels	Top Material Topic
Capital Providers (Banks and other lenders; Investors or funds)	<ul style="list-style-type: none"> ▶ Enhancing transparency ▶ Understanding investors' expectations on sustainability ▶ Attracting potential investors 	<ul style="list-style-type: none"> • ESG Ratings • Interim and annual investor presentations • Stakeholder engagement survey • Investor meetings, questionnaires and emails • Annual General Meetings 	<ul style="list-style-type: none"> • Investor relations meeting • Annual Reports • Investor relations presentations • Meetings and dialogues 	Environmental Social Governance <ul style="list-style-type: none"> • GHG Emissions • Integrated Governance Structure
Shareholders	<ul style="list-style-type: none"> ▶ Ensuring effective and timely communication with shareholders ▶ Monitoring sentiment of stakeholders 	<ul style="list-style-type: none"> • Annual General Meetings • Annual and Interim Reports • Investor relations 	<ul style="list-style-type: none"> • Corporate website • Meetings and dialogues • Announcements 	<ul style="list-style-type: none"> • Decarbonisation, Hydrogen Economy and Energy Transition
Employees (including managements)	<ul style="list-style-type: none"> ▶ Boosting morale, building rapport and trusts ▶ Retaining talents ▶ Building the brand as employees' choice ▶ Ensuring sustainability strategies are cascaded 	<ul style="list-style-type: none"> • Business unit-level board meetings, committee meetings and sustainability working group meetings • Intranet • Employee opinion surveys • Staff engagement activities • Induction and training opportunities 	<ul style="list-style-type: none"> • Performance reviews and personal development dialogues • Annual conferences • Stakeholder engagement focus groups and surveys • Whistleblowing and grievance channels • Virtual and in-person forums 	<ul style="list-style-type: none"> • Decarbonisation, Hydrogen Economy and Energy Transition • Climate Resilience and Adaptation • Occupational Health, Safety and Well-being • Reliability, Asset Integrity and Crisis Management • Information and Cybersecurity • Privacy and Data Security
Customers	<ul style="list-style-type: none"> ▶ Building trust ▶ Enabling customers to achieve low carbon transition ▶ Embedding the customer's voice into the business plan 	<ul style="list-style-type: none"> • Corporate websites of business units • Social media of business units • Customer service and outage hotlines • Customer Satisfaction surveys 	<ul style="list-style-type: none"> • Customer engagement initiatives • Complains and whistleblowing channels • Customer forums, roundtable and consultations • Newsletters and capacity-building materials 	<ul style="list-style-type: none"> • Decarbonisation, Hydrogen Economy and Energy Transition • Information and Cybersecurity • Privacy and Data Security
Community	<ul style="list-style-type: none"> ▶ Building trust ▶ Gaining support from the community ▶ Ensuring community benefit ▶ Responding to community concerns 	<ul style="list-style-type: none"> • Community events and initiatives • Public meetings and consultations 	<ul style="list-style-type: none"> • Liaison teams • Capacity building initiatives 	<ul style="list-style-type: none"> • Initiating Climate Transition in Community • Community Engagement and Investment
Suppliers or Service Providers	<ul style="list-style-type: none"> ▶ Protecting human rights ▶ Ensuring a respectful work environment for suppliers and service providers ▶ Aligning sustainability vision 	<ul style="list-style-type: none"> • Stakeholder engagement survey • Regular supplier assessment • Tendering procedures 	<ul style="list-style-type: none"> • Supplier due diligence or audit • Site visit • Workshops and seminars for suppliers 	<ul style="list-style-type: none"> • Decarbonisation, Hydrogen Economy and Energy Transition • Occupational Health, Safety and Well-being • Information and Cybersecurity • Privacy and Data Security
Government and Regulatory Bodies	<ul style="list-style-type: none"> ▶ Ensuring regulatory compliance ▶ Assuring new regulations are practical for business operations 	<ul style="list-style-type: none"> • Consultation panels • Responses to public consultations • Focus groups • Documentation related to regulatory resets 	<ul style="list-style-type: none"> • Direct meetings and dialogues with policymaker • Statutory filings and announcements • Letters to institutions • Annual Reports 	<ul style="list-style-type: none"> • Decarbonisation, Hydrogen Economy and Energy Transition • Climate Resilience and Adaptation • Sustainable and Responsible Investment
Associations, Councils, Academic or Professional Institutions	<ul style="list-style-type: none"> ▶ Engaging with professional institutions and staying informed on the latest industry trends ▶ Building talent pipeline 	<ul style="list-style-type: none"> • Local research projects • Apprenticeships • Collaborations in learning 	<ul style="list-style-type: none"> • Development of initiatives • Community project collaborations • Campus recruitment 	<ul style="list-style-type: none"> • Decarbonisation, Hydrogen Economy and Energy Transition • Climate Resilience and Adaptation
Non-governmental Organisations (NGOs)	<ul style="list-style-type: none"> ▶ Building capacity in local community ▶ Pooling resources to enhance community well-being 	<ul style="list-style-type: none"> • Local research projects • Community projects collaborations • Partnerships with NGOs 	<ul style="list-style-type: none"> • Focus group discussions • Donations • Volunteering 	<ul style="list-style-type: none"> • Community Engagement and Investment

Sustainable Value Chain

We place strong emphasis on ensuring that our value chain operates in a responsible and sustainable manner. Our approach is anchored on two core principles: delivering high-quality services and tailored solutions that address our customers' evolving needs, while upholding responsible practices throughout our supply chain.



Our Sustainable Value Chain



Together, these steps build a resilient and sustainable value chain which responsible suppliers, reliable operations and satisfied customers.

Supply Chain Management

As a global energy investor, our market position and sector expertise to embed responsibility across our value chain and deliver consistently high standards of service. We align partners to clear expectations on ethics, fair work, health and safety, non-discrimination and environmental care and we pair those expectations with practical mechanisms that raise performance, strengthen resilience and adapt to shifting global

conditions. At the same time, the Group places customers at the centre of our operations. We listen, respond quickly and leverage modern tools to deliver reliable, timely and supportive experiences.

Those practices transfer principles into everyday performance, raising standards across our supply chain and delivering dependable, responsive service that earns customer trust.

Policy	TOPICS					
	Human Rights	Labour Rights	Environment, Biodiversity, Resources Efficiency	Business Ethics	Health and Safety	Anti-Corruption and Conflict of Interest
Supplier Code of Conduct	✔	✔	✔	✔	✔	✔
Human Rights Policy	✔	✔				
Modern Slavery and Human Trafficking Statement	✔	✔				
Health and Safety Policy					✔	
Environmental Policy			✔			
Sustainability Policy	✔	✔	✔	✔	✔	

The Group encourages business partners and suppliers to develop and implement corrective action plans to ensure their operations align with our Supplier Code of Conduct. If a supplier is unable or unwilling to provide or execute such a plan, the Group reserves the right to discontinue the business relationship. This approach underscores our commitment to maintaining the highest standards throughout our supply chain.

and implementing corrective actions to enhance the sustainability of their supply chains. By addressing potential ESG risks and enforcing stringent ethical standards, these programmes strengthen accountability and bolster sustainability performance throughout their supply chains. Due diligence approach is deployed also within the organisation, to guarantee harmonisation between ESG strategy for the supply chain and the Group's purchasing practices. Guided by principles and reinforced by commitments, the Group aims to establish an ethical and sustainable supply chain that creates a positive impact while furthering its overarching mission.

To translate our commitments into measurable outcomes, our business units have established comprehensive Supplier ESG Programmes. This initiative aids businesses in identifying, assessing

Four key measures are in place to ensure suppliers align with our principles and meet rigorous ESG requirements:

Conducting rigorous supplier screening



Select partners who share the Group's values, ensuring compliance with the Supplier Code of Conduct and related policies. ESG performance is considered in supplier selection.

Providing capacity-building initiatives and resources



Help and encourage suppliers to adopt sustainable practices.

Carrying out due diligence and assessments



Monitor compliance with our standards and policies.

Building stronger partnerships across the supply chain



Enhance resilience, sustainability and the delivery of essential services.

Supplier ESG Screening

The Group recognises that rigorous supplier screening is essential to maintaining a strong and responsible supply chain. To uphold our high standards for quality, reliability and ethical conduct, we have

established a structured evaluation process for both prospective and existing suppliers. This process involves a comprehensive review of their sustainability performance, compliance with industry regulations and adherence to applicable standards.

ESG Factors Reviewed in the Screening Process



Environment

Environmental management and sustainable procurement practices



Governance

Issues such as corruption, bribery, conflicts of interest and health and safety 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



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 and opportunities within our supply chain and evaluate their relevance to our business operations.

The Group places great emphasis on the careful selection of suppliers who align with our principles of sustainability and ethical business practices. This commitment is evident across our various business units operating in different geographical locations. They demonstrate this dedication through robust pre-qualification processes designed to assess supplier suitability.

Careful Selection of Like-Minded Suppliers



EDL

EDL incorporates human rights, health, safety and environment, and broader environmental considerations into tender evaluations, and communicates detailed requirements to new suppliers through its onboarding and prequalification process

VPN & United Energy

VPN and United Energy adopted Felix, a procurement and contract management platform for supplier pre-qualification, sourcing and performance management. They also perform supplier modern slavery self-assessment to enhance supplier compliance with legislation and improved visibility into potential risks across the supply chain

NGN

NGN requires suppliers for purchases over £20,000 to complete a pre-qualification questionnaire covering financial standing and insurance, health and safety, cyber security, environmental management and sustainable procurement. Mandatory pass/fail criteria address criteria including human rights, labour rights and anti-corruption, with a minimum score determining progression to tender or purchase



Supplier Assessment

The Group is committed to a sustainable, value driven supply chain grounded in high standards of environmental stewardship, social responsibility and governance. We have embedded ESG requirements across the procurement and contract management lifecycle, applying risk-based screening to in scope suppliers and contractors so that our supply chain practices continue to align with the Group's sustainability objectives. Notably, United Energy and VPN ensured that all contractors responsible for network operations and projects are ISO 14001 Environmental Management System certified in 2025.

To mitigate environmental and social risks inherent in supply chains, we assess suppliers against clear criteria covering quality, reliability and ethical conduct, including

human rights, health and safety and environmental performance. Due diligence and monitoring are calibrated to risk and criticality and may include pre qualification questionnaires, certification checks and, where warranted, site assessments and performance reviews. Oversight is maintained by executive management within each business unit to support consistent application across functions.

Where gaps are identified, we agree corrective action plans with defined owners and timelines and monitor closure. If issues are not remedied, or in cases of serious noncompliance, we may escalate measures up to suspension or termination of the relationship. Alongside compliance, we continue to engage suppliers on expectations and good practice to build capability and foster continuous improvement.

OUR KEY ACTIONS

Systematic Supplier Assessments

Each business unit applied a structured programme of desk-based reviews, periodic audits and performance evaluations to monitor supplier practices and confirm alignment with our ESG policies and Supplier Code.

Supplier Engagement

Targeted engagement activities and platforms are designed to help suppliers strengthen their sustainability management and performance.

Risk Management Protocols

Proactive protocols are in place for potential material shortages or disruption, including defined escalation routes and contingency playbooks, informed by scenario-based planning.



NGN ► Gaining Greater Supplier Insight



NGN embeds sustainability into its procurement, prioritising suppliers accredited through the Achilles Utilities Vendor Database (UVDB) to strengthen supply chain assurance. All prospective suppliers complete a pre-qualification questionnaire covering environmental management and wider sustainability practices.

During 2021/2022 NGN worked with stakeholders to finalise and implement a Supplier Code of Conduct and associated compliance process. The supplier code is aligned to the UN SDGs and requires suppliers to operate to high standards of environmental management and sustainable business practices. NGN have a commitment to achieve at least 80% of suppliers (by value) complying with the supplier code by the end of RIIO-GD2, and 85% compliance by the end of RIIO-GD3, having already achieved 87% compliance in 2024/2025.



In 2025, NGN introduced the Market Dojo supplier portal, enhancing the ability to capture, manage and evaluate supplier environmental, health, safety and sustainability data effectively throughout the contract lifecycle, ensuring transparency and compliance.

Modern Slavery Risk Management

The Group maintains a zero-tolerance approach to modern slavery and human trafficking across its operations and supply chains and continues to strengthen governance, due diligence and supplier engagement to mitigate related risks. To reinforce the application of our Modern Slavery and

Human Trafficking Statement and related policies, the Group has introduced targeted measures emphasising supplier accountability and compliance. Business units and suppliers are expected to maintain and implement strategies to identify, prevent and address modern slavery risks, supported by periodic attestations and training.

United Energy ► Strengthening Modern Slavery Compliance and Supplier Assurance



In line with the Group's zero-tolerance approach and Modern Slavery and Human Trafficking Statement, United Energy published its Modern Slavery Statement 2024 on the Australian Government's Modern Slavery Statements Register in June 2025. This statement outlines supply chain assessments, including geographic exposure and report zero findings from the annual supplier modern slavery survey.

All identified high-risk suppliers have confirmed adherence to the Modern Slavery Act and fulfilled reporting obligations. Through annual reviews of supplier surveys and planned audits, United Energy ensures that no actual or suspected modern slavery practices exist. This proactive approach has resulted in a low overall assessment risk, highlighting the positive practices of suppliers and reinforcing the Company's dedication to sustainability and ethical business practices.

Supplier Engagement and Capacity-Building

The Group partners with a network of over 17,400 suppliers across its global value chain, recognising sustainability and ethical business as shared responsibilities. Leveraging our expertise, we encourage suppliers to adopt more sustainable and responsible practices. We prioritise suppliers committed to reducing carbon emissions and enhancing value chain resilience.

Engagement is grounded in open dialogue and clear expectations. We prioritise partnerships with suppliers committed to reducing carbon emissions and strengthening value chain resilience and we support them with tailored tools, knowledge-sharing and capacity-building initiatives. Flexible learning resources, accreditation pathways and sustainability-focused training help suppliers meet standards and strengthen credibility. This approach builds trust, improves performance and cultivates a reliable network of partners dedicated to long-term sustainable progress.

Business Units' Targets & Initiatives by Industry Portfolio

Business Units Details of Targets Progress in 2025 Electricity Generation, Transmission & Distribution

Business Units	Details of Targets	Progress in 2025
UKPN	Work with suppliers to reduce Scope 3 by 25% by 2028, compared to a 2018/2019 baseline	UKPN improved from a carbon intensity metric (tonne CO ₂ e/£ million) perspective from 289.73 tonne CO ₂ e/£ million for 2018/2019 baseline year to 204.59 tCO ₂ e/£ million in 2024/2025 a 29.4% reduction. In 2025 UKPN won the CIPS (Chartered institute of Procurement & Supply) Best Commitment to Carbon Reduction in Supply Chains Award



Gas Transmission & Distribution

NGN	Minimum 85% supply chain compliance with Supplier Code of Conduct by 2031	As of March 2025, 87% of NGN's suppliers (by value) have signed the supplier code
Phoenix Energy	Engage with supply chain to further improve the quantification of Scope 3 indirect emissions associated with purchased goods and services	Engaged top 90% suppliers from the Purchased Goods and Services category in 2025
WWU	Map supplier awareness of sustainability topics and record percentage of suppliers (by value) meeting our Supplier Charter	<p>Prioritised direct commercial relationships where it better influences sustainability, resulting in fewer suppliers and lower spend but stronger impact</p> <p>Percentage of suppliers (by value) met WWU Supplier Charter – 99% of respondents in the benchmark of 65% of spend; 63% of total number of suppliers</p>



WWU ► Strengthening Supply Chain Capability Through Training and Development



Ongoing membership of the Supply Chain Sustainability School (SCSS) provides structured training and resources for colleagues across key topics, supporting the adoption of industry best practice and solutions. A learning pathway has been developed to set a minimum awareness standard for all Procurement colleagues, covering core concepts including carbon reporting, waste reduction and social value. The SCSS membership also enables them to share these resources with their supply chain and their Supplier Charter signposts the benefits of supplier participation.

This initiative is supporting increased supplier participation in SCSS learning, stronger tender responses on carbon, waste and social value, improved alignment with their suppliers and fewer non-conformances identified through supplier assurance. In 2024/2025, 72% of suppliers acknowledged the Supplier Charter, and there were zero modern slavery instances identified and zero 'Speaking up' calls over the last four years.



Sustainable Procurement

Sustainable procurement is a fundamental element of the Group's ESG strategy, ensuring that purchasing decisions reflect ethical, environmental and social considerations. By prioritising suppliers and products that reduce environmental impacts and uphold fair labour practices, the Group reinforces its commitment to responsible consumption and production, contributing to a more sustainable future.

A key advantage of sustainable procurement is its capacity to lower environmental impacts. By sourcing materials with smaller carbon footprints, renewable components, or responsible manufacturing processes, the Group actively supports climate action and the conservation of natural resources.

This approach also strengthens social responsibility by promoting fair labour practices, supporting local communities and ensuring that supply chain partners maintain high ethical standards.

Championing Ethical and Green Procurement across Business Units

Amid increasing focus on environmental responsibility and ethical business practices, the Group is advancing transformative sustainable procurement policies across its business units. These initiatives demonstrate that responsible procurement can generate measurable environmental and social benefits while supporting local communities and economies.

AGIG ► Upholding Environmental Standards and Supporting Local Procurement



AGIG requires suppliers and contractors to provide environmental information on request in relation to goods and services they supply (including, where relevant, within their supply chains) and comply with environmental regulations and laws.

AGIG aims to include local, indigenous and small businesses in procurement opportunities. Capability and experience are key supplier selection criteria and AGIG requires its suppliers

and contractors to be registered with ISN, a global contractor and supplier management platform to vet contractors for health, safety, quality, and compliance, as part of its quality and assurance pre-qualification. Together, these measures enhance environmental accountability, increase supply chain transparency and broaden access for diverse local suppliers.

Service Excellence

Gaining a deep understanding of our customers' needs is key to fostering strong and enduring relationships. This insight allows the Group to improve product

quality, meet service objectives and consistently surpass expectations. To stay ahead of evolving customer service trends, we utilise advanced tools and technologies to provide exceptional experiences and drive customer satisfaction.

TOPICS

Policy	Collect and Use of Personal Data	Security of the Information	Information Protection and Management	Health and Safety	Customer Satisfaction	Continuous Improvements
Personal Data Privacy Policy						
Information Security Policy						
Health and Safety Policy						
Customer Service Policy						
Quality Policy						

Customer Privacy Protection

Understanding our customers' needs is essential for building strong, enduring relationships, enhancing product quality and meeting or exceeding service objectives. In response to emerging trends in customer service, the Group leverages the tools and technologies to adapt its offerings and deliver exceptional customer experiences.

To protect customer privacy, a comprehensive suite of measures is embedded in the Group cybersecurity and data protection programme, addressing both internal needs and market-facing implications. We mitigate risks by implementing privacy-by-design controls, conducting privacy impact assessments and providing staff and customer privacy awareness training. Our policies apply to the entire operations and a designated person/department Group privacy lead and supporting team within Legal/Compliance are responsible for privacy matters and oversight across business units and branches. The Group places a strong emphasis on educating employees about respecting customer privacy and safeguarding personal

information through a range of training programmes and routine assessments across our operations.

Our business units embed privacy policies into their risk and compliance management frameworks, ensuring that data security remains a core component of operational sustainability. Compliance is regularly evaluated through a range of control measures. This proactive approach not only safeguards sensitive information but also ensures alignment with regulatory requirements, enhancing long-term organisational resilience. Any breach or failure to follow the relevant guidelines may result in disciplinary action, including summary dismissal. These efforts reflect our commitment to fostering a culture of accountability and vigilance in managing data privacy and security.



involving personally identifiable information at Group level



AGIG ► Organising Customer Focus Training Sessions with Leaders



AGIG hosted nearly 100 leaders and field service providers in Melbourne for interactive Customer Focus training workshops in 2025. The sessions were designed to enhance the customer experience by fostering real conversations and sharing practical insights from project engineers, operational managers and crew supervisors.

The workshops covered a range of topics, including service leadership, proactive customer management and de-escalation techniques. This initiative aims to cultivate a stronger, customer-centric culture within AGIG's services and energised participants in setting the stage for continued momentum into 2026. By embedding these principles into daily operations, AGIG is committed to improving customer interactions and ensuring that every experience is positive and impactful.



Customer Engagement and Satisfaction

To ensure exceptional service and consistent customer satisfaction, feedback is actively sought, innovations are made to offerings, and value-driven solutions are provided to align with customer goals and expectations.

The Group is committed to delivering exceptional customer service by continuously monitoring customer satisfaction. Our business units use tools

such as surveys, feedback forms and performance metrics to assess service quality and gather insights. This feedback is analysed to ensure our services meet local needs. High customer satisfaction scores demonstrate our dedication and ability to exceed expectations. Positive feedback and recognition through service excellence awards highlight our business units' outstanding performance and set benchmarks in customer service.

Customers Satisfaction Score



Business Units' Targets & Initiatives by Industry Portfolio

Business Units	Details of Targets	Progress in 2025
Electricity Generation, Transmission & Distribution		
UKPN	Keep Priority Services Register (PSR) data up to date to maintain the relevance of our service, contact customers to update their PSR data and refresh understanding of their needs every 18 months	Undertook annual cycle of proactive checks on all PSR data and data quality framework and refreshed PSR data every 18 months
	Help all medically dependent PSR customers realise the benefits of having a smart meter by sharing targeted advice every two years throughout RIIO-ED2	Ran biannual smart metre targeted advice campaign for medically dependent PSR customers, and the notification of single premises faults to carers of medically dependent PSR customers with smart meters
HK Electric	Maintain better than 99.999% supply reliability rating	>99.999%
United Energy	Outperform System Average Interruption Duration Index (SAIDI) target of 50.7 minutes by 2026	35.2 minutes for the period July 2024 to June 2025
Gas Transmission & Distribution		
NGN	5,000 customers referred to PSR	11,889 in 2024/2025



Phoenix Energy ▶ Meeting Growing Needs of Customers



Phoenix Energy successfully completed all four network reinforcement projects allocated under its current regulatory period, finishing more than a year ahead of the Utility Regulator’s target timeline. The final project, which involved an essential gas network engineering project in the Greater Belfast area, was delivered between August 2024 and April 2025, enhancing network capacity to meet the needs of both its existing and growing customer base.

On completion, the Greater Belfast reinforcement projects delivered increased network capacity and more stable operating

pressures, ensuring a secure supply for existing customers during peak demand while creating headroom for future domestic and commercial growth. The strengthened network has enabled new connections along the corridor and surrounding areas, improving service reliability and overall customer experience.

Health and Safety Communications and Awareness for Customers

Ensuring a safe and secure environment for our customers is a core priority for the Group. We adopt a comprehensive approach to health and safety communications, regularly sharing up-to-date information on health, safety and environmental (HSE) hazards, as well as potential risks associated with our products and services. We have also implemented robust emergency response plans and dedicated reporting hotlines that follow to industry best practices, enabling swift and effective action when need.

Our business units also develop tailored health and safety programmes to address the specific needs of local communities. These initiatives consider varying

weather conditions and unforeseen events to ensure relevance and effectiveness. By promoting the safe use of electricity and gas, these programmes provide guidance on managing potential hazards, raise awareness of emergency procedures and equip customers with practical tips to enhance their everyday safety.

The Group recognises that effective health and safety communication is essential for increasing awareness among customers, which in turn builds trust and enhances their overall experience. By clearly communicating safety protocols and providing regular updates, we empower customers to make informed decisions regarding their well-being.

NGN ▶ Raising Carbon Monoxide Awareness Among Customers



Under Ofgem’s Vulnerability and Carbon Monoxide Allowance (VCMA) funding, NGN delivers focused communication to educate customers about carbon monoxide (CO) risks from faulty appliances or poor ventilation. Campaigns emphasise installing/testing CO alarms, recognising symptoms (headaches, dizziness, nausea), using qualified engineers for maintenance, and immediate evacuation if an alarm sounds. Through VCMA projects, third-sector partnerships, community outreach, schools competitions, Centres for Warmth, and GDN collaboration, we provide free CO alarms, Priority Services Register (PSR) support, and practical advice to vulnerable households—helping prevent poisoning, boost safety, and build trust.



In 2024/2025, NGN exceeded their customer CO awareness visits/surveys target of 10,000, reaching 23,004 households, helping prevent poisoning, enhance safety, and build trust among vulnerable customers.

Customer-facing Stakeholder Engagement Initiatives at Business Unit Level

At the business unit level, we actively engage with local government, customers, First Nations and other stakeholders in co-creating a lasting, inclusive and sustainable community. For example, Wellington Electricity is developing consumer engagement strategies to inform its investigation into a potential Customised Price-quality Path (CPP) application which is a regulatory mechanism that allows energy distribution companies in New Zealand to set customised prices based on the quality of service they provide to meet specific network and customers’ needs.

The following engagement initiatives are designed to meet specific needs:



Regulatory-reset engagement (for regulated businesses)

As part of regulatory requirements, our business units 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 activities are tailored to individual projects, supporting timely and informed decisions, involving affected parties and providing adequate opportunities to share their views.



Our approach to customer engagement also supports the Group’s broader sustainability ambitions, including a just transition. For further details on the Group’s Just Transition Plan and its guiding principles, please refer to the [Valuing Community and People](#) chapter.

Sustainable and Responsible Investments

As the global economy shifts towards a low-carbon future, sustainable investment in infrastructure and innovation is increasingly vital. The Group's extensive expertise in sustainable investments and operations positions us to create value while capitalising on opportunities from this transition. We view sustainable growth and financial performance as interconnected, embedding ESG principles at the heart of our strategy to inform investment and operational decisions.

In 2025, we allocated a substantial portion of its capital expenditure to climate solutions, reflecting our commitment to environmental sustainability. This investment underscores our focus on projects that supports energy transition, promote RE, enhance energy efficiency, and drive innovation in low-carbon technologies. By prioritising these initiatives, we are not only meeting our climate goals but also fostering long-term economic growth and resilience. Most of our business units operate within a regulated framework, which means our business plans undergo

thorough vetting and approval at each regulatory reset. Consequently, the capital expenditure allocated to climate solutions is regularly reviewed to ensure alignment with our sustainability goals and regulatory commitments.

We also seek opportunities to integrate ESG principles into our financing activities. Our business units utilise green finance instrument, such as issuing green bonds, to fund eligible green projects that focus on constructing and upgrading climate-resilient infrastructure and enhancing energy efficiency.

Understanding that strong ESG performance goes beyond regulatory compliance to drive long-term value, the Group adopts a comprehensive approach to evaluating potential investments. This assessment considers both financial and non-financial factors, along with considerations on ESG impact, ensuring that capital allocation supports responsible growth and enhances 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:

<p>1 Compliance with legal, regulatory and ESG-related obligations and standards</p> 	<p>2 Current and potential physical climate risks, along with mitigation strategies</p> 	<p>3 Impacts and opportunities related to the energy transition</p> 	<p>4 Land use and biodiversity considerations</p> 	<p>5 Energy consumption and carbon emissions</p> 
<p>6 Water resource management</p> 	<p>7 Waste management practices</p> 	<p>8 Labour relations</p> 	<p>9 Operational performances such as health and safety records</p> 	<p>10 ESG commitments and targets</p> 

These criteria are regularly refreshed and updated to ensure management remains well informed when making decisions. The Group intensified its strategic focus on identifying global investment opportunities that align with its ESG criteria and commitment to sustainable energy, prioritising RE and low-carbon solutions and projects supporting energy transition.

ESG Integration into Our Investment Process



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 2025, the Group and its business units allocated approximately HK\$9 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 Integrity and Water, biodiversity and circular economy. Capital expenditures accounted for 75% 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.

Low-carbon Transition Technology 9%

Investments focus on deploying RE, decarbonising power generation, enhancing grid connectivity for green sources, advancing carbon capture technologies, developing bioenergy and upgrading smart grids to optimise energy distribution.

Asset Modernisation and Integrity 50%

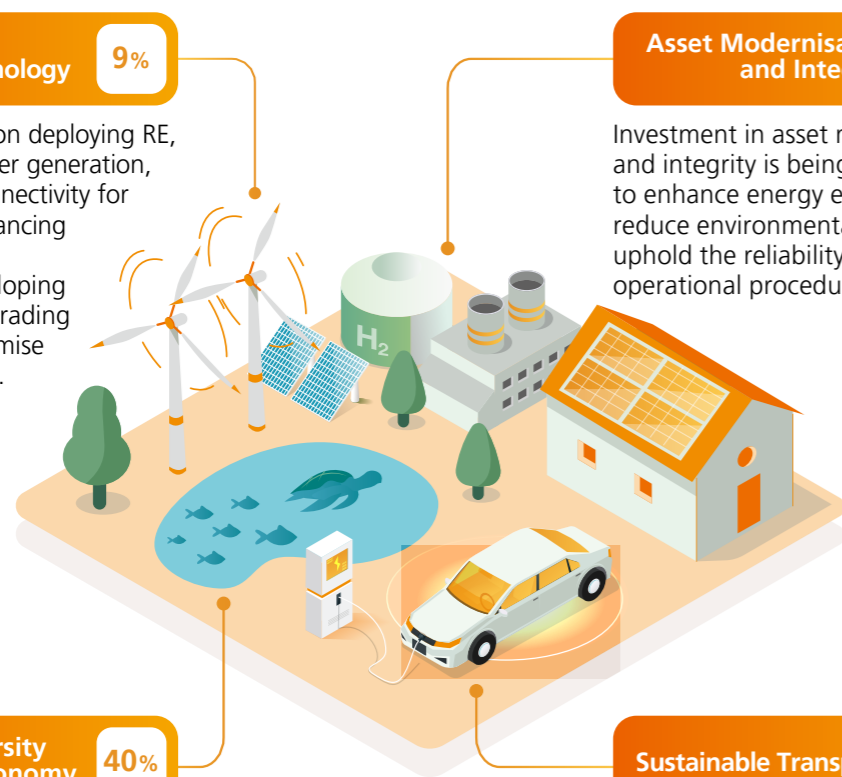
Investment in asset modernisation and integrity is being prioritised to enhance energy efficiency, reduce environmental impact and uphold the reliability and safety of operational procedures.

Water, Biodiversity and Circular Economy 40%

Capital investments are directed towards a comprehensive approach that encompasses sustainable water management, circular economy principles and the active preservation of biodiversity within ecosystems.

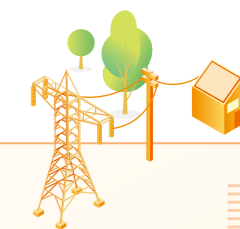
Sustainable Transport 1%

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



Total Spending on Sustainable Activities in 2025¹: HK\$9 billion
CapEx: HK\$6.8 billion OpEx: HK\$2.2 billion

UKPN ► Renewing Ilford Underground Cable to Enhance Reliability and Capacity



As part of its commitment to sustainable community development, UKPN has invested £7.9 million to replace ageing underground cables between Perth Road and Redbridge substations in Ilford, installing three new 33kV crosslinked polyethylene (XLPE) circuits totalling over 15.8 km (approximately 150 football pitches). The multi-circuit link strengthens supply reliability, improves resilience and efficiency and creates headroom for future demand and low carbon connections. The scheme forms part of the Company's £800 million annual investment programme.



In parallel, UKPN advanced fuel-poverty initiatives in 2024/2025, supporting 103,168 customers which exceeded the original target of 100,000. This effort delivered £11.79 million in social value with a social return of investment of £11.39 per £1 spent; with customer satisfaction rating at 9.2/10. The SHIELD innovation trial demonstrated potential bill

reductions of 20-40% and household carbon emission cuts of over 90%, with plans to scale to 100,000 systems per year by 2030. Overall, 251,278 customers have been supported over the first two years of RIIO-ED2, keeping UKPN on track to meet the 2028 target of 500,000.

¹ Certain figures presented in this table reflect amounts attributable to specific joint ventures or associates of the Group on a 100% basis for sustainability disclosure purposes. As a result, these figures are not directly reconcilable to the Group's consolidated financial statements under which interests in joint ventures and associates are accounted for using the equity method or are not required to be disclosed. Climate-related spending at the business unit level is disclosed in the relevant climate-related disclosure reports or annual reports of those entities.

Information and Cybersecurity

Green Bond

Our business units consider green bonds an innovative financial instrument that supports environmentally sustainable projects that help address climate change and promote ecological stewardship. By directing capital to initiatives such as RE, energy efficiency and sustainable infrastructure, green bonds attract investors who seek to create positive environmental impact.

Our electricity transmission & distribution businesses in UK (UKPN) and in Australia (SAPN) issued their first green bonds in 2021 and 2024 respectively, and have continued to access the green finance market since then. In 2025, our Australian business VPN also issued its inaugural green bonds to support the Victoria's transition toward a more decarbonised energy system.

SAPN ▶ Investing to Lead the Energy Transition in South Australia

SAPN is the first electricity distributor to issue a certified green bond in the Australian market in 2024, with a total value of A\$495 million. The proceeds will be used to finance or refinance new and existing distribution assets that facilitate South Australia's transition to a more decentralised and decarbonised energy system. Furthermore, the proceeds will also be directed towards climate adaptation and resilience projects, including network preparations for bushfires, to strengthen and improve the grid's overall resilience and reliability.



VPN ▶ Driving Sustainable Investment Through Financing Framework

In October 2025, VPN issued its debut A\$750 million AMTN 6.5-year green bond. Of note, this transaction is understood to be the first green bond that aligned with the Australian Sustainable Finance Taxonomy and the first EU Taxonomy aligned green bond by an Australian corporate issuer. The bond is issued under VPN's Sustainable Financing Framework dated October 2025 and supports national and state net zero emissions targets. The green structure differentiated VPN in a crowded market, generating its largest-ever Australian dollar orderbook issuance peaking at A\$2.7 billion. Proceeds will finance low-voltage network infrastructure, operational technology and smart meters, enabling greater integration of renewable electricity and energy-efficient technologies across Victorian homes and businesses.

The transaction was subsequently recognised by the KangaNews 2025 Awards, where VPN was awarded the Australian Sustainability Bond Deal of the Year and the Australian Sustainability Issuer of the Year.



Operational weaknesses can lead to failures and the potential loss or theft of sensitive information, resulting in regulatory fines and penalties. Externally, such incidents may damage our reputation, jeopardise operating licences and disrupt third-party operations. We enforce strict access and data retention policies and evaluate the security and incident response capabilities of third parties. Ongoing monitoring and regular testing also strengthen our resilience and protect our stakeholders. The Group adopts a governance-driven approach to cybersecurity and crisis management, underpinned by accountability, risk management and continuous improvement. To put these principles into practice, we proactively manage security risks, build internal capabilities and embed security culture across all business units.

Management Oversight

Governance and leadership are central to the Group's cybersecurity strategy. Our CEO, as a Board member, ensures cybersecurity remains a key agenda item in ESG, Risk Management and Audit Committee meetings across all business units.

Our Information Security Policy is the cornerstone for protecting corporate information assets. It ensures confidentiality, integrity and availability through established policies, defined accountability and role-based access controls. We continue to deploy

monitoring of IT systems and networks, supporting real-time threat detection and response. We engage independent experts to perform periodic audits and risk assessments. Cybersecurity awareness training remains mandatory for all new joiners and employees complete regular phishing simulations and refresher modules to reinforce their role as frontline defenders. To strengthen operational resilience against cyberattacks, natural disasters and system disruptions, the Group partners with business units to keep business continuity plans and incident response procedures robust and regularly tested.

As GenAI becomes increasingly integrated into daily work, a robust policy is vital for ensuring ethical use, compliance and risk management. In 2025, the Group established a stand-alone policy for the use of GenAI tools by employees for work-related purposes or on devices provided by the Group. This policy outlines guidelines for responsible usage, emphasising the importance of safeguarding sensitive data, maintaining transparency in AI-generated content and mitigating risks associated with bias and misinformation.

Policy	TOPICS					
	Data Integrity and Protection	Information Security Threats	Information Security for Third Parties	Safeguard Information Assets	Responsible and Ethical AI	Confidentiality All Proprietary and Customer Data
Information Security Policy						
GenAI Use Policy						
Personal Data Privacy Policy						

A dedicated Head of IT oversees cybersecurity initiatives, ensuring policy compliance, assessing evolving threats, aligning management capabilities with risk mitigation and driving strategic improvements, while controls are tested via Internal audits of the IT infrastructure or information security management systems and validated through independent external audit of the IT infrastructure or information security management systems, including certification assessments.

To safeguard business continuity and enable effective responses to emergencies, each business unit maintains

its own Crisis Management Plan (CMP) integrated Information security-related business continuity plans, supported by contingency plans for events such as natural disasters, security incidents, or other unforeseen disruptions. Restoration plans are in place to facilitate the smooth and timely recovery of the power system in the event of major service interruptions.

Several of our business units have achieved certifications under the following standards, providing a systematic approach to identifying and mitigating security risks:



ISO 27001 Information Security Management Systems



UK Government Cyber Essentials certification



National Institute of Standards and Technology (NIST) Cybersecurity Framework



Australian Energy Sector Cyber Security Framework

Cybersecurity Risk Control Culture

The Group fosters a strong risk control culture, with the Risk Management Committee regularly reviewing cybersecurity risks and overseeing mitigation measures. Key activities include:

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

Recognising that employees are the first line of defence, the Group maintains a central Cybersecurity Portal that provides guidance on emerging threats, good practices and internal policies. This single

point of reference supports colleagues in effectively protecting corporate information.

With the increasing prominence of GenAI in the workplace, the Group is enhancing its cybersecurity strategies to address the unique risks associated with this technology. By implementing advanced safeguards, we aim to mitigate potential threats while leveraging AI's benefits.

Robust business continuity and incident response arrangements are in place to strengthen resilience to cyber disruptions. Contingency plans enable the recovery of critical digital operations and are tested at least annually to ensure effectiveness. Each business unit maintains and updates a documented business continuity plan, which is communicated and reinforced through regular drills.

SAPN Cyber Security Programme



SAPN launched its first Cyber Security Strategy in 2025, marking a significant milestone in advancing cyber maturity and outlining key initiatives for cyber security for the next five years. SAPN has submitted business cases to the Australian Energy Regulator (AER)—one aimed at maintaining current operations and another to elevate its security posture. The AER favoured SAPN's risk-based approach, which implements robust controls to minimise risks effectively.

To reduce user account risks, they are promoting longer passphrases and transitioning to passwordless authentication to minimise credential related threats. Expanded vocational training in electrical engineering, project management, leadership, cyber security, and assessment has strengthened capability and raised awareness of cyber risks. These measures have improved incident preparedness, accelerated recovery, reduced impact, and provided greater assurance over cyber security and IT infrastructure maturity, informing plans to address identified gaps.



Reliability, Asset Integrity and Crisis Management

By leveraging automation, AI and data-driven insights, the Group can reduce resource consumption, drive innovation and enhance resilience in a rapidly evolving business landscape.

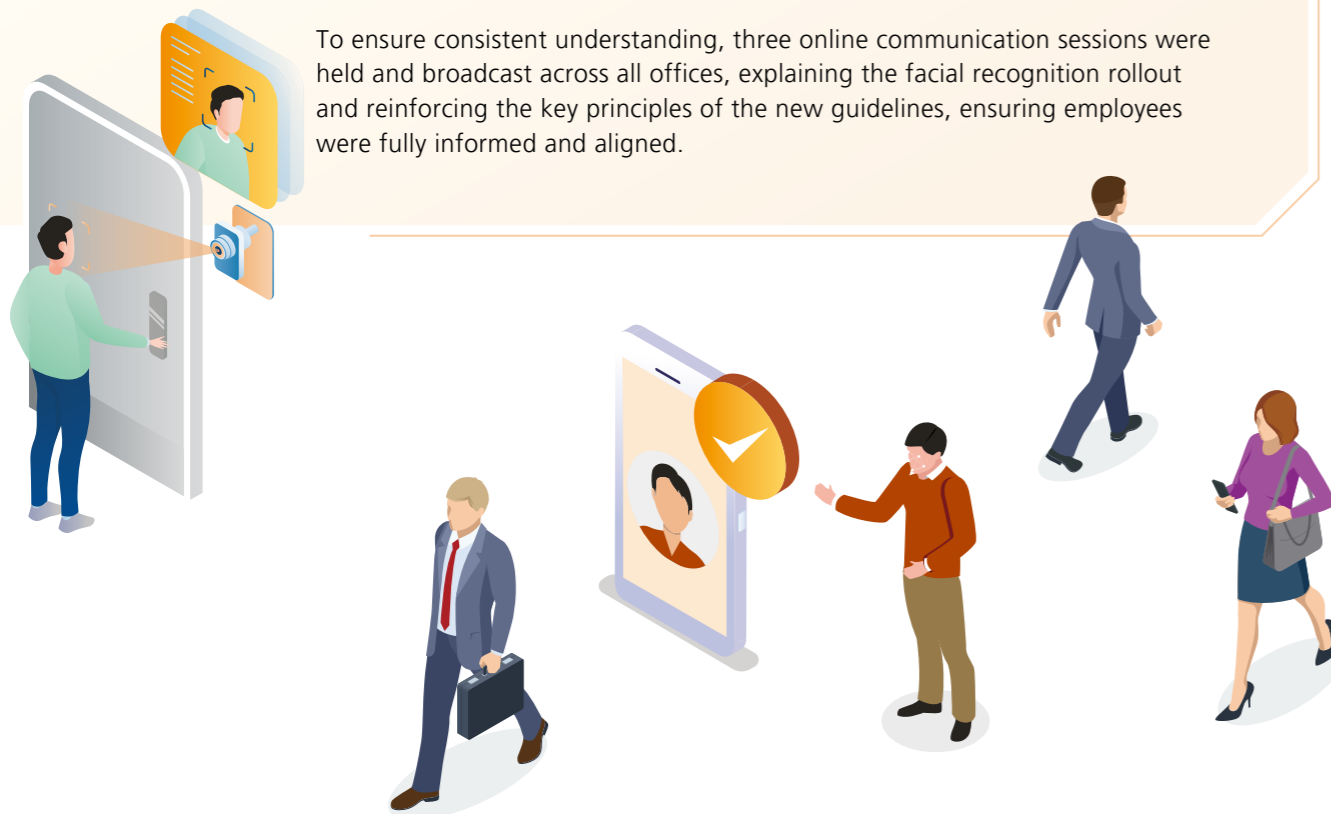
HK Electric ► Strengthening Security and Digital Responsibility

In 2025, HK Electric strengthened its security and risk management culture through two initiatives focused on physical security and responsible digital behaviour.

Given the Headquarter's proximity to the Kennedy Road Substation — both essential to supply reliability — HK Electric introduced a facial recognition feature to the building security system to be implemented in early 2026. Integrated with access control and CCTV, it will help identify unauthorised individuals and reduce intrusion risks, supporting a safer workplace and the protection of critical infrastructure.

The second initiative added the Guidelines for Proper Use of Internet and Social Media to the Code of Conduct. The Guidelines set out principles and expectations for the use of digital platforms, including AI tools, emphasising professionalism, protection of sensitive information, respect for intellectual property and appropriate use of company email.

To ensure consistent understanding, three online communication sessions were held and broadcast across all offices, explaining the facial recognition rollout and reinforcing the key principles of the new guidelines, ensuring employees were fully informed and aligned.



The Group recognises that reliability, asset integrity and crisis management are essential for sustaining operational resilience and supporting long-term growth. Reliability is built into the way we plan, design and operate our networks and assets, with redundancy, load management and preventative maintenance used to minimise outages and reduce downtime. Our asset integrity approach is built on disciplined operations and maintenance, supported by an Asset Integrity Management System that sets standards for design, inspection and lifecycle renewal.

Management Oversight

Our crisis management capability follows an all-hazards, operations-led model that integrates emergency response and business continuity. Site and regional plans use a clear incident command structure, defined roles and escalation and pre-agreed communication protocols with customers, regulators and emergency services. Regular drills, scenario exercises and mutual-aid arrangements test readiness for events such as extreme weather, major equipment failure and supply chain disruption. Collectively, these measures demonstrate the Group's commitment to reliability, asset integrity and crisis management, ensuring safe, efficient operations and minimal disruption to services during emergencies.

The Group maintains a safe and resilient network through regular asset inspections and maintenance, while promoting a culture of preparedness, agility and responsiveness across all business units. Supported by continuous horizon scanning, this proactive approach allows us to anticipate and mitigate potential disruptions to the essential services we provide to our communities.

To address unforeseen crises, robust contingency plans are in place to ensure the recovery of critical digital operations and services. These plans include detailed runbooks for potential attack scenarios, backup systems for service restoration, multiple cloud locations for data storage and offsite backups for physical disasters. They are rigorously tested and reviewed annually to ensure their relevance and effectiveness in managing emerging risks.

Regular drills further strengthen the effectiveness of our crisis procedures, enabling smooth and efficient recovery during emergencies. Business units are encouraged to continuously monitor and update their business continuity plans to maintain readiness and ensure appropriate measures are in place. At both the Group and business unit levels, climate scenario analyses are conducted to identify risk areas and prepare for extreme weather events. Continuous vigilance and threat monitoring are embedded in our culture, reflecting the Group's ongoing maturity in managing and mitigating these challenges.

For details on enhancing climate resilience and adaptation strategies in response to climate events, please refer to our [Climate-related Disclosures Report](#) and [Climate-related Disclosures](#) chapter.

Our Approach

The Group conducted a climate scenario analysis to assess the potential impacts of climate-related risks and opportunities on our strategy. This helps us evaluate our 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 infrastructure and operations, which could potentially lead to 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. The detailed methodology, assumptions, timeframe of each climate-related risk and opportunity, and findings from the scenario analysis are disclosed in our standalone [Climate-related Disclosures Report](#).

These analyses show how our business remains resilient and adaptive to both physical and transition-related climate challenges. A proprietary scenario analysis model was used to evaluate the potential physical and transition risks and opportunities under different hypothetical

scenarios, enabling informed decision-making processes. We completed our scenario analysis by including key business units in terms of the earnings before interest and taxes (EBIT) and total assets of the Group. The strategic importance of these business units, including their representation across business sectors and geographical locations, was also considered. We identified the businesses most critical to the Group in terms of financial contributions. The analysis led us to select seven business units, accounting for over 80% of the Group's EBIT at the time of the analysis performed. These selected business units include electricity generation, electricity and gas transmission and distribution businesses, whose industries could be profoundly impacted by climate change. The results of physical risk analysis indicates that less than 1.5% of the Group's asset value is at risk across future time horizons, hence the current financial impacts are not significant to the Group.

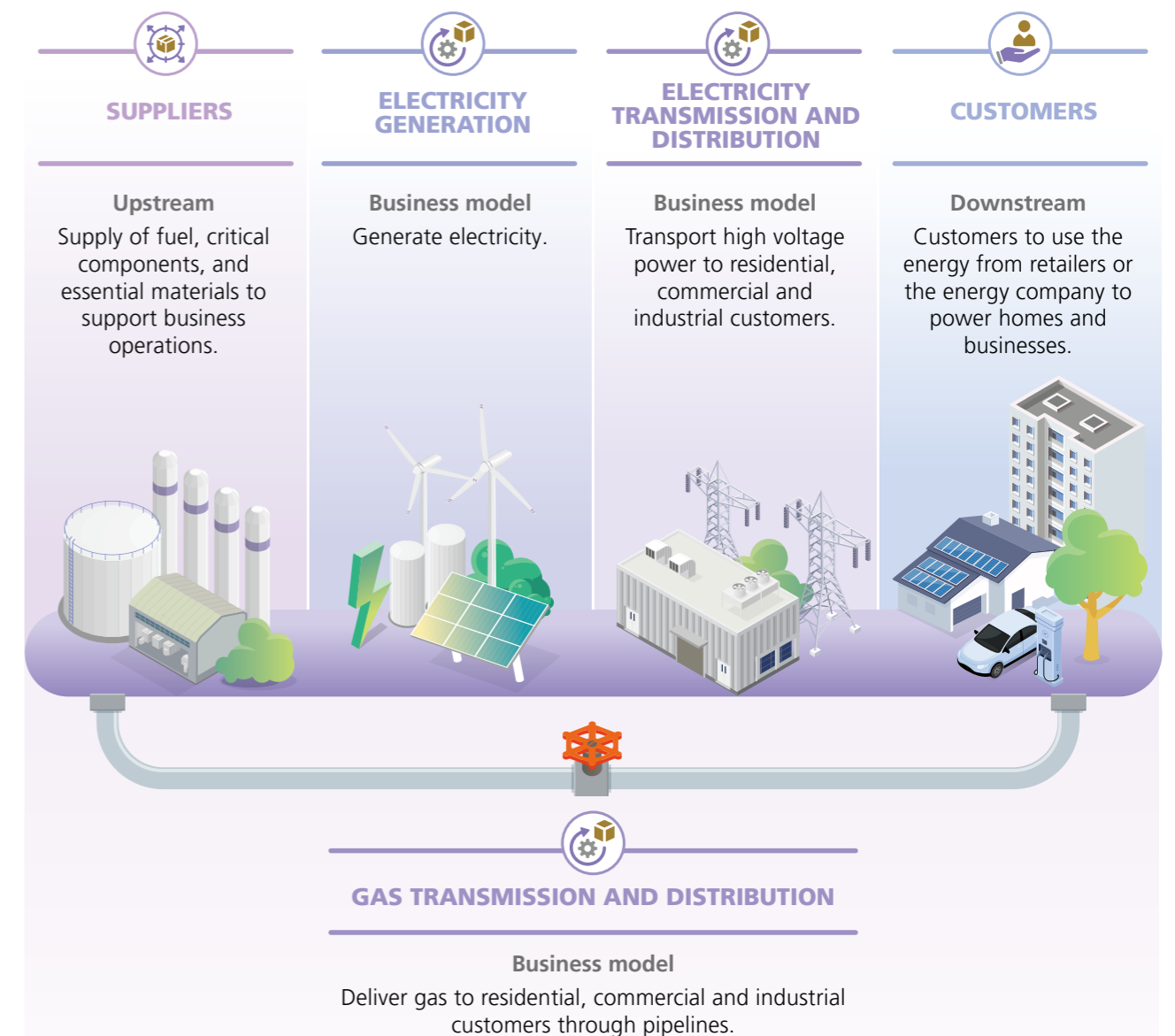
For an overview of the basis used to disclose the Group's climate-related information including the new climate reporting requirements of the ESG Reporting Code in the Group's Sustainability Report, Annual Report, and the standalone [Climate-related Disclosures Report](#), please refer to the [Disclosure Requirement Content Index](#).

Climate Resilience and Adaptation

Building climate resilience and advancing climate adaptation are essential as climate related events

intensify. Strengthening and adapting our assets and operations helps reduce risks and vulnerabilities, maintain reliable service and ensure we remain prepared for future climate conditions.

Our Value Chain



Our Climate-related Disclosures Report

Climate-related Disclosures Report

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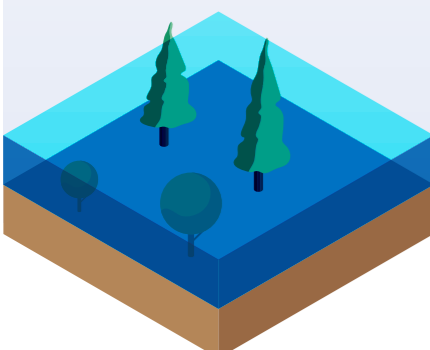

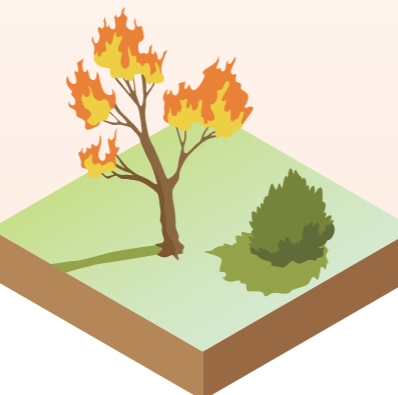
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Climate-related Risks and Opportunities on Our Business Model and Value Chain

Our Climate Adaption and Mitigation Measures

<div data-bbox="133 451 474 493" style="background-color: #4a7ebb; color: white; padding: 5px; text-align: center; font-weight: bold;">FLOODING</div> <ul style="list-style-type: none"> • Install flood-resistant retrofits and elevate critical equipment at coastal/riverine plants to minimise inundation risks • Conduct flood response drills and portable flood-defences at substations to improve emergency readiness • Implement substation modernisation and capacity upgrades to enhance operational reliability during extreme weather events 	<div data-bbox="519 451 875 493" style="background-color: #e91e63; color: white; padding: 5px; text-align: center; font-weight: bold;">EXTREME HEAT</div> <ul style="list-style-type: none"> • Advance cooling upgrades at facilities to enhance resilience and employee's comfort under extreme heat • Install heat-resistant materials, leverage alternative insulation designs, nature-based solutions and ventilation to improve thermal performance • Launch asset replacement programmes to increase capacity and enable operation at higher temperatures 	<div data-bbox="920 451 1261 493" style="background-color: #f15a24; color: white; padding: 5px; text-align: center; font-weight: bold;">WILDFIRE</div> <ul style="list-style-type: none"> • Conduct aerial inspections and carry out vegetation management for wildfire prevention • Introduce new protective packing materials around pipe and implement isolation measures to safeguard assets from surrounding land fires
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Position Our Businesses for Climate Transition

The Group is progressively repositioning our asset base and investment focus towards climate related opportunities by investing in low-carbon or green energy solutions, enhancing the readiness of our pipeline network for low carbon gases, developing

resilient, future ready infrastructure, and growing revenue streams from segments that support the climate transition plan.

Detailed initiatives and investments are disclosed in the [Sustainable and Responsible Investments](#) section and [Caring for the Environment and Planet](#) chapter.

Acute and chronic physical climate risks have the potential to disrupt supply chains, leading to shortages of fuel, spare parts, and other essential materials, as well as delays in delivering new energy projects. Within the Group's operations, these risks may compromise asset integrity, increase maintenance needs, affect the reliability of energy delivery, and impact our reputation. Prolonged service interruptions can also diminish customer satisfaction, while shifting preferences toward cleaner energy sources require ongoing adaptation across our business model to maintain resilience and trust.

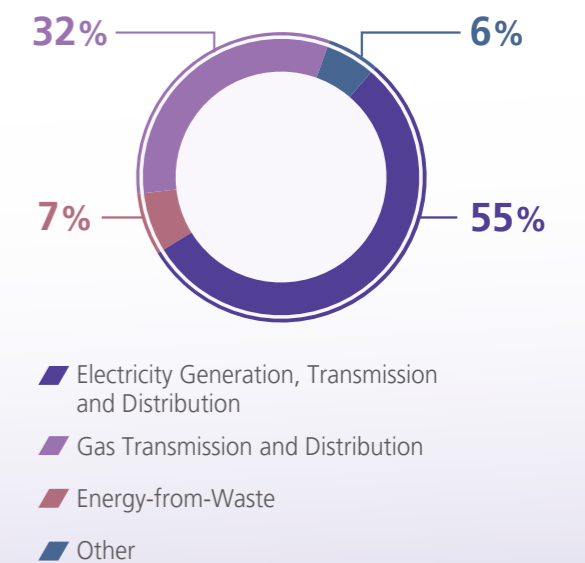
The Group conducts regular assessments to evaluate how different climate related risks and opportunities may affect our business model and value chain. This includes reviewing climate analysis undertaken by our business units. We maintain a robust risk and opportunity management approach, detailed in the [Risk and Opportunity Management](#) section. This approach articulates the current and anticipated financial impacts, enabling a thorough evaluation of the Group's climate resilience strategy across our value chain. It ensures that essential resources are allocated for mitigating climate-related risks and seizing the associated opportunities, reinforcing our commitment to strong governance and accountability in our sustainability efforts.

The following tables indicate the top three physical risks identified by the Group and our business units that could impact our operations and value chains: **flooding, wildfires** and **extreme heat**. Regarding transition risks, **technology, policy and regulation**, and **market changes** are among the most pertinent factors. The top transition opportunities primarily pertain to the latter two factors. The climate assessments performed by the Group and business units indicate that the climate-related risks and opportunities do not pose material impact to the Group's financial position, financial performance and cash flows for the current and subsequent reporting period. References in this

report reflect the historical and current arrangements as they operate today. These arrangements may change over time. Insurance coverage is reviewed annually and may become restricted, unavailable, or uneconomical for certain categories of events. In addition, our regulated business arrangements are subject to periodic review and determination by national authorities, creating significant uncertainty regarding their future continuity.

Percentage of Attributable Revenue by Key Business Segment¹

The following charts show the Group's revenue categorised by sector. Attributable revenue measures how effectively our assets align with our business goals and capture growth opportunities. Strong alignment drives revenue expansion while ineffective management of key transition risks could adversely affect the distribution of revenues.



¹ The 2025 attributable revenue breakdown presented based on 2025 revenue reported by business units and shared based on percentage of equity attributable to the Group.

Climate-related Physical Risks

FLOODING Include coastal flooding, surface water flooding and riverine flooding		
Risk Details	Impacts 📌 Current impact 📌 Financial impact ² 📌 Anticipated impact	Mitigation Actions
<p>Flood risk arises from sea water flooding driven by high tides, storms, strong wind, low air pressure and waves, which can damage coastal land, infrastructure and buildings. Surface and riverine flooding, intensified by extreme rainfall and excess river flows, can inundate low-lying buildings and infrastructure assets.</p> <p>Business markets potentially affected: The UK, Australia, Hong Kong</p> <p>🏠 Generation ⚡ Electricity Transmission & Distribution 🔥 Gas Transmission & Distribution</p> <p>Timeframe¹: Vary based on location</p> <p>Assets vulnerability¹: Less than 1.5% of asset values at risk</p>	<p>📌 Flooding may present risk to our operations by potentially damaging assets, disrupting energy delivery, and increasing unplanned downtime.</p> <p>📌 Capital expenditure is necessary for implementing flooding mitigation measures to our assets to reduce risks associated with our assets in the UK, Australia, and Hong Kong. Additionally, operating expenses are allocated for ongoing monitoring and maintenance of the energy facilities to identify flood-related vulnerabilities and carry out works to prevent potential damage and enhance resilience.</p> <p>📌 If not properly mitigated, flooding could disrupt supply chains or damage supplier facilities that produce critical materials for our operations, increasing the likelihood of service interruptions or supply failures. As a result, customers may experience prolonged outages or asset faults that require repair or restoration.</p> <p>📌 UKPN has invested in flood resilience measures for ground-level plant and equipment in line with guidance published by Energy Networks Association.</p> <p>📌 Capital expenditure on flood mitigation totaled £6.38 million between 2020 and 2024, with a further £2.45 million committed in 2025, alongside ongoing operating expenditure for maintenance of flood defenses and dewatering of substations.</p> <p>📌 HK Electric has allocated approximately HK\$1,802 million in 2025 according to the 5-year Development Plan to smart meters, control system upgrades, flood control measures, typhoon protection, substation improvements and grid automation to enhance operational resilience against extreme weather events and improve energy usage by customers.</p>	<p>Our business units allocate capital investment for flood defences, floodgates, asset elevation, waterproofing, and relocating assets away from high-risk areas, and the deployment of AI-powered tools to better monitor and anticipate potential water levels. These measures are supported by routine monitoring, inspection, and maintenance, as well as operational expenditures for dewatering and resilience initiatives.</p> <p>They also engage with regulators periodically to align climate preparedness and learn from industry's best practices.</p> <p>Integrating climate resilience into asset planning and upgrades is equally important, while maintaining ongoing engagement with regulators to support both anticipated and unplanned flood-related expenditures.</p> <p>SAPN works with communities and emergency agencies to coordinate information and response efforts. To protect the network, it rerouted power, built short powerline sections, and installed bunding at vulnerable substations. SAPN's response was supported by LiDAR based network modelling and ongoing inspections by boat and aircraft to monitor assets and guide real time decisions.</p>
	<p>📌 If climate change continues to intensify in the future, flooding events may disrupt business operations and services for our assets, increasing supply loss incidents, causing financial (increase expenditure to implement measures, reduced assets value) and reputational impacts, more customer complaints and potentially creating safety hazards.</p> <p>📌 Flooding may also disrupt critical suppliers, raising the risk of service disruption and prolonged outages requiring asset repair or restoration, increasing expense on maintenance and recovery.</p>	

📖 **Case study:** Driving Operational Resilience and Reliability: A New Era of Excellence from Power Generation Plant

📖 **Case study:** UKPN : Engaging in Transformative Flood Defence Training During Flood Action Week

WILDFIRE		
Risk Details	Impacts 📌 Current impact 📌 Financial impact ² 📌 Anticipated impact	Mitigation Actions
<p>Wildfire risk is the potential for fires, driven by heat, drought, and extreme weather, to damage infrastructure, disrupt operations, and affect service continuity of an energy business. As climate change increases the frequency of such events, even regions with historically low exposure are at risk.</p> <p>Business segments potentially affected: The UK, Australia, Hong Kong</p> <p>🏠 Generation ⚡ Electricity Transmission & Distribution 🔥 Gas Transmission & Distribution</p> <p>Timeframe¹: Vary based on location</p> <p>Assets vulnerability¹: Less than 1.5% of asset values at risk</p>	<p>📌 Assets above ground e.g., overhead line structures and conductors located in areas susceptible to wildfire, are more likely to be exposed to wildfire risks, which could lead to loss of supply incidents and delays in responding to customers' reported emergencies, particularly where public road access is disrupted.</p> <p>📌 Besides, these risks can disrupt the supply chain by damaging critical components or blocking access routes needed for restoration and maintenance.</p> <p>📌 Operating expenses were incurred to implement reactive or preventive measures e.g., cyclical vegetation management programme for our assets, particularly in the UK.</p> <p>📌 VPN's annual vegetation management costs could rise by approximately A\$5.5 million if climate change leads to a 10% increase in cutting volumes. Conversely, a 10% reduction in cutting volumes would result in a similar decrease in costs.</p> <p>📌 Before mitigation, NGN's potential financial impact was rated Moderate (£1 million – £10 million) in the short and medium term, rising to Major (£10 million – £50 million) in the long term as the likelihood of occurrence increased. NGN has vegetation management procedures around gas infrastructure to reduce the risk and severity of physical damage. After consideration of these measures, the potential financial impact is reduced to Mild (£100k – £1 million) in the short and medium term and Moderate (£1 million – £10 million) in the long term, demonstrating a clear reduction in financial exposure from proactive asset management.</p>	<p>To minimise the impact of wildfires on our operations, enhanced vegetation management is implemented utilising aerial survey with advance LiDAR inspection system mounted on helicopters such that an in-depth understanding of wildfire-related locations and risks are obtained. These include targeted asset reinforcement e.g., undergrounding lines, higher flash-point materials, and contingency planning to ensure a rapid response.</p> <p>Many of our gas pipelines are installed underground due to wildfires being recognised as a key risk by our business units.</p> <p>Risk assessments are also conducted regularly, leveraging Geographic Information System (GIS) mapping, using drones and helicopters to do aerial inspections, and conducting stakeholder engagement to support prioritisation and foster continuous improvement.</p> <p>VPN uses advanced analytics help refine the cutting programme for the fire season and optimise resources, ensuring compliance with the Electric Line Clearance Management Plan.</p>
	<p>📌 As climate driven wildfires intensify, vegetation near power lines can increase ignition risk, leading to supply interruptions, operational disruption and higher costs from vegetation management, insurance, liabilities, claims, and higher capital expenditure on post fire restoration and asset recovery.</p> <p>📌 From the customer perspective, bushfires may disrupt gas supply to key suppliers and prolonged smouldering in peatland can raise temperatures around buried pipelines, causing integrity issues and creating an unstable energy supply. Businesses may also face revenue loss from outages and potential regulatory penalties where service levels are not met.</p>	

📖 **Case study:** VPN Employing Aerial Innovation to Mitigate Fire Risk

¹ Details are summarised from the Group's scenario analysis. Please refer to the [Climate-related Disclosures Report](#).
² Certain figures presented in this table reflect amounts attributable to specific joint ventures or associates of the Group on a 100% basis for sustainability disclosure purposes. As a result, these figures are not directly reconcilable to the Group's consolidated financial statements under which interests in joint ventures and associates are accounted for using the equity method or are not required to be disclosed. Climate related spending at the business unit level is disclosed in the relevant climate related disclosure reports or annual reports of those entities.

EXTREME HEAT		
Risk Details	Impacts Current impact Financial impact ² Anticipated impact	Mitigation Actions
<p>Extreme heat poses a physical climate risk to an energy business by pushing energy assets beyond design limits, increasing fault rates and reducing carrying capacity during periods of high demand.</p> <p>Business markets potentially affected: The UK, Australia, Hong Kong</p> <p> Generation</p> <p> Electricity Transmission & Distribution</p> <p> Gas Transmission & Distribution</p> <p>Timeframe¹: Vary based on location</p> <p>Assets vulnerability¹: Less than 0.2% of asset values at risk</p>	<p> Extreme heat poses low risk to our assets in the current reporting year, and in certain events could limit the working hours and productivity of employees or contractors. Expenditure is allocated for asset upgrade and preparedness planning.</p> <p> If not properly mitigated, this could increase machinery wearing, reduce generating unit performance, cause supply loss, safety risks from overhead line clearance breaches, and costly repairs that delay restoration and constrain the asset operations. Collectively, these consequences disrupt and damage plant operations, and affect customers.</p> <p> UKPN has historically invested £220,000 in substation air-conditioning, with an additional £30,000 allocated in 2025. These capital measures are complemented by ongoing operating expenditures for back-up generation, temporary ventilation and severe weather response.</p> <p> Climate scenario analysis shows that more frequent and prolonged high temperature days will increase asset exposure to extreme heat, which can exceed asset design limits, reduce current-carrying capacity, accelerate degradation etc. These can cause supply interruptions, safety risks from reduced overhead line clearances, and costly, time consuming repairs that prolong restoration and constrain the network, ultimately disrupting services and harming customer experience, and leading to higher operating and maintenance costs, increased capital expenditure for network reinforcement and asset replacement, and potential revenue loss from outages.</p>	<p>Extreme heat risks are managed through targeted capital investment, including but not limited to adjustment to operational practices and upgrades to critical assets, and implement rapid response protocol, e.g., upgrade ventilation and air conditioning/cooling systems to enhance capacity for higher-temperature operations.</p> <p>These measures are supplemented by backup generation, temporary ventilation solutions, and the use of heat-resistant materials, which will be largely absorbed within operating expenditure. Asset overheating will be reduced, thereby limiting supply interruptions and ensuring workforce safety during extreme heat events.</p> <p>SAPN manages overload and outage risks through annual forecasting, clear planning criteria, and its Capacity Plan. Emergency spares, mobile plant, and Supervisory Control and Data Acquisition (SCADA) monitoring support rapid response. Extreme heat risks are mitigated through proactive planning and safety measures, supported by worker training, personal protective equipments, communication tools, and health checks.</p>

Case study: NGN: Gaining Greater Supplier Insight

Climate-related Transition Risks

POLICY AND REGULATION		
Risk Details	Impacts Current impact Financial impact ² Anticipated impact	Mitigation Actions
<p>Financial and operational challenges encountered by each of our operating regions as local governments implement new climate-related policies.</p> <p>Business markets potentially affected: The UK, Australia, Hong Kong</p> <p> Generation</p> <p> Electricity Transmission & Distribution</p> <p> Gas Transmission & Distribution</p> <p>Timeframe¹: Vary based on location</p>	<p> Policy and regulatory change, e.g., tighter emissions limits, carbon taxes, policies on gas use, and energy efficiency rules can challenge the Group's business globally.</p> <p> In UK, unclear policy shifts on the gas network can complicate compliance and long term planning, affecting revenue growth and increase uncertainties in business.</p> <p> WWU has committed to spending over £13 million related to energy system transition innovation from 2021 to 2026, while over £7 million was invested in 2025.</p> <p> Policy uncertainty e.g., declining role for natural gas in the UK and Australia—may increase costs, disrupt supply chains, reduce demand, and limit investment in transition activities. It may also raise asset stranding and compliance risks and drives higher operational expenditures as businesses adapt systems and processes to evolving regulatory requirements.</p> <p> Customers could face fewer fuel options, higher energy costs, and the need for significant investment in green energy technologies and infrastructure.</p>	<p>Our business units actively respond to local governments' decarbonisation plans and have developed its climate transition plan to achieve net zero emissions target by 2050.</p> <p>Operating within a stable regulated framework allows our business units make consistent planning for future operations through cost pass-through and recovery mechanisms. Our gas networks companies, as an example, include network decommissioning, partial conversion, or full transition to 100% hydrogen and renewable gas in the UK.</p> <p>WWU engages with the UK government and Ofgem to influence policy, secure innovation and regulatory funding, and explore alternative funding sources for hydrogen and low carbon projects, helping to protect long term financial performance.</p> <p>HK Electric is taking action based on the HK Climate Action Plan 2050 by committing to phase out its entire coal-fired power generation fleet by 2035, replacing it with low- or zero-carbon sources. As part of this transition, HK Electric built four gas units over the years with a new one, L13 set to be commissioned by 2029, facilitating the shift towards cleaner energy generation.</p>

¹ Details are summarised from the Group's scenario analysis. Please refer to the [Climate-related Disclosures Report](#).
² Certain figures presented in this table reflect amounts attributable to specific joint ventures or associates of the Group on a 100% basis for sustainability disclosure purposes. As a result, these figures are not directly reconcilable to the Group's consolidated financial statements under which interests in joint ventures and associates are accounted for using the equity method or are not required to be disclosed. Climate related spending at the business unit level is disclosed in the relevant climate related disclosure reports or annual reports of those entities.

TECHNOLOGY		
Risk Details	Impacts Current impact Financial impact ² Anticipated impact	Mitigation Actions
<p>The challenges that an energy business would face as our operating regions adapt new technologies aimed at reducing carbon emissions.</p> <p>Business markets potentially affected: The UK, Australia, Hong Kong</p> <p> Generation Electricity Transmission & Distribution Gas Transmission & Distribution</p> <p>Timeframe¹: Vary based on location</p>	<p> Technology risks primarily arise from the adoption of new and emerging decarbonisation technologies, including green hydrogen, green ammonia, RE sources, and low carbon alternatives for existing gas and electricity services and operations.</p> <p> Currently, there is also uncertainty surrounding the low-carbon alternatives to operations due to rationales like higher production cost.</p> <p> By proactively enabling the uptake of consumer energy resources such as rooftop solar, SAPN avoided an estimated A\$70 million in capital expenditure 2025.</p> <p> Technological developments may increase costs and create system reliability challenges, while introducing uncertainty in future operating models as customer demand, connection rates and gas usage evolve. These shifts may drive higher capital expenditure for digitalisation and raise operating costs for system integration, cybersecurity and specialist workforce skills.</p> <p> Fluctuating demand and connection rates may lead to revenue uncertainty, limiting the Group's ability to invest in upgrades and innovation, potentially reducing returns on existing infrastructure and accelerating depreciation. These impacts collectively may constrain the Group's capacity to meet growing expectations for low or zero carbon energy and improved energy efficiency.</p>	<p>The mitigation focuses on closely tracking new energy developments. Business units are working with suppliers on innovative generation solutions and implementing practicable and reliable measures to address operational challenges and maintain supply reliability.</p> <p>AGIG's Net Zero Ambition, to which AGN is a contributor, includes enabling customers to decarbonise through renewable and carbon neutral gases. The team engages with manufacturers, customers, and public and private stakeholders with continued dialogue on unlocking suitable low carbon fleet options and green gas solutions.</p> <p>HK Electric's "Intelligent Steward" robot, equipped with cameras, sensors, gas detectors and 5G, connectivity patrols cable tunnels automatically, collecting real-time data on environment and equipment. It reduces human entry into confined spaces - especially after extreme weather, enables remote monitoring, improves pre-entry risk assessment, and enhances safety, efficiency and resilience.</p>

Case study: Jinwan: Regulating Frequency System Through the Use of Lithium Battery & Supercapacitor

Case study: AEO: Spinning Steel that Helps Stabilise Australia's Energy Transition

MARKET CHANGES		
Risk Details	Impacts Current impact Financial impact ² Anticipated impact	Mitigation Actions
<p>The shift in customer preferences toward sustainable energy sources and increasing demand for sustainable services pose both economic challenges and potential business growth opportunities for an energy business.</p> <p>Business markets potentially affected: The UK, Australia, Hong Kong</p> <p> Generation Electricity Transmission & Distribution Gas Transmission & Distribution</p> <p>Timeframe¹: Vary based on location</p>	<p> The Group faces market risks from evolving consumer preferences toward energy efficiency and low-carbon alternatives and increasing stakeholder pressure for decarbonisation.</p> <p> This may reduce demand for traditional gas and conventional fuel networks, challenge our business model, increase borrowing costs, make harder to meet evolving customer needs, and expose fuel supplies to price instability and greater competition.</p> <p> Future market shifts may accelerate RE adoption and home electrification especially in Australia and potentially the UK, while hydrogen and biomethane may only play a limited role in domestic heating.</p> <p> These shifts may risk stranded gas assets, reduce network utilisation, complicate low carbon gas procurement, and constrain suppliers' opportunities while increasing competition and procurement costs for our gas businesses. Growing adoption of REs driven by market changes could also introduce technical challenges to the networks operate by our electricity businesses, which have traditionally operated as distribution focused systems.</p> <p> The anticipated financial impact could include lower returns on existing energy infrastructure, and higher capital expenditure to decommission or repurpose assets.</p> <p> Customers may also face reduced energy choices, unequal access to adaptable technologies and higher energy costs. Evolving market conditions may disrupt supply chains long term by increasing cost volatility, affecting supplier stability, tightening capacity, and creating resource shortages.</p>	<p>Mitigation efforts primarily focus on proactively managing the transition to a low carbon market by setting clear decarbonisation pathways, engaging stakeholders across our value chain, and developing practical solutions that support customers in shifting to cleaner energy.</p> <p>HK Electric promotes its Feed in Tariff scheme and RE Certificates through established engagement channels and leverages Smart Power Services to assist customers in adopting low carbon lifestyles that meet the decarbonisation needs of various customer groups.</p> <p>AGN works closely with regulators on evolving policies, including recognition of renewable gas offsets by the New South Wales Government, and is developing opportunities around hard to abate customers, biomethane and other renewable gases, and potential distributed gas generation to support a managed transition and reduce peak gas loads.</p>

Case study: AGIG: Transforming Energy to Lead the Change in the Sustainability Space

Case study: UKPN: Upgrading Grid to Enable "poo power" from Thames Water Sewage Treatment Works

¹ Details are summarised from the Group's scenario analysis. Please refer to the [Climate-related Disclosures Report](#).
² Certain figures presented in this table reflect amounts attributable to specific joint ventures or associates of the Group on a 100% basis for sustainability disclosure purposes. As a result, these figures are not directly reconcilable to the Group's consolidated financial statements under which interests in joint ventures and associates are accounted for using the equity method or are not required to be disclosed. Climate related spending at the business unit level is disclosed in the relevant climate related disclosure reports or annual reports of those entities.

Climate-related Transition Opportunities

POLICY AND REGULATION		
Opportunity Details	Impacts 📄 Current impact 📈 Financial impact ² 📅 Anticipated impact	Responses
<p>Opportunities that an energy business may grasp as governments implement new climate policies.</p> <p>Business markets potentially affected: The UK, Australia, Hong Kong</p> <ul style="list-style-type: none"> 🏠 Generation ⚡ Electricity Transmission & Distribution 🔥 Gas Transmission & Distribution <p>Timeframe¹: Vary based on location</p>	<ul style="list-style-type: none"> 📄 Local governments or regulators provide tax credits, fundings and subsidies, e.g., innovation funding and allowance to support net-zero energy projects, feasibility studies, facilitating the transition of our business units to establish new business models that align with customer needs. 📄 By actively engaging in policy discussions, strategy development, and collaboration, this positions our business units to influence supportive regulatory frameworks. For customers, this opens up opportunities to access new sustainable energy services and schemes, e.g., advanced metre infrastructure aligning with their evolving needs and preferences. <p>📈 WWU's Innovation Strategy and Business Plan has made a commitment to prepare for varied net-zero futures in the next price control period by investing £18.5 million in innovation, projects, supporting planning and delivery of net zero operations, facilitating green gases and supporting customers in vulnerable situations. Alongside innovation, additional investment is anticipated in the 2026-2031 period in decarbonisation projects, regional energy planning and preparing the business for future scenarios.</p> <ul style="list-style-type: none"> 📅 Continued government support for electrification would strengthen demand, support business growth and drive revenue increases for our electricity businesses. From the gas business perspective, future hydrogen adoption will depend heavily on government support, cost competitiveness and technical feasibility, leading to ambiguity in long term planning. The uncertain pace of hydrogen uptake may affect business strategy of gas business units and supply chain arrangements, potentially creating long term resourcing challenges, cost pressures, and delivery risks for our gas operations. 📅 Nonetheless, proactively responding to government climate action policies could still unlock long-term investment opportunities in zero-carbon energy solutions and encourage local governments to recognise new energy pathways, e.g., renewable gas as a viable alternative pathway for decarbonisation, providing new revenue streams. 	<p>Our business units are actively aligning with evolving climate policy and regulation to support its transition strategy across electricity and gas businesses.</p> <p>Our gas business units are investing in net zero innovation and facilitation projects, supporting regional and national energy planning, preparing for future biomethane and hydrogen policy, and using renewable gas certificates to reduce reported emissions and enable hydrogen ready networks.</p> <p>Our electricity business units including UKPN, SAPN, VPN and UE have established Distribution System Operators (DSO) capabilities to enhance grid flexibility and improve system reliability.</p>

📖 **Case study:** AGIG: Boosting New Pilbara Carbon Capture and Storage Project

📖 **Case study:** N-Gen Energy Solutions: Bradford Low Carbon Hydrogen

MARKET CHANGES AND TECHNOLOGY		
Opportunity Details	Impacts 📄 Current impact 📈 Financial impact ² 📅 Anticipated impact	Responses
<p>The potential for an energy business to capitalise on the growing demand for sustainable services in the market.</p> <p>Business markets potentially affected: The UK, Australia, Hong Kong</p> <ul style="list-style-type: none"> 🏠 Generation ⚡ Electricity Transmission & Distribution 🔥 Gas Transmission & Distribution <p>Timeframe¹: Vary based on location</p>	<ul style="list-style-type: none"> 📄 Emerging market mechanisms e.g., innovation funding, subsidies and renewable gas certificates, together with growing interest in renewable and low carbon energy, are creating new avenues for value creation across the Group's investment portfolio. Our gas business actively promotes, tests, and demonstrates the use of hydrogen (blended and 100%) and renewable gas (biomethane), positioning the network to be "H₂ - ready", giving customers access to cleaner, flexible and future-proof energy alternatives. <p>📈 NGN was awarded over £10 million in core regulatory innovation funding—Network Innovation Allowance for the period between 2021 to 2026 via the Strategic Innovation Fund. Ofgem awarded NGN with another round of regulatory innovation funding in 2025 to be used between 2026 to 2031.</p> <p>📈 AGN's networks are largely hydrogen ready, and recognition of renewable gases under the National Greenhouse and Energy Reporting Scheme is improving market conditions and creating opportunities for new infrastructure. In 2024, DBP was awarded a A\$15 million grant from the Western Australian Government to advance a Pilbara carbon capture and storage transmission project. AGN is continuing to facilitate renewable and carbon neutral gas projects, with two hydrogen electrolyzers connected to its networks, one electrolysis project under development and a third party biomethane connection agreement executed in 2025.</p> <ul style="list-style-type: none"> 📅 Access to funding will accelerate decarbonisation of network operations and practices, yielding both environmental and financial benefits. 📅 Early adoption of innovative technologies could reduce long term operating and maintenance costs, mitigate exposure to carbon related compliance expenses, and create opportunities for productivity improvements. 📅 As technologies mature and economies of scale grow, customers could also benefit from more stable tariffs and enhanced transparency regarding the sustainability of the energy they consume. 	<p>Our business units identify the growing market demand and create customer solutions for driving down emissions for the value chain. This creates collaboration opportunities for suppliers to develop and trial new solutions, while customers may benefit from more efficient, lower carbon services.</p> <p>NGN has established an in house Innovation Team to identify energy system net zero enablers and to drive solutions that reduce costs for customers.</p>

📖 **Case study:** AGIG: Transforming Energy to Lead the Change in the Sustainability Space

📖 **Case study:** WWU: Driving Green Transport Forward

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CARING FOR THE ENVIRONMENT AND PLANET

As a global energy investor, the Group conduct our activities with environmental protection in mind by reducing emissions, conserving resources and innovating sustainably across our energy and utility sectors. 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, nature preservation, circular economy and the management of waste and water-related risks.



OVERVIEW OF 2025 ENVIRONMENTAL ACHIEVEMENTS

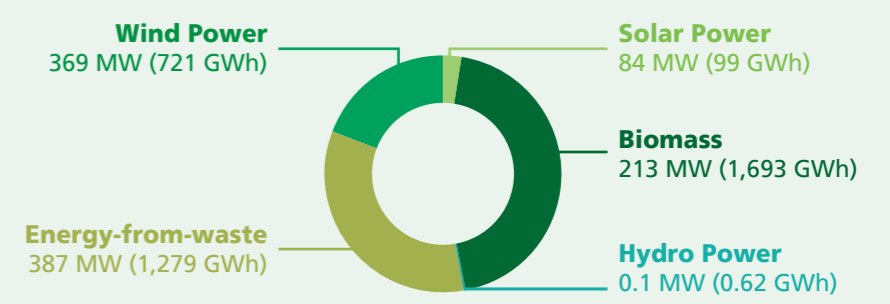
Scope 1 and 2
GHG emissions intensity
per attributable revenue¹

5% Decrease
vs. 2024

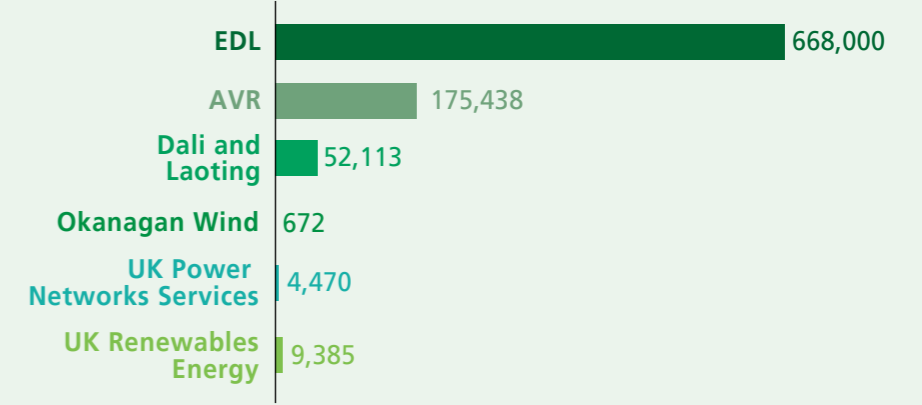
81%

of Group's attributable
revenues certified with ISO
14001 or other EMS certificates¹

Renewable Energy Capacity and Generation Mix in 2025



Carbon Avoidance in 2025 (tonnes CO₂e)



¹ Attributable revenue represents the revenue of each business multiplied by the effective interests owned by the Group on see-through basis. 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.

Management Oversight

The Group is committed to responsible environmental management and to minimising its impact across all areas of the business. We do this by encouraging behavioural change and adopting efficient technologies, processes and systems to deliver and track reduction initiatives. We also take proactive measures to mitigate environmental impacts, assessing potential effects on biodiversity before starting projects and continuously monitoring our operations.

Environmental Management

Our Environmental Policy lays the foundation for shaping our strategy and guides how we operate, ensuring that every business unit complies with all relevant laws and regulations. In addition, we publicly commit that all lobbying will align with the Paris Agreement, including the 1.5°C goal and we will advocate for alignment within our associations and address any misalignment.

The policy, which are approved by the Board and our commitment emphasise several priorities:

Policy	TOPICS						
	Air Emissions	Clean Energy Transition	GHG Emissions	Climate Change and Resilience Action	Water Management	Waste Management and Circular Economy	Biodiversity
Environmental Policy							
Sustainability Policy							
Biodiversity Policy							

Air Quality

- Identifying, monitoring and reducing emissions that deplete the ozone layer and other air pollutants across the Group's operations with either end-of-the-pipe solutions or improvement to equipment or production processes.

Climate Change and Resilience Action

- Safeguarding our assets, infrastructure and our people from climate change.
- Enhancing our climate resilience by integrating climate change risks into the Group's risk management processes and business strategies to ensure the adaptability and sustainability of our business model.

Biodiversity

- Avoiding operations located in areas of high biodiversity value and designed action plans for their protection.
- Applying a life-cycle approach and mitigation hierarchy scheme (avoid-minimise-restore-offset) to land and habitat management in operations.

Clean Energy Transition

- Guiding operational decarbonisation and capital allocation through transition plan.
- Increasing renewable and clean energy in the generation portfolio.



GHG Emissions

- Tackling GHG emissions and reducing emissions and releases across all businesses.
- Assessing programme initiatives to reduce and manage the release of GHG emissions within its operational boundary, including improvements in energy efficiency and process changes, as well as the strength of targets.

Water Management

- Conserving water resources by driving sustainable water use and protecting this vital asset.
- Monitoring, tracking programmes related to the integration of water-related risk and management into overall business strategy based on water risk assessment.
- Promote water stewardship by reducing its impact on water resources to ensure adequate water supply in the natural world and the community.

Waste Management and Circular Economy

- Minimising waste generation and disposal by embracing circular economy principles.
- Optimising effluent and waste management through the adaptation of production processes, increase treatment efficiency, monitoring and measurement system and prioritising the use of low-carbon materials.

Environmental Management System

The Group 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. The EMS supports continual environmental improvement, helps ensure compliance with applicable laws and regulations, meets supply-chain requirements, builds employees’ environmental awareness and delivers financial benefits through better resource management and cost efficiencies.

We also strive to align our environmental management with international standards. In 2025, 81% of the Group’s attributable revenues were covered by ISO 14001 or other EMS certifications, demonstrating the rigour of our environmental management. Additionally, 79% of the Group’s attributable revenues were subject to external environmental and energy audits during the reporting period, underscoring our commitment to ongoing performance improvement and accountability.

Regulatory Compliance

At Power Assets, compliance with laws and regulations is a top priority. Our management takes a proactive approach by closely monitoring regulatory updates and providing comprehensive training to relevant employees. We invest significant resources in ongoing monitoring and early identification of potential non-compliance, ensuring robust adherence to legal and regulatory standards.

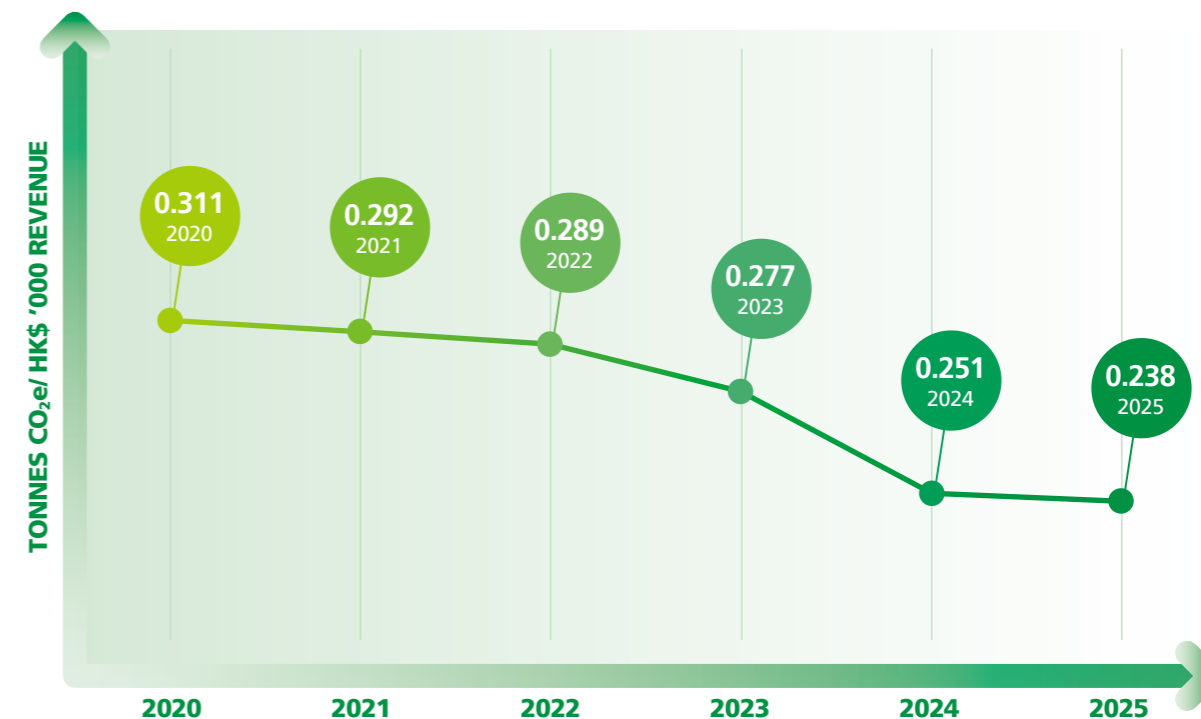
During the reporting period, we identified no instances of non-compliance with laws and regulations that could have a material impact on the Group, specifically concerning air and GHG emissions, discharges into water and land and the generation of hazardous or non-hazardous waste.

Progress Against GHG Reduction Target

We are targeting a 67% reduction in Scope 1 and 2 GHG emissions by 2035, using 2020 as our baseline year. In 2025, our GHG emissions intensity of electricity generation is 0.23 kgCO₂e/kWh. We have witnessed 1.5% increase of the Scope 1 and 2 GHG emission (market-based) as compared to last year. This is partially contributed to the resumption of operations at our AVR facility, which has now resumed full service following the replacement of its turbine in 2024. This progress alongside ongoing investments in efficiency and lower-carbon technologies, is designed to deliver effective emissions reductions.

Our GHG Emission Profile

GHG emissions intensity (Scope 1 and 2, location-based)



Given the nature of our energy and utilities operations, the majority of our Scope 3 emissions originate upstream, particularly from fuel- and energy-related activities linked to producing the fuels and electricity we purchase and use. Further details of our Scope 3 emissions details and calculation methodologies are provided in the [Appendix](#).

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 and 2 GHG emissions intensity. Additional measures, such as cutting methane emissions in gas transmission & distribution, have also contributed meaningfully to reducing overall GHG emissions.



Electricity Generation, Transmission & Distribution

The Group's electricity generation, transmission distribution businesses are defining the way towards a sustainable energy future, driving innovation and embracing renewable sources. This section introduces the Group's key electricity business, UKPN, UK Renewables Energy, VPN, SAPN, United Energy and HK Electric, highlighting how they support the transition across diverse regulatory and climatic contexts.

2025 Performance Highlight

Grid resiliency

System Average Interruption Duration Index (SAIDI)¹:

0.67

Power delivery efficiency in 2025

Transmission loss

1.2%

Distribution loss

6.16%

Electricity load recorded by smart meters

100% **85%** **79%** **25%**

HK Electric

United Energy
and VPN

SAPN

UKPN

Key highlights are summarised in the following six sub-sections



**Decarbonisation and
Energy Transition**



**Sustainable Energy
Development and
Innovation**



**Climate Resilience
and Reliability**



Water Stewardship



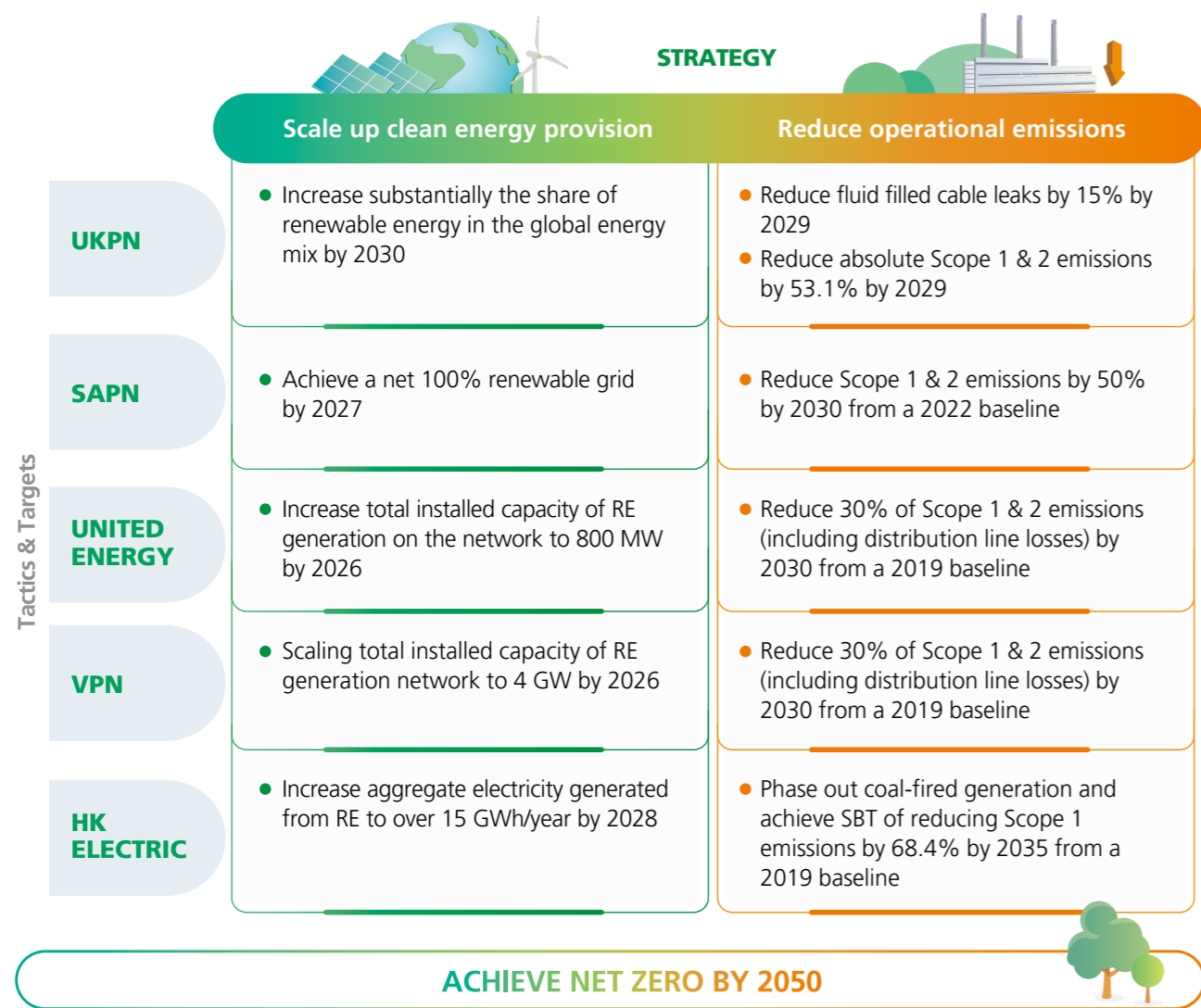
**Waste and Pollutants
Management**



**Biodiversity
and Nature
Management**

¹ Almost all points of connection were of distribution type. In 2025, figure has been reported as distribution networks to align with our referenced standards and ensure comparability of data over time.

GHG Strategies, Emission Reduction Tactics and Targets

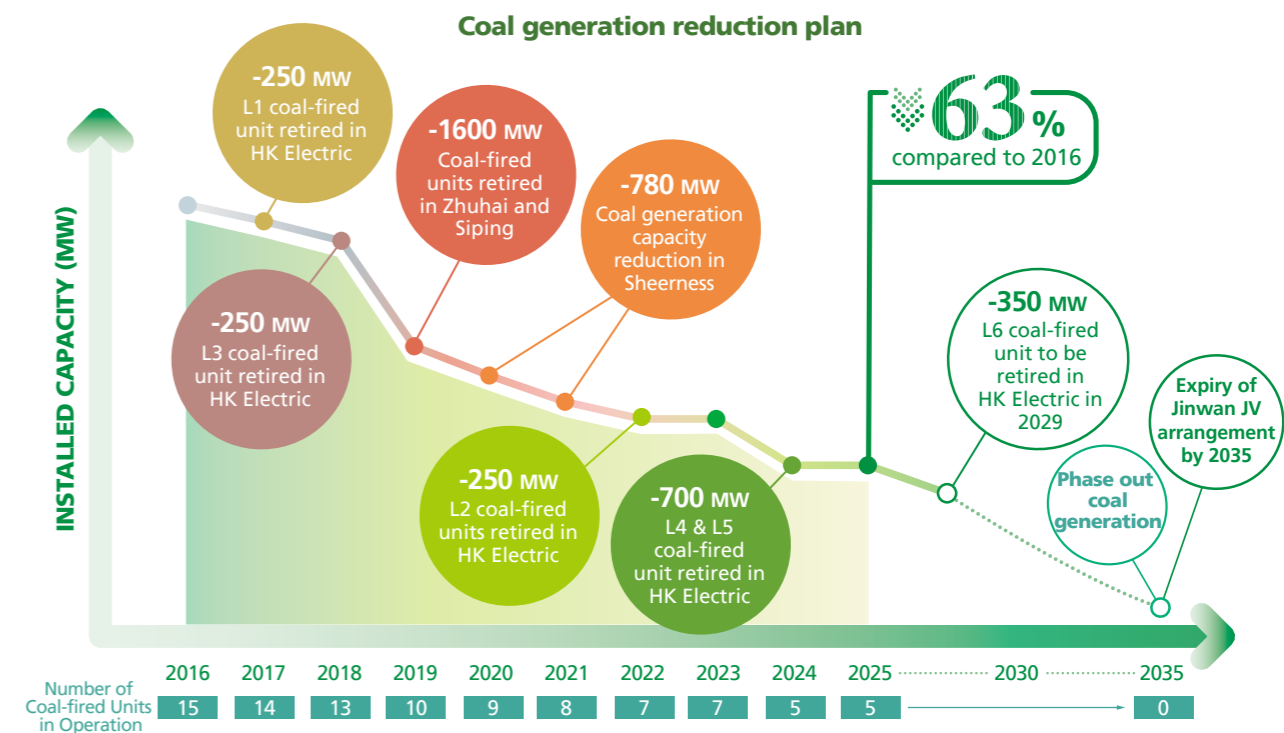


Decarbonisation and Energy Transition

Most of our electricity business units have set GHG reduction targets tailored to their operational and sector realities, with some targets validated by the Science Based Targets initiative (SBTi), demonstrating alignment with internationally recognised standards.

We are also committed to investing in innovative climate solutions that facilitate the decarbonisation of the economy. This includes adopting advanced technologies and developing sustainable products that reduce carbon emissions as covered in the following sub-sections. We aim to drive progress towards a greener future, supporting both environmental sustainability and economic growth. Our efforts will also focus on collaborations that leverage expertise and resources, ensuring we contribute effectively to global climate goals.

Transitioning Away from Coal



While fossil fuels now only currently represent a small portion of our overall investment, we recognise their role in supporting the shift to renewables and ensuring grid stability and energy security during the energy transition before ultimately replaced by clean energy sources.

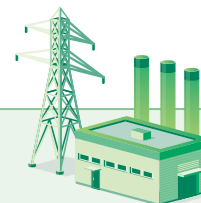
Over the years, the Group has been progressively phasing out coal-fired generation in line with our corporate decarbonisation strategy. This year, we are placing greater emphasis on reporting the outcomes of coal-fired generating unit decommissioning, which

is making a significant contribution to our progress against our GHG-reduction targets. Since 2016, we have decommissioned a total of 3,850 MW, representing close to 63% of our baseline coal-fired capacity.

These retirements demonstrate clear, continuous progress in phasing out coal and decarbonising our generation portfolio. We will continue to prioritise unit closures in line with system adequacy, whilst investing in lower carbon replacement capacity and, where feasible, repurposing sites.

HK Electric ▶ Taking Bold Leap Towards a Sustainable Future

HK Electric continues to transition its generation mix from coal to high-efficiency gas. The cornerstone of this effort is the new 380 MW high-efficiency gas-fired generating unit, L13, at Lamma Power Station, slated for commissioning in 2029. With piling works completed in early 2025, construction is progressing on schedule. L13 is designed with a high efficiency of over 58% and features a climate-resilient design, including an elevated foundation to mitigate flood risks. Upon commissioning, gas-fired generation in HK Electric's portfolio is expected to rise from 68% to 80%, reducing reliance on coal. Over its lifecycle, L13 is projected to avoid approximately 35 million tonnes of carbon emissions and is designed to support future zero-carbon energy sources like green hydrogen.



Modernising Networks to Enable Renewables and Flexibility

Losses in electricity transmission and distribution increase GHG emissions. To address this issue, the Group is implementing modern equipment and enhanced operational practices aim at elevating energy efficiency and minimising waste. Through targeted investment in infrastructure, smart grid

solutions, we are building a more sustainable, low-carbon electricity network. By modernising and digitising our electricity networks, we are not only strengthening long-term resilience and improving efficiency but also supporting the global transition to cleaner energy sources. This proactive approach underscores our commitment to reducing our environmental impact while ensuring reliable power delivery for our customers.

Jinwan ▶ Regulating Frequency System Through the Use of Lithium Battery & Supercapacitor

To meet the very stringent requirement on frequency regulation capability in coal-fired generating units, Jinwan Power Plant has retrofitted a hybrid “lithium battery & supercapacitor” energy storage frequency regulation system and started commercial operation on 1 November 2023. It is the first launch of such hybrid energy storage frequency regulation system in southern China.

The innovative frequency regulation project adopted 16 MW / 8 MWh lithium iron phosphate batteries and 4 MW / 0.67 MWh supercapacitors. This initiative successfully overcame several key technical challenges, including the development of collaborative control algorithm of “lithium battery & supercapacitor & generator unit” system, among other advancements.



AEO ▶ Spinning Steel that Helps Stabilise Australia’s Energy Transition



A synchronous condenser provides reactive power, system strength and voltage control, helping to keep frequency and voltage within limits as more renewables connect. As coal and gas generators retire, these machines help replace lost inertia and voltage control, supporting a stable, high-renewables system.

At Ararat in Victoria, AEO’s 150-tonne “spinning steel” synchronous condenser—Australia’s largest—forms part of a wider Victorian grid-strengthening programme backed by A\$480 million of state investment. The project has completed construction and first energised in December 2025. It is expected to unlock approximately 600 MW of additional renewable capacity.

In a high-renewables system, synchronous condensers complement storage: they provide physical inertia and network strength, while batteries and smart inverters deliver fast frequency response and support during peak demand and heatwaves, consistent with market operator expectations.



Phasing Out SF₆

Sulphur hexafluoride, SF₆ is one of the most potent GHGs, with a global warming potential more than 20,000 times that of CO₂. In 2025, our electricity distribution and transmission businesses produced 0.5 tonnes of SF₆. Despite it is widely used as an insulating medium in electrical switchgear, the urgency of reducing its climate impact has prompted concerted action across our operating regions to phase out SF₆ and adopt more sustainable, low Global Warming Potential (GWP) alternatives. The Group’s efforts in this area are aligned with broader grid-modernisation initiatives to enhance system resilience, facilitate higher renewable penetration, and support load growth driven by electrification.

SF₆ and Gas-insulated Switchgear

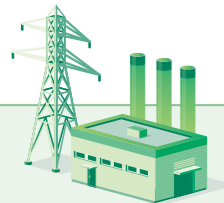
A gas-filled compartment houses most components of Gas-insulated Switchgear (GIS). The main gas used in GIS is SF₆, which has better electrical insulating and arc-extinguishing qualities than air. Using SF₆ as gas insulation significantly reduces the size and weight of the switchgear, making GIS suitable for confined indoor spaces where high voltages need to be managed.

HK Electric ▶ Tracking Leaks, Retentions and Reuse Effort of SF₆

As a potent GHG, SF₆ is subject to stringent control across HK Electric’s operations. The Company adopts a cautious approach and closely monitors SF₆ leakage arising from the operation and maintenance of its electricity transmission and distribution equipment, including Gas Ring Main Unit (GRMU) maintenance activities. SF₆ leaked during operation and maintenance is replenished annually to ensure the integrity and safe operation of T&D equipment. The volume of SF₆ refilled is accounted for and reported as fugitive GHG emissions in accordance with the ISO 14064 standard, with the data independently verified.

For decommissioned transmission and distribution equipment and GIS gas works, SF₆ is reclaimed and stored for potential reuse. SF₆ that does not meet the quality standards is managed by a dedicated team and disposed through a proper incineration process to ensure environmentally responsible final treatment.

In parallel, HK Electric continues to explore alternatives to SF₆ with zero or lower GWP to reduce future reliance on SF₆.



Expanding the Use of Green Fleets

Energy companies are accelerating the transition of their fleets to ultra-low emission, hybrid and electric vehicles as part of their decarbonisation strategies. Through fleet renewal, the expansion of electric vehicle (EV) charging infrastructure and trials of

alternative fuels, they are cutting emissions while enhancing operational efficiency. With clear targets and ongoing programmes, the Group is facilitating the energy sector make meaningful progress towards a cleaner, more sustainable transport system.

Business Units' Targets & Initiatives

Business Units	Details of Targets	Progress in 2025
UKPN	Reduce the Business Carbon Footprint (BCF) exceeding the SBTi 1.5°C pathway and offset any remaining residual emissions to achieve Net Zero by the 2028–2029 target year (baseline: 2018–2019) using high-quality verified offsets	Commit to hydrotreated vegetable oil (HVO) for temporary generators contractors and for the HGVs in the road fleet and to introduce an additional volume of EVs. UKPN has achieved a total electrification rate of 25.3%



SAPN ► Enabling Low Emission Operations in Southern Adelaide

SAPN has opened a new 25,000 sqm Seaford depot to replace the former 6,000 sqm Morphett Vale facility in 2025 which serves as an example of eco-friendly design, with rooftop solar, energy efficient orientation and equipment, rainwater harvesting and EV charging facilities. The modern base improves response times, supports major network projects and strengthens reliability for southern Adelaide and the Fleurieu Peninsula, while accelerating the transition to cleaner fleet operations.

By integrating on site renewable generation and scalable EV charging, Seaford enables more low emission vehicles to be deployed on call outs, maintenance and construction works, reducing fuel use and operational emissions.



Future ready features:



Scalable EV charging

EV charging for two vehicles today, with capacity designed to scale up to 16 to support progressive fleet electrification across light and heavy vehicles as technology matures



Renewable powered operations

A 98 kW solar array to offset depot consumption and supply low carbon electricity for vehicle charging



Efficient fleet deployment

Optimised site layout, staging areas and a 2,000 sqm logistics warehouse to streamline dispatch and routing so more jobs can be served by ultra-low emission, hybrid and electric vehicles.



Expanded service capacity

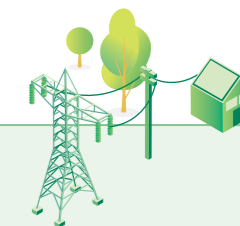
Ten undercover truck bays and modern workspaces to support safe maintenance of electric and hybrid vehicles alongside conventional fleet



Resource stewardship

A 75,000-litre stormwater storage system and runoff filtration basin to reduce environmental impact and support sustainable operations

VPN ► Shaping a Sustainable Tomorrow, One Charger at A Time



VPN is advancing a transformation in sustainable transport. With recent approval from the Australian Energy Regulator, the Company is set to launch a groundbreaking trial of pole-mounted EV chargers across its network, marking a significant milestone in the journey towards a greener future.

In partnership with CitiPower and Powercor, VPN plans to install 100 state-of-the-art 22 kW chargers that will be accessible to multiple e-mobility service providers (EMSPs). This initiative aims to enhance convenience for EV drivers, especially in urban areas where off-street parking can be a challenge. By encouraging competition among EMSPs at each charging point, VPN envisions a landscape where drivers enjoy more choices and competitive prices, making the shift to electric mobility smoother and more appealing.

The impact does not stop there, as the chargers will be thoughtfully placed in areas with high EV adoption and significant rooftop solar installations. This strategic positioning ensures that surplus solar power is harnessed during peak generation times, maximising efficiency and sustainability.



From November 2025 to February 2026, VPN conducted community consultation to identify suitable locations for chargers. In November 2025, VPN installed the first pole-mounted chargers, with the remaining installations planned for 2026. This trial will support the growing electric vehicle market and help more Victorians adopt electric mobility.

Sustainable Energy Development and Innovation

The Group recognises the growing demand for electricity driven by advances in AI, the rapid buildout of data centres, the rise of decentralised renewables and increasing uptake of EV charging. As electricity consumption continues to rise, ensuring a flexible and reliable power network has become increasingly critical for supporting a resilient and sustainable energy system.

Our core strategic response is to modernise and digitalise our electricity networks through advanced technologies and targeted infrastructure upgrades, providing the reliable and smart grid foundation essential for a sustainable future. In response, the Group is modernising and digitalising its electricity networks through advanced technologies, targeted infrastructure upgrades and smarter grid management.

HK Electric has demonstrated a strong commitment to innovation. It has integrated AI and advanced technologies into its daily operations, enhancing efficiency, resilience and decarbonisation.

HK Electric Transforming Tomorrow with Innovative Solutions



Intelligent Distribution Solution

The Intelligent Distribution Solution (IDS) is a unified system integrating advanced technologies such as AI video analytics, edge computing and a universal platform with software development kit for in-house application development. This pilot project aims to enhance Low Voltage (LV) visibility, improve asset condition monitoring and strengthen operational resilience against extreme weather in distribution substations.

AI driven abnormal condition and hotspot detection for substation assets has significantly lowered the risk of equipment failure. During Super Typhoon Ragasa in September 2025, the IDS provided AI-based detection of abnormal conditions at strategic substations, such as water leakage and seepage. Moreover, IDS enabled remote inspection of internal environmental conditions inside the substations without despatching site staff, thereby significantly improving overall emergency response efficiency during extreme weather events.



Fleet Management System

The main warehouse is rolling out a Fleet Management System (FMS) to be controlled centrally and remotely. 11 of 14 forklifts (~80% of the fleet) will be equipped with FMS by 2026.

The key functions of FMS

Access Control

Keyless control to prevent unauthorised use

Pre-Operation Check

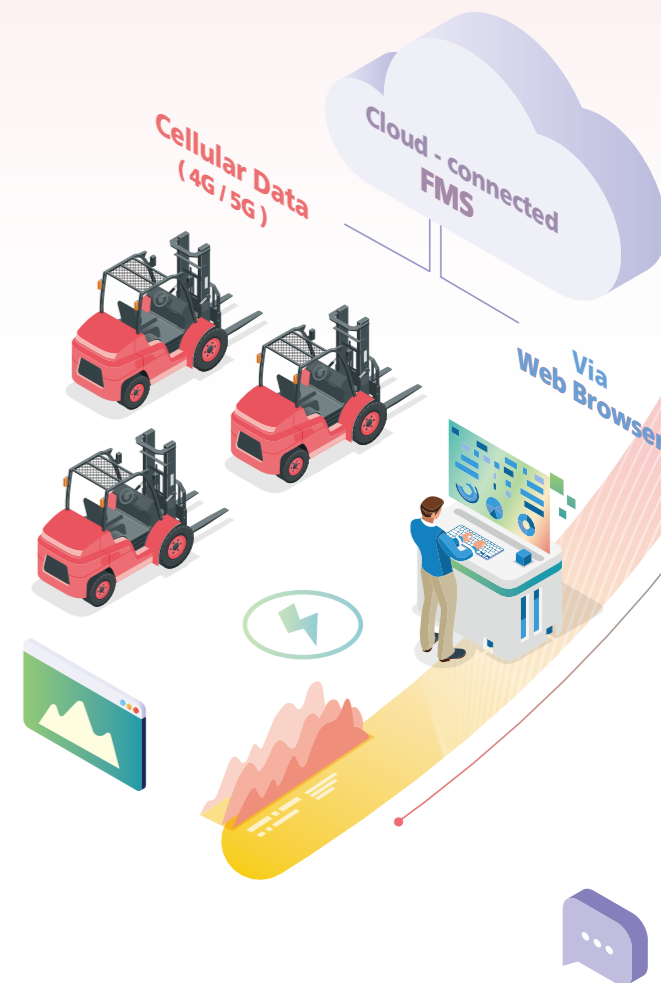
Mandatory truck check; non-compliance limits speed to creep

Shock Detection

Detects impacts with automatic speed reduction and incident logging

Dashboard and Reports

Dashboards for utilisation, battery level, shock events, pre-ops checks, etc.



Green Mobility

HK Electric is also on a bold mission to support the electrification of the transportation sector, essential for Hong Kong's transition towards carbon neutrality. In addition to transitioning its own fleet to electric vehicles, HK Electric has, since 2022 provided capacity and connections for electric double-decker bus charging and enabled Hong Kong's first electric ferry at North Point Ferry Pier. Through the Green Rehabilitation Bus Pilot Scheme, it helps social welfare organisations install EV charging and electrify rehab buses—improving accessibility and cutting emissions.



VPN ► Enhancing Customer Support with Powercor’s Agentic AI Solutions



Powercor is upgrading its operations by integrating AI agents to improve customer outcomes and streamline asset construction. At the recent Amazon Web Services (AWS) Summit in Sydney, Powercor’s Digital R&D Manager shared that the company began its frontier AI journey 18 months ago, starting with GenAI and now transitioning to agentic AI.



A key initiative is the Statutory Compliance AI Agent, designed to transform how construction and maintenance work is planned and approved. Each year, Powercor’s construction planners develop 16,000 field plans and make 30,000 bookings for construction and maintenance jobs across the network. Before any field work begins, planners must determine whether permits are required for road works, excavation or access to rail corridors; manage permit applications for roadside locations across a wide geographic region in accordance with complex rules and regulations; and assess environmental and cultural site impacts to ensure appropriate controls are included in job requirements. This assessment process currently takes a team of statutory compliance officers an average of 30 minutes per job, drawing on a wide variety of information sources including maps, ERP systems, GIS, Google Street View, satellite and aerial imagery, and land use databases.

The Statutory Compliance AI Agent is being developed to automate this assessment process — navigating these diverse data sources and applying regulatory logic to accelerate planning while maintaining compliance standards. The enthusiasm for agentic AI is strong within Powercor, as it holds great promise for improving efficiency and productivity. With plans to roll out this technology more broadly in the coming months, Powercor is positioning itself as a leader in AI-driven operational enhancements.

Differences between Generative AI and Agentic AI



Generative AI

Content-producing AI systems relies producing high-quality content like text or images based on pre-programmed rules or direct prompts.



Agentic AI

Autonomous AI systems capable of setting goals, planning, and executing complex, multi-step tasks independently to achieve objectives without constant human supervision.

Climate Resilience and Reliability

As climate-related events become more frequent and severe, the Group acknowledges the pressing necessity to adopt strategic approaches that bolster resilience and reliability, ensuring operational

continuity. In the face of escalating climate-related challenges, the Group is prioritising both adaptation and mitigation measures as integral components of our sustainability strategy.

Adaptation (physical climate risks):
Enhancing resilience of networks through asset hardening, operational preparedness and rapid restoration.



FLOODING

- ✓ Flood-resistant retrofits and elevated equipment at coastal/riverine plants. Flood drills and portable defences at substations.
- ✓ Substation modernisation and capacity uplift.

EXTREME HEAT

WILDFIRE

- ✓ Aerial inspections and vegetation management for wildfire prevention.
- ✓ Advanced cooling upgrades at thermal plants for extreme heat.

SAPN ► Launching a Multi-pronged Programme to Combat Weather-Related Pollution



Dry conditions linked to climate variability, SAPN is action to safeguard network reliability and community well-being through a targeted pollution prevention programme. This issue sees dust, salt and other contaminants accumulate on network insulators. This build-up can create a conductive path for electricity, leading to potential faults and an increase in unplanned power outages.

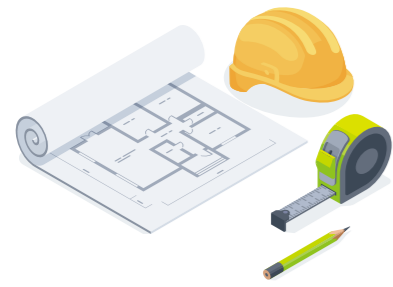
A dedicated, cross-functional Taskforce was established to coordinate insulator pollution-related work across the network, bringing together operational, engineering, asset, and customer teams. The Taskforce ensured response activities and communications were aligned and applied consistently in affected regions. The Taskforce will continue to coordinate our medium and long-term response.

Targeted inspections were completed across affected parts of the network to identify insulators and powerline sections at greatest risk of pollution-related faults. This ensured crews were focused first on the areas with the highest customer impact and greatest reliability risk. The remediation programme involved crews manually washing the critical components of the network most affected by pollution, with degraded insulators prioritised for upgrade. A trial of helicopter washing has also occurred.

Our strategy maximising the efficiency and environmental performance of existing assets, and invest in cleaner generation and resilient distribution systems.

Driving Operational Resilience and Reliability

A New Era of Excellence from Power Generation Plants

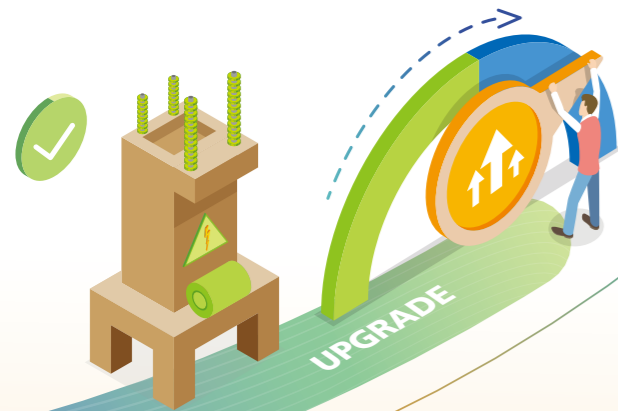


Jinwan ▶ Retrofitting the Two Units into Cogeneration Units

The Jinwan Power Plant was retrofitted to supply steam to the nearby Gaolan Port Economic Zone. An upgrade in mid-2019 doubled its steam supply capacity to 200 tonnes per hour per unit and added a new water treatment system. By November 2019, both units were the first 600 MW class coal-fired cogeneration units in Guangdong Province.



This cogeneration model directly enhances resilience and sustainability: it improves plant efficiency, reduces fuel consumption and pollutant emissions. From 2009 to September 2025, the plant supplied 13.29 million tonnes of steam. This equated to 38.29 million GJ of energy, saving an estimated 353,082 tonnes of standard coal and cutting CO₂ emissions.



HK Electric ▶ Ensuring a Stable Power Supply for the the City's Giant Pandas

In parallel, HK Electric has made history by commissioning Hong Kong's first low voltage direct current (LVDC) system at Ocean Park. This innovative hybrid AC/DC microgrid powers the Giant Panda Adventure exhibit and surrounding facilities, enhancing operational resilience and supply reliability. It provides reliable backup during extreme or unforeseen events and sets a benchmark for applications in high-rise buildings.

The LVDC system interconnects critical low voltage distribution devices using existing alternating current (AC) cables, boosting transmission capacity to about 700 kVA—2.5 times the original capacity—without equipment upgrades or excavation. Local engineering refinements facilitate flexible installation and seamless commissioning with minimal disruption to park operations and visitors.



Together, these initiatives form a cohesive strategy. They ensure reliable, resilient power today while methodically building the smarter, more flexible and lower-carbon electricity system essential for tomorrow.



Key Characteristics of LVDC



Efficiency

LVDC systems can transmit more power compared to AC systems, without requiring installing additional cables.



Safety

Extremely fast acting protective systems with current limiting feature are equipped to cut off the supply in the event of fault, making LVDC safer for residential and commercial applications.



Simplicity

These systems employ modular design principle, leading to simpler designs and easier maintenance.



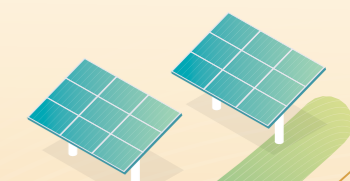
Renewable Integration

LVDC is particularly beneficial in integrating renewable energy sources, such as solar panels and wind turbines, into the grid.



Compatibility

It can interconnect existing AC systems irrespective of their power frequencies and voltage levels.



In a rapidly changing climate, resilience is defined by the ability to anticipate diverse threats and deploy tailored, innovative solutions. As extreme weather events become more frequent and severe — we are enhancing resilience by integrating proactive sustainability into our operations.

Proactive Strategies for Climate Adaptation

Empowering Communities Against Floods and Fires



VPN ► Employing Aerial Innovation to Mitigate Fire Risk

To reduce bushfire risk to life, property, and electricity supply, Powercor is enhancing its bushfire risk management with aerial inspections using airborne LiDAR technology.

This technology creates detailed 3D models with one-inch accuracy, meticulously mapping vegetation encroachment across approximately 750,000 spans of powerlines near 13-15 million trees. The data pinpoints exactly where trimming is needed to prevent fires, transforming a process once reliant on inconsistent ground surveys. Based at Avalon Airport, crews conduct targeted flights, with data capture designed to schedule precise vegetation works ahead of the peak bushfire season. This shift from reactive to predictive risk management ensures the protection of life, property and electricity supply, demonstrating how strategic innovation enhances safety and reliability.

THREE TOP OUTCOMES

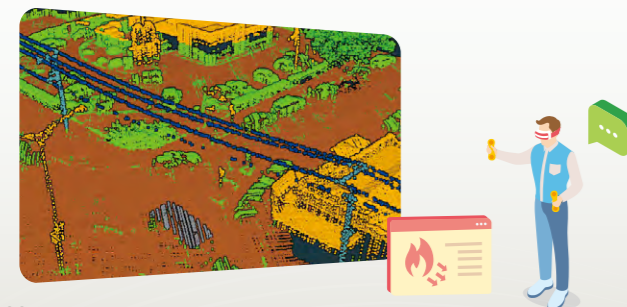
- Risk Visibility**
LiDAR detects more hazards in challenging areas than ground patrols, enabling targeted clearance and reducing missed spans.
- Efficiency**
Aerial data boosts accuracy, accelerates decision-making and optimises contractor use for power line inspections in fire-prone areas.
- Safety and Reliability**
Improved vegetation management lowers bushfire risks along power lines, enhancing safety and network reliability in extreme weather.



UKPN ► Engaging in Transformative Flood Defence Training During Flood Action Week

Recognising the increasing threat of flooding to critical infrastructure, UKPN is taking a hands-on, practical approach to climate adaptation.

During a training during Flood Action Week in 2025, staff were to assemble the Company's £1 million portable, modular flood barrier—a system that locks together to create a waterproof seal around substations. This training ensures teams can rapidly deploy physical defences to protect vital assets and maintain a reliable power supply during severe weather. It is part of a long-term investment strategy; since 2010, UKPN has invested £24 million in flood defences, benefiting over 3.5 million customers, with millions more committed for the future. This ground-level, community-focused preparation exemplifies our commitment to safeguarding infrastructure from the escalating risks posed by a wetter climate.



Water Stewardship

The Group recognises the significance of sustainable water management across our power generation. This commitment is governed by senior management and is executed through a defined water stewardship programme, which begins with site-specific water risk assessments. These assessments evaluate physical, regulatory and reputational risks. For our thermal power generation assets, they utilise water primarily for cooling purposes within the generation process. After its use, this water is returned in accordance with environmental standards to minimise ecological impact, ensuring compliance and safeguarding local ecosystems.

A key element of our water stewardship is assessing exposure to water-stressed regions. We are pleased to report that none of our plants operate in water stressed regions. However, as climate change and population growth continue to increase water demand, and with some parts of the UK already experiencing shortages, we are taking proactive steps to further strengthen our monitoring

capabilities. We are expanding the use of smart metering and improving our consumption reporting systems to enhance leak detection and water efficiency across all sites. Looking ahead, we remain committed to enhancing our water management practices while exploring innovative solutions to contribute to sustainable water use and resilience in the face of future challenges.

Each relevant business unit has set quantitative water reduction targets based on its risk assessment. Our key initiatives focus on optimising cooling systems, investing in advanced technologies to reduce consumption, improve efficiency and increasing wastewater recycling and reuse within our operations. Some of our business units also collaborate with water companies, local authorities and NGOs to co-develop projects and extend water stewardship expectations to key suppliers. We actively manage performance against these targets and report on our progress, ensuring our strategies are practical, impactful and aligned with local water basin contexts.

Business Units' Targets & Initiatives

Business Units	Details of Targets	Progress in 2025
UKPN	Reduce 10% water consumption by 2028 as compared to 2024 consumption	UKPN focused on identifying leaks and monitoring over consumption. In 2024/2025, UKPN found 11 leaks and had repaired most of them. Once all repairs are finished, the expected annual saving is over 26,000 m ³ of water, worth about £65,000
HK Electric	Reduce total water consumption of its key office premises by 1% in 2025 as compared to 2020	Achieved
	Reduce total operational electricity consumption and water consumption for power generation at Lamma Power Station both by 7% in 2030 as compared with 2025 ¹	In progress, target extended

¹ This target replaces the previous water-intensity target to better reflect absolute resource performance across all operations.

Water Efficiency Management Programmes

Our electricity generation, transmission & distribution businesses in Hong Kong and the UK are rolling out smart monitoring and metering to detect leaks and optimise consumption, complemented by water-saving retrofits, rainwater

harvesting and efficient site practices. In parallel, some of them also support and enable projects that recover energy from wastewater, transforming by-products like sewage sludge into renewable power and contributing to both decarbonisation and sustainable water management.

UKPN ▶ Upgrading Grid to Enable “poo power” from Thames Water Sewage Treatment Works

UKPN has embarked on an inspiring journey in partnership with Thames Water, working to enhance local electricity network capacity in south-west London. This collaboration aims to harness the power of RE generated from sewage sludge at the Hogsmill and Beddington sewage treatment works.

At these upgraded facilities, sludge is transformed into biomethane, which fuels engines connected to generators. Imagine the incredible transformation happening right beneath everyone’s feet: waste is being converted into clean energy. The electricity produced is primarily used to power the treatment works themselves, but there’s better news—any surplus electricity is sent out to homes and businesses, enough to light up over 2,000 households. But this effort is only the beginning. The partnership aligns with a vision of innovation within the sector, including plans to convert sewage sludge into sustainable aviation fuels by 2028.

This project is a shining example of what can be achieved when organisations come together to tackle the challenges of decarbonisation and resource efficiency. By turning sewage sludge into valuable energy, UKPN and Thames Water are creating a sustainable model that communities can rely on.



Waste and Pollutants Management

The Group is committed to environmental stewardship by effectively managing waste and pollutants while integrating circular economy principles into our operations and value chain wherever feasible. Effective effluent and waste management is central to our business; we work with external specialists to identify improvements and optimise processes. Our power generation and electricity businesses are committed to responsible waste management, which encompasses a range of initiatives aimed at reducing waste generation and enhancing recycling efforts.

Waste Management

Guided by our Environmental and Sustainability Policies, we prioritise reducing consumption, increasing recycling, promoting reuse and selecting sustainable products. Our business units work to minimise environmental impacts by using recycled and low-carbon materials, and by recovering and recycling materials throughout the value chain. Specifically, our coal-fired power generation activities produce ash and gypsum, which are significant non-hazardous by-products. We engage qualified third parties to divert these materials from landfills by collecting and recycling them for use in other industrial applications.

Business Units’ Targets & Initiatives

Business Units	Details of Targets	Progress in 2025
UKPN	Recycle 80% of office and depot and network waste and 99.5% of street works material by 2028	Recycled 99.9% of street works materials and 69.8% of office, depot and network waste
	No recoverable waste to landfill by 2025	Achieved zero waste to landfill verification in January 2026, which was independently assessed and verified
HK Electric	Reduce total waste generation of its key office premises by 10% in 2025 as compared to 2020	Achieved
	Collect 5,000 kg of used lead-acid batteries for recycling by local recyclers each year during the period from 2024 to 2028	5,900 kg of lead-acid batteries were collected for recycling by local recyclers in 2025

SAPN ► Hitting Waste Diversion Milestone



SAPN aims to embed circular principles across core activities and value chain areas with the goal of becoming a net zero waste organisation by 2050. Circular economy thinking provides a framework for keeping resources in use for as long as possible, prioritising repair and reuse, and ultimately recycling products and materials at the end of their useful life. SAPN continues to make progress on its circular economy targets, surpassing a 90% waste diversion rate for the first time in 2025.

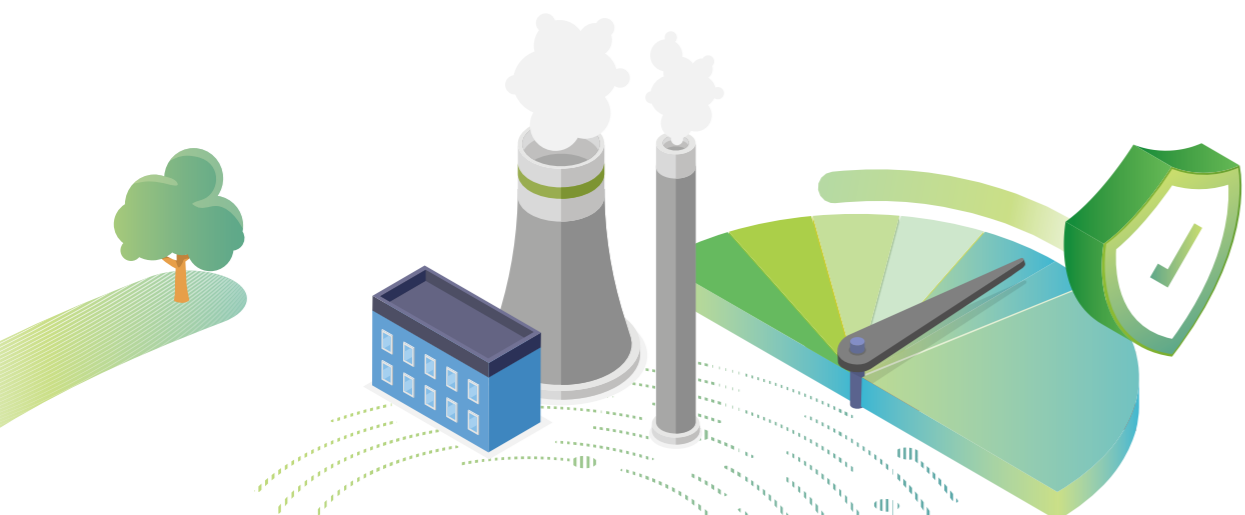
As an example, a new insulator recycling initiative, delivered with metal recycling partner Infrabuild, crushes steel and porcelain/ceramic/glass insulators to extract metal for profitable on-sale, with remaining materials repurposed into road base—turning a historically challenging waste stream into a resource and supporting a circular economy approach.



Air Emissions Management

The Group's business units have invested in advanced control systems and established clear air emission reduction targets to minimise our environmental impact. These initiatives, coupled with our transition to cleaner energy sources, underscore our commitment to safeguarding air quality and promoting public health.

By utilising state-of-the-art technology, we can effectively monitor and manage emissions, ensuring compliance with stringent environmental regulations. 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, transmission and distribution.



UKPN ► Trialling Fully Electric Mini Excavators to Cut Emissions and Noise on the Power Network

UKPN targets to reduce 33% of nitrogen oxides (NOx) emissions over the RII0-ED2 period. UKPN is partnering with a third-party construction firm to trial two fully electric mini excavators between 2026 and 2028 across London, the South East and the East, supporting cleaner construction on the electricity network.

The programme targets performance parity with diesel models while delivering environmental and community benefits, including, a 13 dB reduction in operational noise and the potential removal of more than 200 tonnes of CO₂e per year, alongside reductions in Nitrous Oxide and particulates when powered by renewable sources. The e-diggers' batteries last up to five days before re-charging and then they're back to capacity within hours – reducing the need and cost for constant refuelling.



Subject to a successful trial, Falco plans to invest over £6 million to replace its 120-strong diesel excavator fleet with fully electric models, advancing shared Net Zero ambitions and demonstrating the viability of zero-emission plant in utility street works.



HK Electric ► Delivering Power with Cleaner Processes

HK Electric's Lamma Power Station maintains a long standing and continuously enhanced suite of emission control measures designed to deliver lasting environmental performance. Leveraging Selective Catalytic Reduction (SCR) systems, low NOx combustion technologies, flue gas desulfurisation units, and high efficiency electrostatic precipitators, the station consistently minimises emissions of sulphur dioxide (SO₂), NOx and Respirable Suspended Particulates (RSP). These proven technologies form a durable, future ready approach to air quality management that remains effective and relevant over time.



Biodiversity and Nature Management

The Group addresses biodiversity management into core operations by proactively assessing environmental impacts, implementing conservation and restoration measures and supporting nature

positive outcomes. Our electricity business units set measurable biodiversity targets, adopt net gain principles where applicable and integrate conservation into planning and day to day operations to minimise ecological impacts and strengthen long-term sustainability.

Business Units' Targets & Initiatives

Business Units	Details of Targets	Progress in 2025
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 R10-ED2 period, compared to the beginning of the period	Biodiversity has been enhanced for 27 out of 100 sites
	Identify and assess an additional 100 sites for biodiversity enhancement by 2028	Additional 100 sites identified and assessed in 2025
SAPN	Contribute to a net-positive impact on nature and biodiversity in core areas of our South Australian operations	Performed a gap assessment of management practices in response to changes in South Australian legislation in 2025

UKPN ► Installing Bird Diverters on Overhead Lines

UKPN featured on the BBC One programme Countryfile, with the King's Lynn team filmed at Welney Wetlands Trust installing bird diverters on overhead lines. Using a long, specially insulated rod, the team demonstrated to presenter how fluorescent discs are safely fitted to increase cable visibility for large birds.

Around 100 discs have recently been installed across the area after swans began flying nearby. As flight paths can vary year to year in response to feeding opportunities, this intervention improves safety for the 2,000+ Whooper swans that migrate to the site, helping to protect current and future populations.

The programme highlighted how targeted diverter deployment helps protect wildlife while improving service for local communities. By making power lines more visible to large birds that require long approach and landing paths, the initiative lowers collision risks, reduces fault incidents and shortens outage durations, enhancing the resilience and reliability of the electricity network in and around supporting both immediate and long-term ecological outcomes.



Our business units go above and beyond their core operations, actively engaging in initiatives that protect wildlife and promote ecological health. From nurturing local habitats to rescuing vulnerable animals, their efforts reflect a profound respect for the planet and its diverse inhabitants.

From Land to Sky

Protecting Wildlife Through Compassionate Stewardship



UKPN ► Serving Breakfast to 100 Rescue Goats in Kent

Employees of UKPN recently engaged in a heartwarming community initiative, serving breakfast to 100 rescue goats at a sanctuary in Kent. This unique event was designed to raise awareness for animal welfare and highlights the Company's commitment to supporting local communities beyond its core energy services. By taking part in this enjoyable and charitable activity, the employees not only contributed to the well-being of the goats but also fostered a vibrant community spirit.

SAPN ► Saving the Pollinators

Across South Australia, SAPN teams are finding innovative ways to protect the environment while ensuring community safety. Brad Whittaker, a passionate SAPN employee with 14 years of experience in bee rescue, embodies this commitment to environmental stewardship. He eagerly shares his extensive knowledge of bee rescue wherever he goes, inspiring others to appreciate and care for nature.



During a recent storm response in Mount Gambier, Brad collaborated with the local team to safely relocate two beehives discovered in earth boxes, effectively safeguarding the bees and

maintaining a secure work site. This initiative highlights how SAPN employees come together to support both the environment and the communities they serve. Such efforts reflect SAPN's broader dedication to promoting sustainable practices across South Australia, ensuring that both nature and communities thrive.

VPN ► Rescuing Baby Ringtail Possums

This protective mindset extends to emergency interventions. VPN crews sprang into action following a call from Wildlife Victoria regarding two baby ringtail possums spotted precariously perched on a powerline. Notably, these two possums were seen in broad daylight, which is unusual behaviour for this nocturnal species, prompting concern from a passerby who alerted the authorities. Upon receiving the call, the line workers quickly arrived at the scene, demonstrating their dedication to both public safety and wildlife protection.

With great care, they safely brought the young possums down from the powerline, where a Wildlife Victoria rescuer was waiting to take over their care. After conducting a thorough veterinary examination, it was a relief to discover that both possums were uninjured and in good health.

Once they are fully recovered, plans are in place for their eventual release back into the wild. This incident not only underscores VPN's commitment to protecting wildlife but also exemplifies the importance of collaboration with organisations dedicated to ensuring the safety of both animals and the community.





Gas Transmission & Distribution

Key highlights are summarised in the following six sub-sections

This section introduces the Group’s gas distribution businesses — NGN, WWU, Phoenix Energy and AGIG. These key gas distribution businesses deliver safe, reliable and affordable energy while enabling the transition to low-carbon gases across their regions.

Our approach integrates green gas development with rapid methane reduction, climate resilient networks, targeted innovation, responsible waste management and biodiversity stewardship. These elements operate as one programme rather than separate initiatives, supporting a sustainable energy future and stronger environmental performance.

2025 Performance Highlight

Biomethane injected

1,572 GWh

Renewable gas production

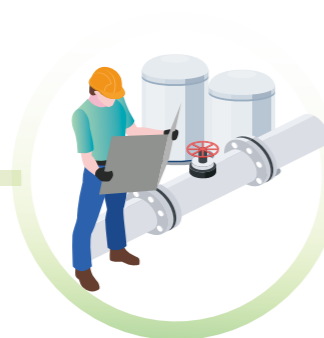
20,553 kg  **8%**
in 2025 vs. 2024

Gas leakage rate in 2025

Transmission loss	Distribution loss
0.01%	0.35%



**Green Gas
Development**



**Methane Emissions
Reduction**



**Climate Resilience
and Reliability**



Innovation

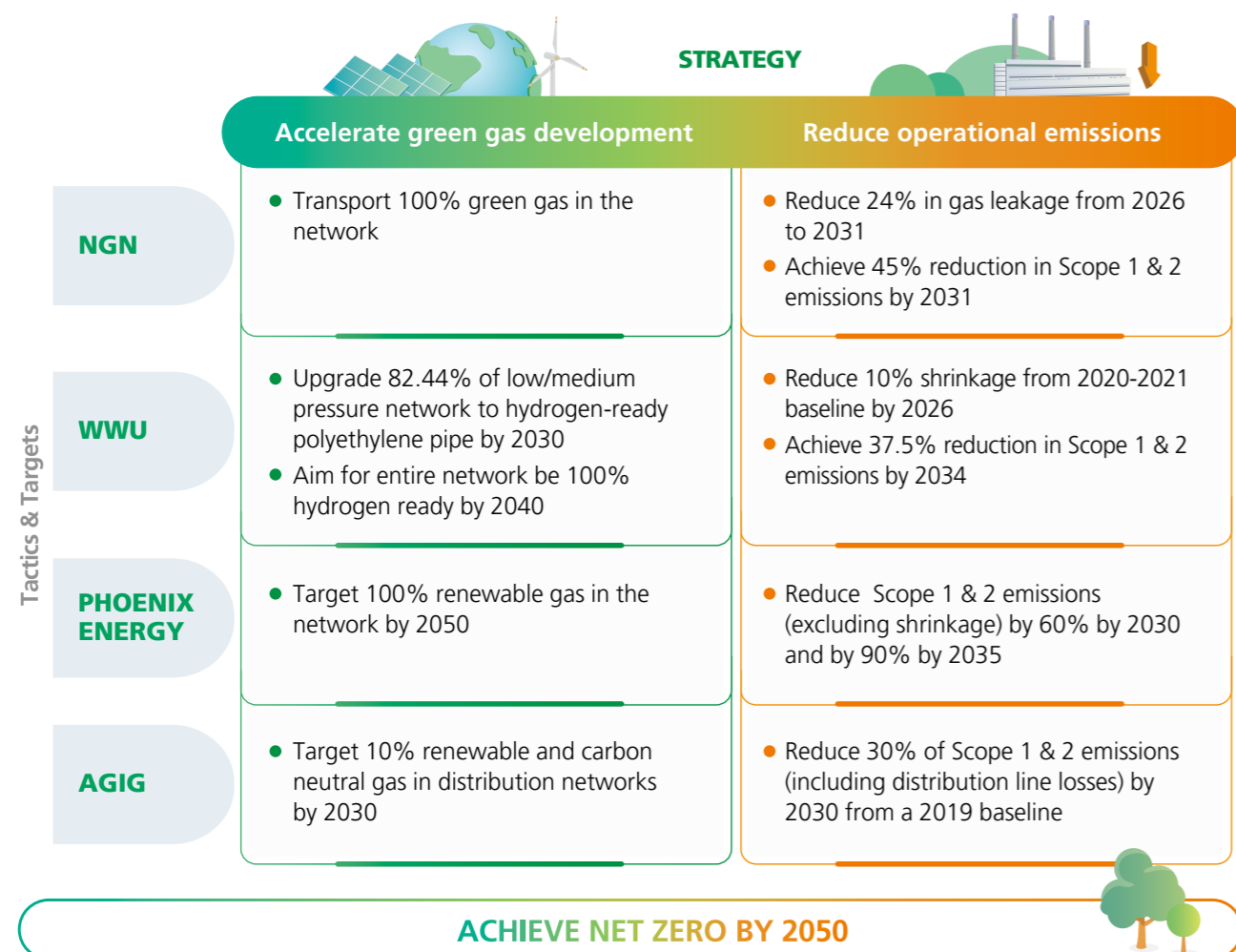


Waste Management



**Biodiversity
and Nature
Management**

GHG Strategies, Emission Reduction Tactics and Targets



Green Gas Development

Green gas is essential for achieving a net-zero energy system. The Group recognises its critical role in the energy transition and has implemented strategies across our business units to produce and blend hydrogen into existing gas distribution networks, while preparing hydrogen-ready infrastructure. In 2025, our business unit received regulatory support to increase the hydrogen blending ratio and securing a government

contract for a hydrogen project, demonstrating the unwavering commitment of authorities to this transformative approach.

In Australia and the UK, network operators have made significant progress through pilot blending and technical trials, facilitating the production and injection of green gases, such as biomethane from organic waste streams.

Business Units' Targets & Initiatives

Business Units	Details of Targets	Progress in 2025
AGIG	10% of gas conveyed through our distribution networks to be supplied by renewable, carbon-neutral production connected to the networks (by AGIG or third parties) by 2030	The Clean Energy Regulator launched the Guarantee of Origin certification framework for hydrogen from electrolysis with the scheme to be expanded to biomethane in the future Following consultation in late 2024, the Victorian Government reaffirmed its commitment to establishing a Renewable Gas Target

What Green Gas Development Means for the Local Community?

- Support for Decarbonisation Goals** helps meet global decarbonisation targets by reducing GHG while ensuring a reliable and affordable energy supply for future generations.
- Environmental Benefits** contributes to cleaner air and reduced GHG emissions, promoting better health outcomes and improving the quality of life for residents.
- Enhance Grid Resilience** facilitates the integration of renewable sources, future-proofing the energy system and providing a flexible solution that enhances grid reliability and stability.
- Collaboration and Partnerships** fosters innovations that enhance the efficiency and feasibility of green gas technologies, driving progress in the energy sector.

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.

N-Gen Energy Solutions: Bradford Low Carbon Hydrogen

In July 2025, N-Gen Energy Solutions signed a government contract for the Bradford Low Carbon Hydrogen (BLCH) project, a 35 MW facility to be built on NGN's site in Bradford with the capacity to produce 12.5 tonnes of hydrogen daily.

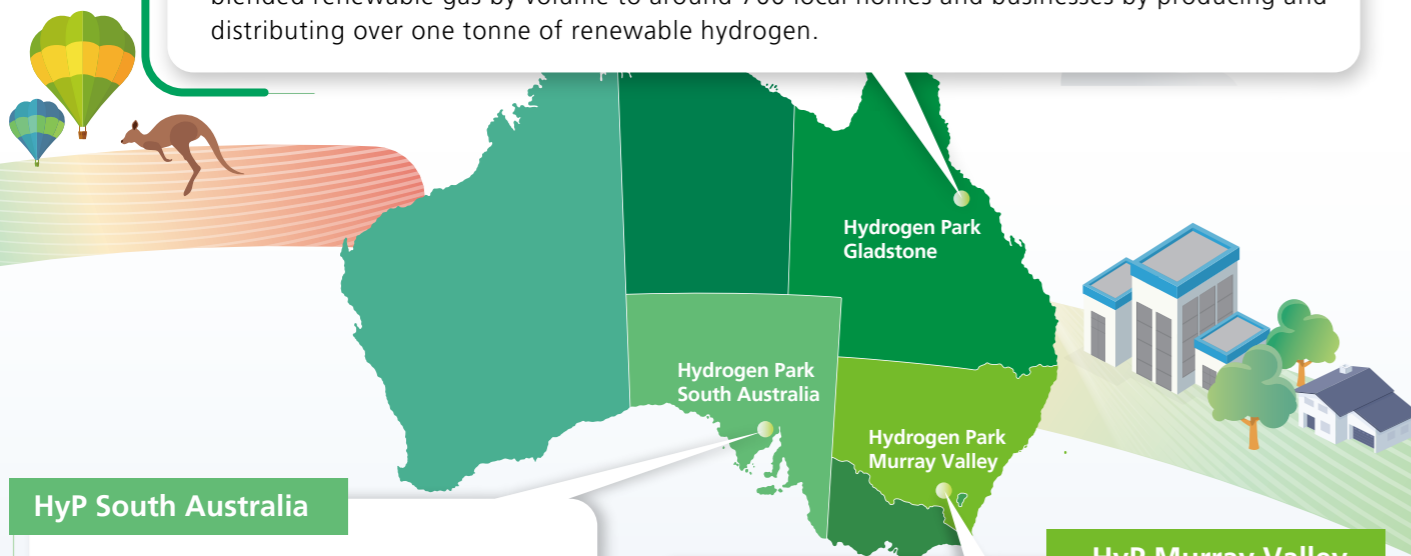


Our gas network business in Australia, AGIG, is a leader in embracing the use of renewable gas like hydrogen and biomethane, proactively paving the way for a cleaner, more sustainable energy future for all. The AGIG HyP initiative represents a significant advancement in Australia’s RE landscape. The initiative is designed to demonstrate the feasibility of blending renewable hydrogen with natural gas for residential and commercial use.

AGIG Transforming Energy to Lead the Change in the Sustainability Space

HyP Gladstone

Australia’s first whole-of-city renewable hydrogen project, recently marked over six months of successful operations. Since launching in November 2024, the facility has provided up to 10% blended renewable gas by volume to around 700 local homes and businesses by producing and distributing over one tonne of renewable hydrogen.



HyP South Australia

Commissioned in 2023, HyP South Australia received approval in November 2025 from the regulator to increase the blend of renewable hydrogen with natural gas from 10% to 15% by volume. This enhanced blend will benefit approximately 4,000 end users, including schools, small businesses, and residential customers in the Adelaide sectionalised network, when it commences in 2026.

HyP Murray Valley

A 10 MW electrolyser is currently under development in Wodonga, Victoria – about eight times the capacity of AGIG’s HyP SA project. It is expected to blend up to 10% renewable hydrogen by volume into the existing natural gas network. Co-location with North-East Water enables future circularity — reclaimed water for electrolysis and oxygen for wastewater treatment — while the Hume Highway site positions the facility to supply future refuelling stations. The project will participate in GreenPower’s Renewable Gas Certification Pilot to issue Renewable Gas Guarantees of Origin certificates, including for Mars Petcare Australia as it progresses towards net-zero by 2040.

New Agreement Paves the Way for the First Biomethane Connection

AGIG has marked a significant advancement in the renewable gas sector by partnering with a third party to connect its first biomethane project to the South Australian gas networks. This initiative will annually inject up to 210 TJ of biomethane—produced from commercial and industrial organic waste—into the gas network which will blend with natural gas, enabling customers to use their existing appliances while accessing RE.



Regional Victoria Bioenergy Hub

Feasibility studies to generate biomethane from agricultural residues.



Regional New South Wales Bioenergy Park

Studies to produce biomethane from manures and agricultural residues.



Regional Queensland Bioenergy Hub

A proposal to convert crop residues into biomethane.



Landfill Bioenergy Hub

A project to upgrade landfill gas to biomethane for the AGN distribution network.



Renewable Gas x MasterChef Australia Kitchen

As MasterChef Australia ignites its “Back To Win” season, renewable gas takes centre stage, showcasing its expanding role in Australia’s energy mix. In collaboration with three other infrastructure companies, the show features cooking with biomethane on kitchen stovetops, with renewable hydrogen gas making a special appearance. Biomethane, derived from organic waste and renewable hydrogen, produced using RE and water, provide low-emission alternatives to natural gas. This feature underscores the importance of raising awareness about renewable fuel options.



WWU ► Exploring the Potential of Biogenic Waste Technology Through Partnership

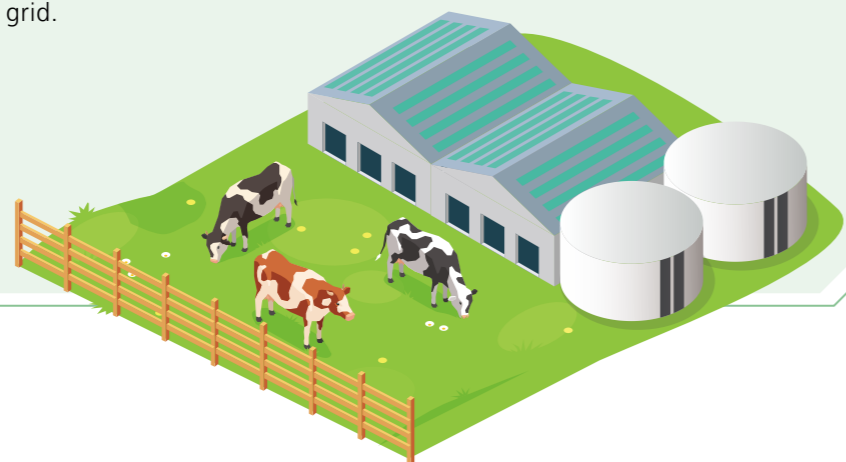


WWU is partnering with industry innovators to explore the potential of biogenic waste technology as part of its commitment to sustainability, this innovative initiative aims to transform organic waste into renewable gas, contributing to a circular economy and improving resource utilisation.

Biogenic waste from various sources, including agricultural and food industry byproducts can be used to produce low carbon synthetic methane and hydrogen. This process

not only helps in managing waste effectively but also provides a viable alternative energy source that can potentially be integrated into existing gas networks.

Research activities include feedstock mapping, lifecycle emissions analysis and connection pathway design to integrate projects into the WWU network without appliance changes. Where viable, projects will utilise circular synergies—such as using wastewater sludge as feedstock, returning nutrient-rich digestate to agriculture and capturing biogenic CO₂ for beneficial use—to maximise sustainability and efficiency. WWU is committed to helping innovators in green gas production integrate their products safely into the existing grid.



WWU ► Driving Green Transport Forward



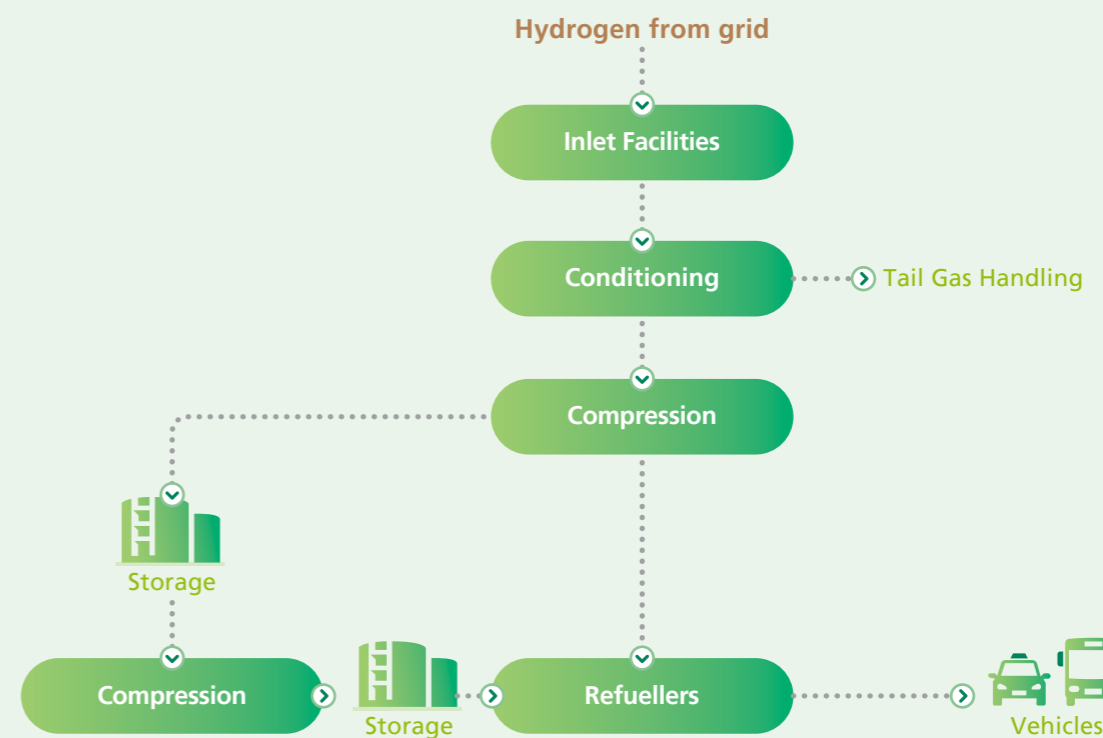
Hydrogen could be the clean alternative to diesel that heavy-duty vehicle drivers have been waiting for. WWU is leading the way with an exciting hydrogen innovation programme designed to create a robust refuelling network using the existing gas infrastructure.

WWU is exploring how to supply hydrogen directly to fuel cell electric vehicles and hydrogen internal combustion engines making it easier for drivers to embrace this greener option. Trials in 2024 showed that hydrogen vehicles perform impressively, even in colder weather—proving they are reliable for everyday use. A second trial is planned in 2026.

To make this vision a reality, WWU is collaborating with a variety of stakeholders, ensuring that the solutions meet the needs of drivers while supporting the UK's journey toward a sustainable energy future. This initiative is part of WWU's broader plan to decarbonise its operations, paving the way for a cleaner and more efficient transport system.



Hydrogen Refuelling Stations Schematic



Methane Emissions Reduction

At COP30, there was notable momentum for methane reduction, highlighted by a Methane Summit and the release of a new Global Methane Status Report, indicating that existing pledges could reduce methane emissions by 8% by 2030. Our gas transmission & distribution businesses are at the forefront of this effort, implementing programmes to detect, repair and prevent leaks, alongside infrastructure upgrades to minimise emissions.

Reducing Methane Leaks from Pipelines

We prioritise proactive leak detection and repair to protect the environment from methane emissions, ensure regulatory compliance, enhance safety, improve operational efficiency, and foster public trust.

Drawing from our experience, enhancing monitoring and bolstering network integrity with leak-led mains renewal are essential strategies for effectively reducing fugitive emissions. In 2025, gas leakage rates¹ for our gas distribution and gas transmission operations were 0.35% and 0.01% respectively.

NGN ▶ Enhancing Shrinkage Reduction Strategy

During 2025 NGN have continued its shrinkage reduction strategy which includes an optimised mains replacement programme which prioritises the replacement of metallic pipes which cause the greatest carbon impact, the installation of equipment to enable proactive system pressure management and conditioning our gas with Monoethylene Glycol (MEG) to saturate and swell metallic joints which might otherwise leak gas. Gas shrinkage and leakage volumes reduced by 7% respectively compared to 2024, saving approximately 21,000 tonnes of CO₂e.



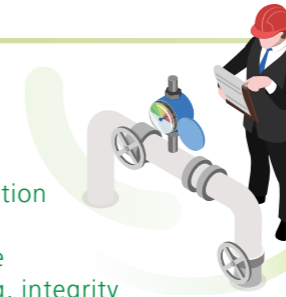
Climate Resilience

Gas distributions are increasingly exposed to climate-related hazards, including flooding, heatwaves, bushfires, coastal inundation and land movement. As a lifeline service, the Group's

gas businesses integrate climate adaptation into day-to-day operations and long-term asset planning to safeguard people, assets and supply continuity while maintaining safety and affordability.

Adaptation (physical climate risks):

Enhancing resilience of pipelines pressure reduction stations, above-ground installations and storage through asset hardening, integrity management and rapid restoration



- Regular assessment of flood risk at asset site locations
- Relocation of pipelines that are exposed by river erosion from high-risk flood zones
- Proactive management of vegetation within and surrounding gas infrastructure sites
- Routine review and update of health and safety policies

WWU ▶ Initiating Proactive Flood Resilience Measures



WWU undertook a detailed analysis of network vulnerability, focusing on GIS-based mapping to identify assets—particularly pipes in peatland areas—at heightened risk from prolonged smouldering fires or elevated ground temperatures. Where risks are confirmed, there may be a limited requirement to introduce new protective packing materials around pipes or to implement isolation measures from surrounding land fires. Any associated costs will be evaluated and determined following the outcomes of this vulnerability study.



WWU ▶ Revolutionising Leak Detection Through a Digital Platform



The Digital Platform for Leakage Analytics (DPLA) is an initiative that includes NGN, SGN, National Gas, with Cadent leading the project and Guide house offering technical expertise. This project aims to demonstrate the effectiveness of data-driven leakage modelling and methane leak detection technologies in identifying, predicting and locating gas leaks within the distribution network. It enables proactive detection and remediation, reduces methane emissions and shrinkage and enhances safety. The collaborative nature of this project ensures that the solutions developed will be applicable across all UK gas networks, supporting WWU's efforts to meet the Global Methane Pledge and improve shrinkage monitoring. In addition to DPLA, during 2024/2025, an advanced leak detection vehicle was trialled in Cardiff and Bristol to detect and quantify gas leakage.

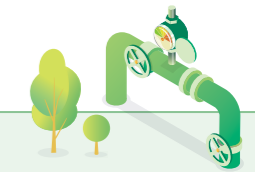


NGN ▶ Embedding Climate Resilience in Asset Management

NGN is taking proactive steps to strengthen the resilience of its gas distribution infrastructure against increasing flood risks driven by climate change. Key measures include raising electrical equipment at 14 critical sites located in or near flood zones, completed as part of wider site condition upgrade works to protect above-ground assets from inundation and network disruptions.



NGN continues a robust asset management programme for pipes crossing watercourses that are potentially vulnerable to fluvial, pluvial, tidal flooding, and river erosion (including bed/bank scour and landslides). This involves regular flood risk reassessments at asset locations, siting new assets outside high-risk flood zones, relocating infrastructure during renewals where feasible, and raising mechanical equipment (e.g., vent outlets) above predicted flood levels during upgrades. Watercourse crossings receive condition-based inspections every two to five years, with remedial works determined and funded through regulatory allowances.



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

Innovation

Innovation across the gas transmission & distribution sector is delivering practical decarbonisation and enhanced customer protection. From advancing CO₂ transport for carbon capture and storage to abate industrial emissions, to trialling electric vehicles across operational fleets and deploying digital tools that guard communities against carbon monoxide

(CO), the sector is turning expertise into measurable outcomes. By leveraging existing network capabilities, data and partnerships, gas businesses are building flexible, future-ready infrastructure that supports net zero while strengthening safety, reliability and affordability.

Business Units' Targets & Initiatives

Business Units	Details of Targets	Progress in 2025
NGN	50% of vehicles to be ultra-low emission or hybrid by 2026	NGN vehicle fleet comprises 5% ultra low emission or hybrid vehicles, with 100% of company cars being ultra low emission or hybrid. Also launched a trial of 10 battery-electric vans in September 2025
Phoenix Energy	Transition the commercial fleet to green fuels by 2035	Implemented a successful trial of HVO as a direct replacement for diesel and introduced the first electric vehicles into its commercial fleet



WWU ► Protecting Communities with a Lifesaving Carbon Monoxide App

WWU launched a new app to help protect vulnerable customers from the dangers of CO poisoning, raising awareness and providing accessible, practical guidance on CO safety for those at higher risk.



The app equips users with clear safety tips, advice on recognising CO poisoning symptoms and step-by-step guidance on what to do in an emergency. By putting essential information in one place, it empowers individuals, families and carers to act quickly and confidently.

This initiative underscores WWU's commitment to public health and supporting vulnerable communities. With CO a silent and potentially deadly threat, the app is a vital tool for preventing incidents and strengthening community resilience.



AGIG ► Boosting New Pilbara Carbon Capture and Storage Project

In 2025, AGIG commenced investigation of the potential of onshore CCS infrastructure to unlock decarbonisation of industry in the Pilbara region. Pending results of the investigation, AGIG has secured grant funding of A\$15 million from the Western Australian Government to support any capital works.

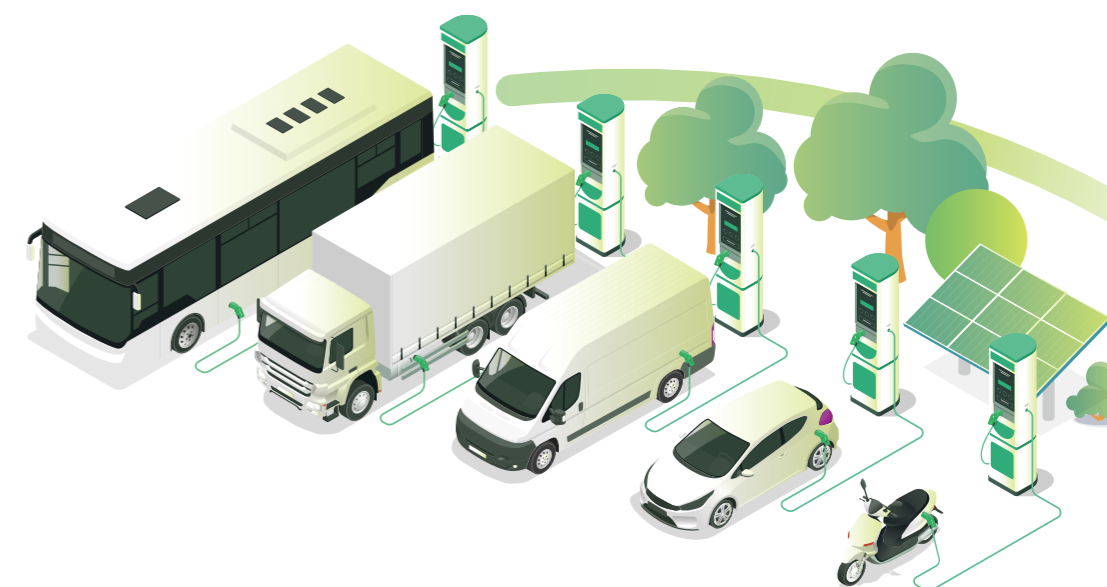


Phoenix Energy ► "Driving" Towards Net Zero Commitments

In August 2025, Phoenix Energy marked a milestone in its quest for net-zero emissions by introducing its first EVs into the commercial fleet. This initiative aligns with the Company's GHG Reduction Plan, showcasing a proactive approach to decarbonising operations while maintaining high standards of service.



The trial features a variety of commercial vans and cars, allowing Phoenix Energy to evaluate different operational needs under real-world conditions. This comprehensive assessment provides valuable insights into vehicle performance, range and charging infrastructure requirements for shaping their future electric vehicle strategy and informing regulatory submissions on fleet decarbonisation targets. As the trial progresses, lessons learned will guide decisions about fleet composition and charging infrastructure, ensuring the decarbonisation strategy is both ambitious and achievable.



Waste Management

In our gas distribution businesses, effective management of waste streams and air emissions is a fundamental safeguard across exploration, production, processing and distribution. By prioritising prevention and reduction, recovery and recycling where feasible and safe treatment

or disposal alongside curbing flaring, venting and fugitive emissions—operators can reduce their operational footprint, strengthen compliance and performance and contribute to industry decarbonisation and healthier communities.

Business Units' Targets & Initiatives

Business Units	Details of Targets	Progress in 2025
NGN	Reduce amount of office and depot waste created by 20% between 2018 and 2026	17% reduction in 2025 compared with the 2018 baseline
Phoenix Energy	Reducing the volume of waste sent to landfill due to operations by over 75% by 2030	Reduction of waste sent to landfill from operations of 78% compared to base year
WWU	Send zero avoidable waste to landfill by 2035 and become a zero-waste by 2050	Less than 0.1% of waste was sent to landfill

Phoenix Energy ▶ Collaborating with Construction Partners to Reuse Excess Materials

Led by the Senior Management Team, Phoenix Energy's comprehensive waste minimisation and resource management programme initiative aligns responsible resource stewardship with core business priorities, ensuring Phoenix Energy continuously and efficiently manages resources whilst minimising the impact of operations on the environment.

The programme aims to reduce landfill waste and maximise recycling by applying the waste hierarchy framework: waste prevention, material re-use, recycling, other recovery and as a last resort, responsible disposal. Working closely with construction partners, Phoenix Energy explores innovative recycling solutions and efficient resource management practices that deliver measurable environmental benefits.



Actions are implemented continuously, with quarterly monitoring and annual reporting. Significant achievements include pioneering trenchless technologies and vacuum excavation methods that reduce excavation waste, minimising virgin aggregates required for backfill and final reinstatement, while also improving work completion efficiencies and reducing the potential for third-party utility strikes. Phoenix Energy's Principal Contractor recycles approximately 700 tonnes of bituminous mixtures annually, whilst comprehensive component reuse in metre works and responsible recycling of end-of-life metal assets further reduces waste.



WWU ▶ Launching the "Sorted!" Campaign to Achieve Compliant Workplace Recycling

WWU has made significant strides in workplace recycling with the introduction of new legislation that took effect in April 2024. This law mandates businesses to segregate a broader range of materials for recycling, including food waste, paper, card, glass, plastic packaging and metal. In preparation for these changes, a comprehensive internal campaign called "Sorted!" was launched to equip colleagues with the necessary knowledge and resources for effective recycling across all Welsh depots.



Information banners featuring the "Sorted!" logo were prominently displayed at each depot, clearly outlining the legislative changes and detailing which bin each type of waste belongs in. Additionally, all bins were replaced with clearly labelled options corresponding to the new waste categories, facilitating an easy transition for colleagues. The campaign expanded in anticipation of similar recycling changes in England, known as "Simpler Recycling," which was introduced by the UK Government in March 2025.

Biodiversity and Nature Management

The Group promotes sustainable building practices in its gas distribution business that foster nature-positive outcomes by integrating green infrastructure and biodiversity-sensitive design throughout the asset lifecycle. Operational ecological management plans are in place to

revitalise communities and restore green spaces.

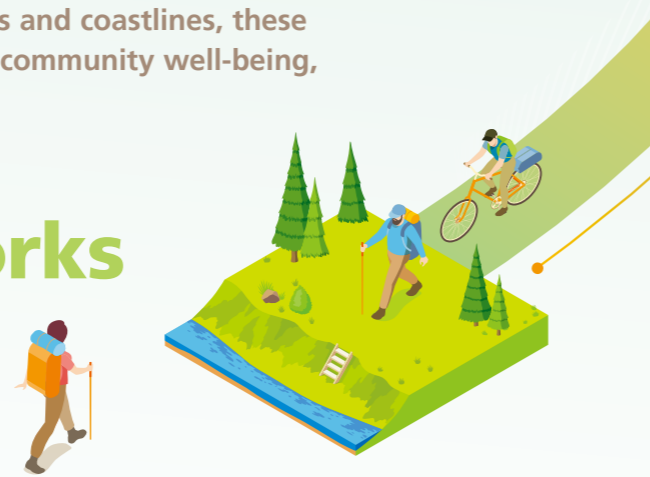
One of our business units in Australia participated in a pilot programme with the Australian Government's Department of Climate Change, Energy, Environment and Water that sought to assist organisations with understanding and implementing requirements of the TNFD.

Business Units' Targets & Initiatives

Business Units	Details of Targets	Progress in 2025
NGN	Create "Homes for Nature" on 250 of its sites by 2026	Created homes for nature on 225 of its sites and have a strategy in place to achieve the target
Phoenix Energy	Partnering with The Conservation Volunteers to plant 8,000 native trees each year until 2031	8,000 trees planted in 2025
AGIG	Set biodiversity targets by end of 2025	Target achieved. A new target was implemented – to protect the environmental value of the operational areas and regions and maintain good stewardship for the long term, by delivering re-vegetation and education projects

Revitalising communities is a priority for our gas networks partnering with local groups to enhance public spaces and invest in environmental improvements. From transforming heritage energy sites to restoring rivers and coastlines, these initiatives show how business success is intertwined with community well-being, biodiversity and climate resilience.

Revitalising Communities From Historic Gasworks to Green Space and Nature Restoration



WWU ► Celebrating £1.3M Investments to Transform Victorian Gas Works into Green Oasis

The former gasworks at Quakers Yard in south Wales, UK was recognised as a high risk site needing immediate attention as erosion from increased river flooding was threatening to release harmful materials into the ecosystem. WWU invested £1.3 million to stabilise the river bank, remove the contaminated subsoil and restore the site to nature with tree planting, and the construction of wildlife habitats and refuges. Social value was enhanced through extensive community engagement, interpretation boards explaining the ecology and history of the site, and the maintenance of a public right of way for cyclists and walkers. Since its completion the Quakers Yard project has received Gold for Environmental Best Practice at The Green Organisation Green Apple Awards in November 2025 with a presentation ceremony at the UK Houses of Parliament.



AGIG ► Protecting a Special Pocket of Nature

AGN joined forces with the exceptional #FriendsofWarriparinga and the City of Marion to plant native seedlings along the scenic River Sturt. Friends of Warriparinga is a dedicated volunteer group focused on protecting and restoring this unique natural area in Adelaide's southern suburbs. Being part of their revegetation efforts was a fulfilling experience, contributing to such a vital community and environmental space.

Meanwhile, AGIG team members in Western Australia participated in a volunteer day with Perth NRM, a highly regarded organisation in the Natural Resource Management (NRM) sector. They supported restoration efforts at North Coogee Beach, where 20,000 native trees were planted along the coastline. AGIG takes pride in supporting organisations like Perth NRM that are at the forefront of natural resource management across Western Australia.

Together, these projects chart a clear narrative — from brownfield to biodiverse, from industrial heritage to shared green assets. By combining investment, volunteer effort and community partnerships, our gas networks are creating places that are healthier, more connected and better prepared for a changing climate.



NGN ► Teaming Up to Plant Trees and Creating New Homes for Wildlife



Working with community partners White Rose Forest, Humber Forest and Community Forest Trust, NGN utilise shareholders funding to deliver a bespoke strategic tree planting programme which aims to tackle poor urban air quality in its region. During 2024/2025 NGN funded the planting of 7,224 trees across 18 sites in its region and since 2021 have funded the planting of 52,721 trees, already exceeding its target of 40,000 by 2026. The programme was also expanded to include planting of new hedgerows in recognition of the biodiversity benefits they provide by acting as corridors for wildlife. During 2023 to 2025, 2,450m of new hedgerow has been planted. Much of the tree planting programme is delivered by voluntary groups enabling direct community involvement in the schemes whilst delivering wellbeing benefits.



NGN's tree planting programme is estimated to deliver over £22 million in lifetime societal and environmental benefits to its communities by 2050 including air quality improvements, biodiversity, recreational value to communities, carbon sequestration and flood mitigation.

WWU ► Boosting Biodiversity at Shaldon Play Park Linked to Network Upgrade



WWU is proudly championing nature-positive enhancements at the newly refurbished play park on the King George V playing field in Shaldon. With a generous contribution of £1,000, the Company has funded the installation of a whimsical 'living willow wigwam' alongside new pollinator trees and plants. This initiative reflects WWU's deep commitment to enhancing local biodiversity in the communities it serves.

This donation is part of a broader vision, linked to a recent £500,000 investment in upgrading gas pipes throughout the village. This upgrade ensures not only a safe and reliable gas supply today but also paves the way for the future use of greener gases, such as biomethane and hydrogen. As work progressed in the Ringmore Road area, WWU engaged with the Shaldon Parish Council, fostering collaboration to identify measures that would enrich the local environment and community spaces.



The newly implemented planting scheme acts as a vital support system for pollinating insects and wildlife, strengthening the ecosystem while promoting community well-being. The enchanting living willow wigwam offers a natural, shaded play area, sparking imaginative play and fostering a closer connection with nature. Since its reopening, the upgraded play park has become a beloved spot for residents, with the new features garnering widespread admiration and joy, showcasing how nature and community can thrive together.



Energy-from-waste

The Group's energy-from-waste businesses—AVR and EDL, which are vital in transforming residual waste and fugitive gases into valuable energy, cutting emissions, supporting circular resource flows and delivering safe, reliable and affordable services that help drive the low-carbon transition.

Our approach integrates high-efficiency methane capture and upgrading, energy-from-waste with CCUS and nature-positive approach. Together, these measures reduce landfill reliance and lifecycle emissions while enhancing resource efficiency and biodiversity.

2025 Performance Highlight

Waste processed
1,692,517 tonnes
by AVR

Landfill gas extracted
4,722 GWh
by EDL

Key highlights are summarised in the following three sub-sections



Methane Recovery and Renewable Gas

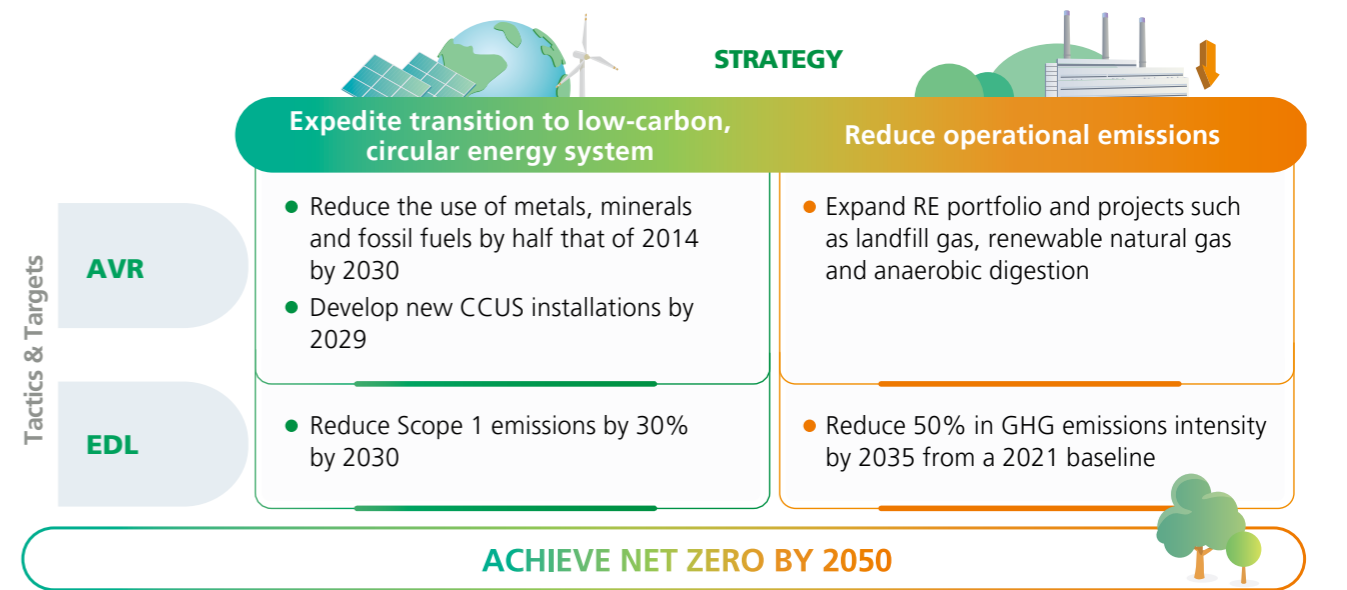


Energy-from-Waste Promotes Resource Recovery



Biodiversity and Nature Management

GHG Strategies, Emission Reduction Tactics and Targets

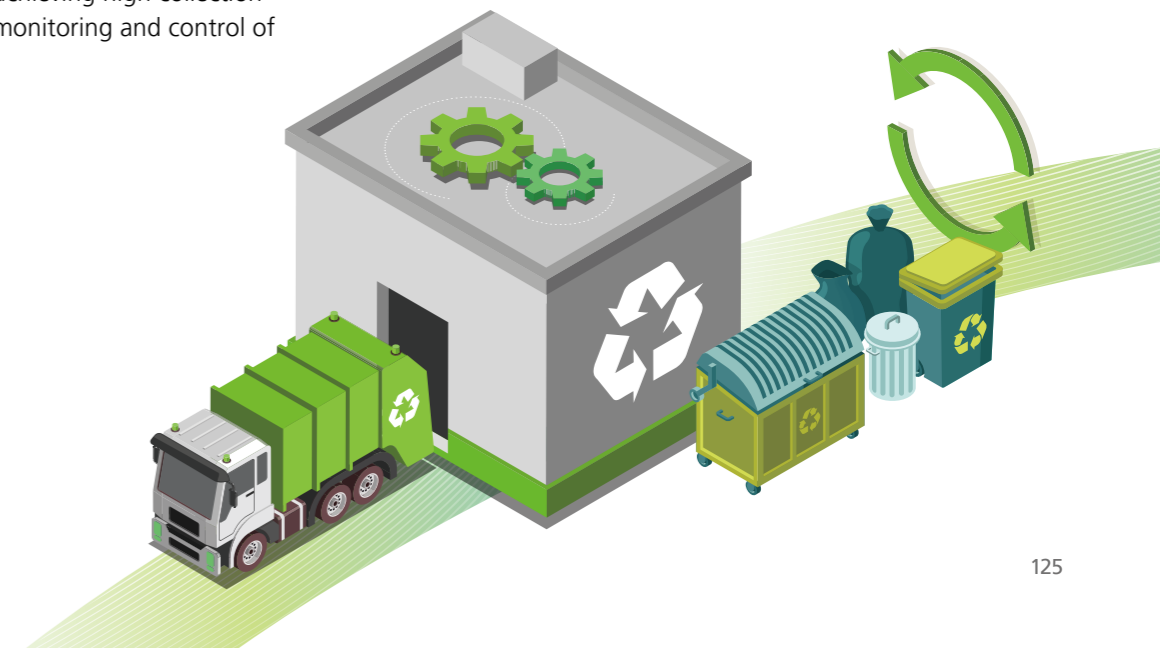


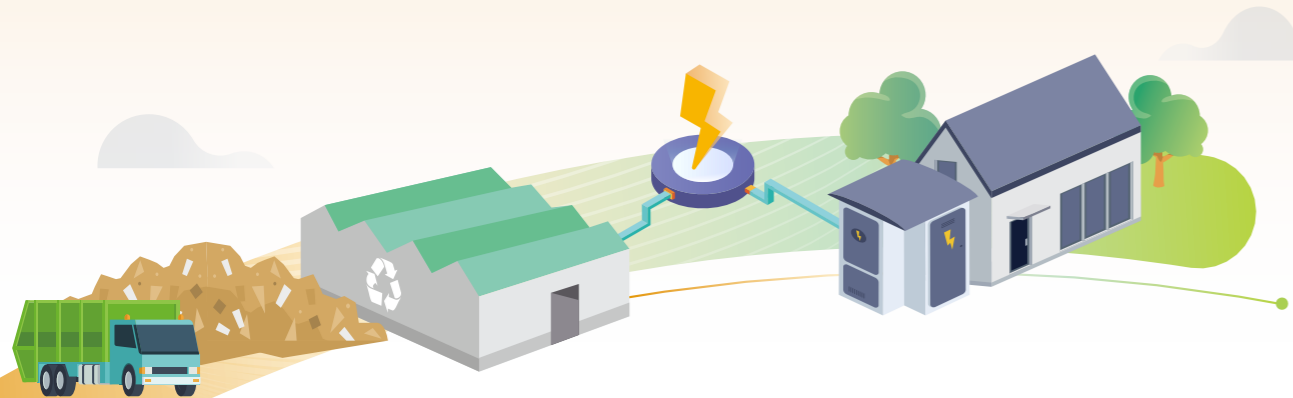
Methane Recovery and Renewable Gas

Recovering methane from waste streams and converting it into useful energy reduces lifecycle emissions while displacing fossil fuels. The Group's energy-from-waste operations focus on a portfolio of waste incineration plants, implementing methane recovery initiatives and lowering carbon emissions. This includes converting methane captured from landfills into Renewable Natural Gas (RNG).

Operational priorities of our energy-from-waste businesses centre on achieving high collection efficiency, rigorously monitoring and control of

fugitive emissions and strictly adhering to safety and environmental standards. Collaboration with landfill owners, mining operators, municipal authorities and network companies ensures reliable management of feedstock supply, optimises product sales channels and supports the delivery of long-term emission reduction targets. This approach transforms unavoidable waste and historical emission sources into reliable low-carbon energy, significantly advancing the circular economy.





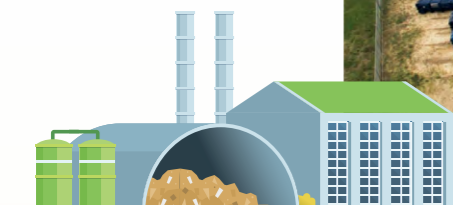
EDL is a leading global producer of sustainable energy solutions, specialising in the generation of energy from various sources, including RE, landfill gas and waste coal mine gas (WCMG). With a strong commitment to innovation and environmental responsibility, EDL supports the Group in delivering cleaner energy along the transition to a low-carbon economy.

EDL Expanding Sustainable Energy Generation

Turning landfill gas into RNG to Slash Methane Emissions

The Tessman Road RNG Facility is one example from EDL's portfolio of RNG sites. Commissioned in 2021 and operational since 2022, the facility in San Antonio, Texas, exemplifies RNG's potential as a sustainable fuel. The site, with capacity to produce 1.2 million MMBTU of RNG annually, converts landfill gas from Republic Services' Tessman Road Landfill into RNG, which is distributed via pipeline for residential and commercial use, including, powering municipal bus fleets. The initiative avoids approximately almost 40,000 tonnes of CO₂e emissions per year which is equivalent to removing over 9,000 cars from the road.

By investing in RNG technology, EDL is advancing its commitments by actively reducing emissions, supporting cleaner communities and fostering technological innovation. Future opportunities include expanding RNG production and exploring other fuel applications. RNG positions EDL at the forefront of sustainable energy, enabling a circular economy and driving progress towards net-zero.



What is RNG?



RNG is derived from landfill gas—a methane-rich byproduct of decomposing organic matter—which is a potent greenhouse gas if released to the atmosphere. Vertical extraction wells and underground piping are used to collect landfill gas, which is then processed to pipeline quality by removing moisture, impurities and particulates. RNG can be used for heating, electricity generation and transportation, displacing traditional fuels like diesel natural gas, resulting in significantly lower overall emissions.

Harnessing Waste Coal Mine Gas for Energy



EDL's 64 MW Moranbah North Power Station located in Queensland, Australia

EDL's WCMG operations are a core strength in reliable energy production, especially in Australia, where EDL owns and operates a large portfolio of WCMG powered stations. The mine operators captures this gas via mine ventilation systems and coal seam drainage (processes that once led to venting or flaring), then transfer to EDL to uses it as fuel for electricity generation. This method

delivers reliable, low-cost power to mines and the grid while achieving significant GHG abatement by preventing methane emissions.

Key projects include the Appin and Tower power stations in New South Wales (operational since 1996), which form one of the world's largest WCMG facilities, producing hundreds of gigawatt-hours annually and avoiding over 200,000 tonnes of CO₂e emissions each year. Other examples are the 8 MW station at Centennial Coal's Mandalong Mine and the 64 MW Moranbah North Power Station in Queensland. Overall, EDL helps major coal miners reduce emissions, cut costs, and improve energy independence by turning a former waste product into a valuable resource.



What is Waste Coal-Mine Gas?



WCMG is methane released from coal seams during mining; it is captured via drainage boreholes and ventilation systems, then piped and conditioned by removing water and particulates so it can fuel engines to generate electricity and heat.


Energy-from-Waste Promotes Resource Recovery

Energy-from-waste technologies are essential in the transition to a sustainable future. By transforming waste into valuable energy and resources, these innovative approaches not only mitigate environmental impact but also promote resource recovery.

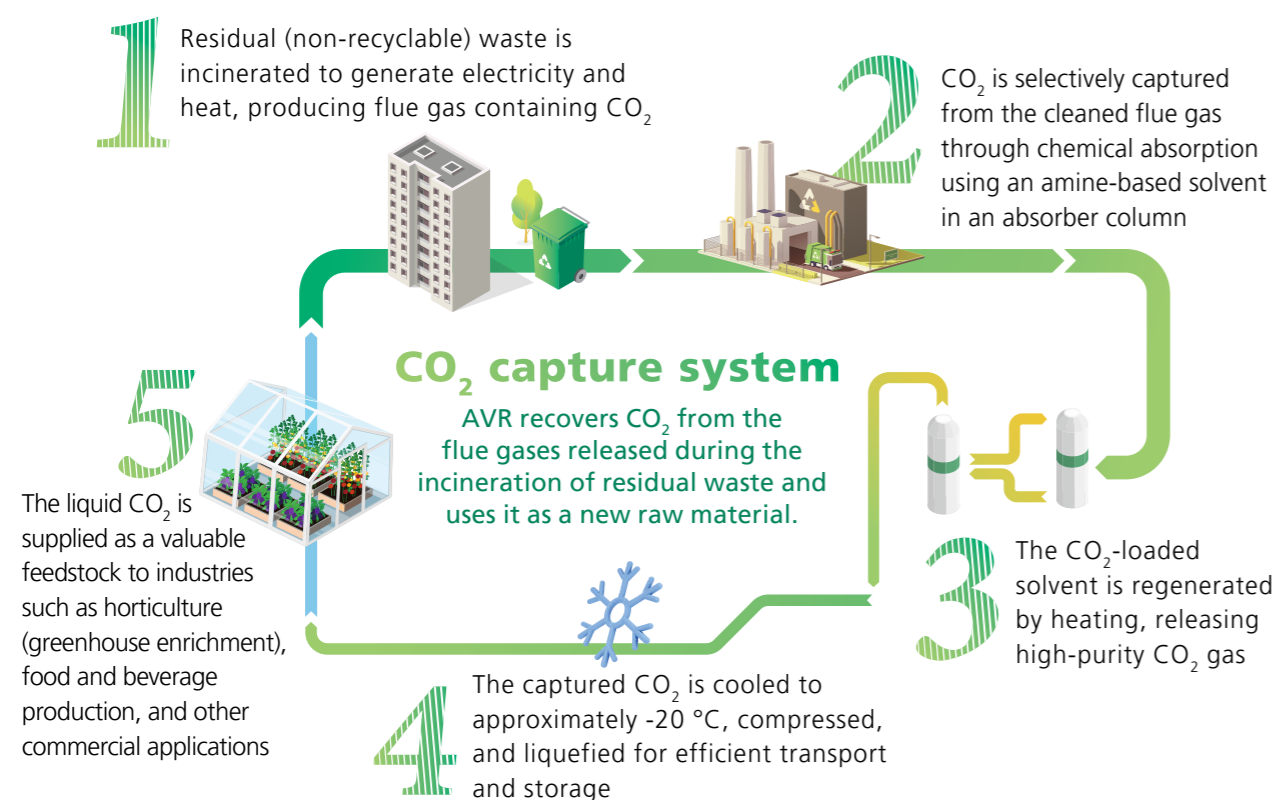
CCUS together with anaerobic digestion form key components of the Group's decarbonisation strategy and commitment to the circular economy. We seek

opportunities to further scale up efforts to reduce lifecycle emissions and enhance resource efficiency through CCUS and the biological conversion of organic waste into renewable biogas and nutrient-rich digestate, maximising environmental and societal benefits. The recent acquisition of a leading anaerobic digestion facility in 2025 strengthens our RE portfolio by transforming organic waste into clean energy and sustainable biofertiliser. These approaches align with regulatory expectations and foster positive community outcomes in the regions where the Group operates.

Business Units' Targets & Initiatives

Business Units	Details of Targets	Progress in 2025
AVR	Retrieve metals and nitrous oxide cans (laughing gas cans) directly from the Post separation plant before incineration to enhance operational efficiency and improve resource recovery	Retrieved 36,600 tonnes in 2025 

How Does a CCUS Plant Works?



AVR Planning for Carbon Capture Future



In the wake of the 2023 fire incident, AVR is resolutely committed to rebuilding and revitalising its operations by constructing a cutting-edge turbine plant. This new facility will replace the four damaged turbines with two state-of-the-art units, designed to elevate energy efficiency and operational flexibility.

The advanced turbine hall will integrate systems for electricity generation, district heating and steam routing to the CCUS facility. This upgraded setup promises to significantly improve operational flexibility, reduce steam losses and enhance overall efficiency, all while adhering to the stringent standards of ISO 50001. Planned for completion in 2026, this initiative underscores AVR's dedication to sustainable practices and its vision for a resilient energy future. By designing the new turbine plant to enable reliable steam supply to a future CCUS facility, AVR is not only working to reduce GHG and meet regulatory requirements but also fostering advancements in clean technologies. This commitment strengthens partnerships with stakeholders in the region, paving the way for a more sustainable and collaborative future.



EDL ► Acquiring GWE Biogas to Transform RE Operations



In October 2025, EDL acquired GWE Biogas, including its advanced Sandhill Biogas Plant in East Yorkshire, UK. The facility features a 4.5 MW combined heat and power system and produces biomethane for grid injection. This acquisition complements EDL’s landfill gas expertise, enhancing resource recovery from food and agricultural waste into RE and biofertiliser. It promotes sustainable waste management and circular economy principles, distinguishing anaerobic digestion from conventional waste-to-energy by capturing biogenic CO₂ and producing RNG.

EDL’s acquisition of the Anaerobic Digestion facility in October naturally complements its landfill gas and renewable capabilities, promoting resource recovery and sustainable waste management, distinguishing it from conventional waste-to-energy technologies.



Biodiversity and Nature Management

Safeguarding biodiversity and preserving natural habitats is essential throughout the entire lifecycle

of energy-from-waste assets, including energy-from-waste facilities, landfill gas plants and waste coal mine gas projects.

EDL ► Mucking Ecology Site Induction



At the Mucking Gasfield in the UK, a former landfill has been reshaped over the past decade into distinct habitats that now support species such as the endangered Fiery Clearwing moth, ground-nesting birds, badgers and the protected Great Crested Newt. EDL’s biodiversity initiative at the site embeds ecological protection into day-to-day operations—ensuring that conservation and reliability go hand in hand.



To safeguard these habitats while maintaining operational efficiency, EDL has developed a site-specific biodiversity guide that equips contractors, visitors and staff to recognise and respect ecological sensitivities during operations, maintenance and construction activities. Created by in 2025, the guide is designed to be updated as new species are identified and conditions evolve, reinforcing adaptive management.

Key Benefits:



Enhanced protection of endangered species and ecological habitats



Improved compliance with environmental obligations



Positive stakeholder engagement

Future-looking:

- The biodiversity guide serves as a template for other EDL sites, positioning the Company to enhance its ecological stewardship as more landfills undergo restoration
- Brings forth opportunities for EDL to implement innovative practices in habitat management and species protection as well as collaborative projects with customers, conservation organisations and regulators
- Builds resilience and ecological responsibility across its global portfolio



VALUING COMMUNITY AND PEOPLE

As the energy sector advances toward a just transition to a low-carbon economy, the Group remains committed to upholding labour and human rights, strengthening human capital management, and prioritising the health, safety and wellbeing of our workforce. Our unwavering focus on a fair and inclusive transition, supported by targeted community engagement and strategic partnerships, reinforces our commitment to improving stakeholder wellbeing and fostering a sustainable future for all.



OVERVIEW OF 2025 SOCIAL ACHIEVEMENTS

84.5%

of employees covered by OHSAS 18001/ISO 45001

88.5%

of employees covered by collective bargaining and unionised by 2025 in support of the UNGC

HK\$166 million

community investment

30,259 hours

of volunteering services

Just Transition

The Group’s resilience in the social dimension reflects our dedication to building a just and sustainable future. We actively support social development initiatives that enable a Just Transition to a low-carbon economy, promote gender equality and empower employees through strong people management practices. A Just Transition ensures that as industries evolve, workers, communities and businesses are supported in adapting to change. By embedding social considerations into our core strategies, we align our decarbonisation efforts with Just Transition principles while recognising their wider social implications.

At the heart of our climate action, we strengthen our resilience through comprehensive supply chain management, strong customer relationships, modernised and reliable assets and robust security measures. We engage, listen and take meaningful action that fosters mutual growth and shared value. Together, these efforts create a foundation for social resilience, ensuring we deliver lasting value for stakeholders while advancing sustainable progress and responsible growth.

Our Just Transition Framework and Strategies

The Group-wide Just Transition Framework is structured into four key components: vision & driving

Just Transition Framework



forces, strategies, action plans and monitoring mechanisms. Each element plays a crucial role in fostering transparency and accountability. The progress of our business units just transition efforts are tracked, periodically reviewed, and reported at quarterly Board and Committee meetings to keep key personnel informed. It reinforces the Group’s commitment to inclusive decision making in decarbonisation, outlining workforce transition measures and targeted community support with defined accountabilities and timelines.

Just transition initiatives of business units are developed collaboratively with stakeholders, including affected communities, employee representatives, First Nations organisations, local authorities and relevant NGOs to ensure their perspectives shape priorities and actions. Where applicable, our business units seek prior and informed consent and disclose this explicitly in engagement materials. Feedback is gathered through regular dialogues and structured surveys to foster open communication and trust. These insights inform updates to action plans and help track progress against Just Transition targets, which are reported regularly.

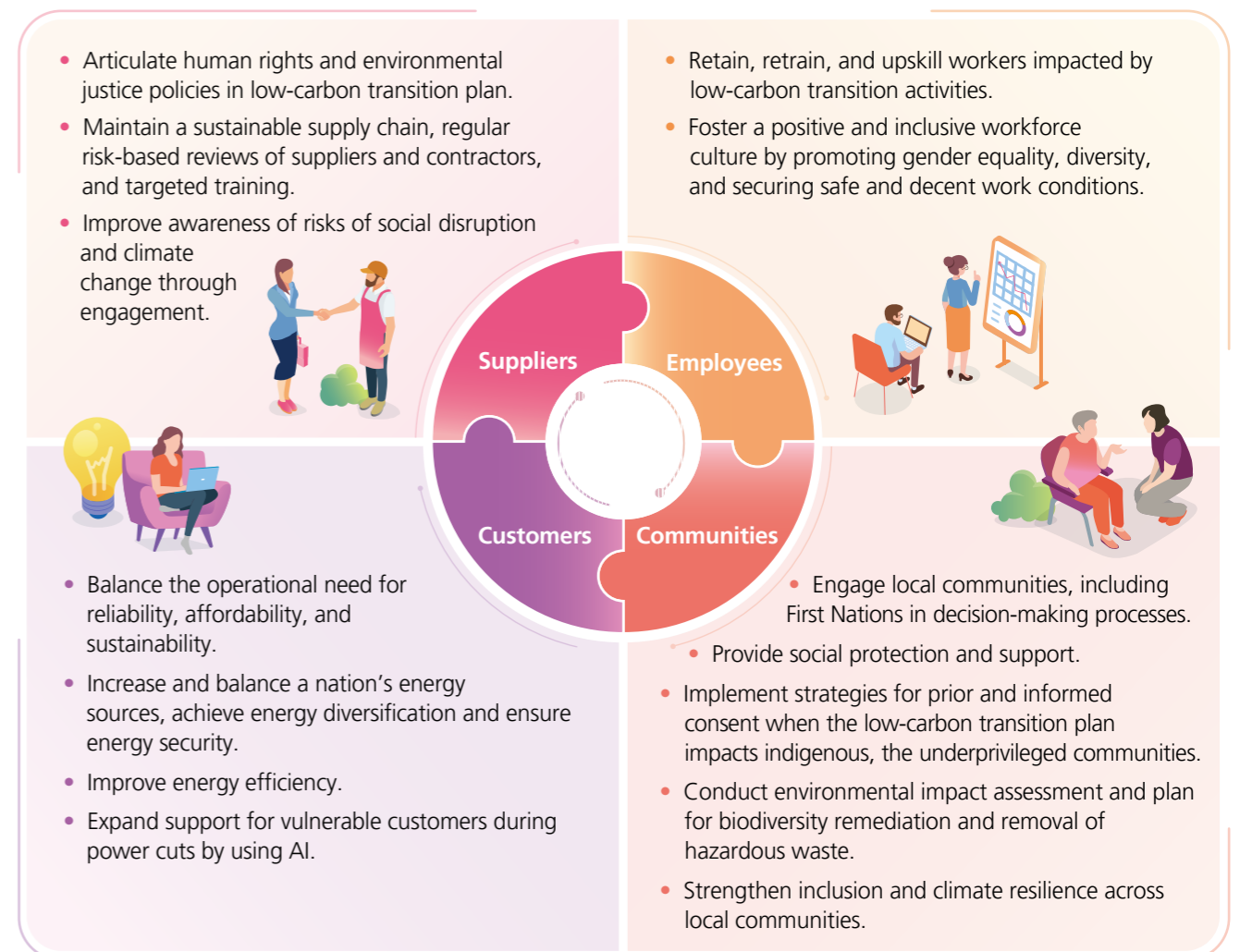
Our Just Transition Plan

The Group’s social resilience efforts are anchored in our Just Transition Plan, which supports a fair and inclusive shift to a low carbon future. We focus on ensuring the transition creates opportunities for employees, suppliers, customers and communities while addressing potential challenges.

The Plan includes targeted measures such as reskilling and upskilling for roles in renewable and low carbon operations, along with community investment to create new opportunities and strengthen local livelihoods.

Our business units support a just transition through ongoing engagement with their various stakeholders such as communities, suppliers, incorporating their perspectives in its priorities and safeguards.

Progress is tracked through indicators such as training participation, redeployment, community investment and engagement feedback, with quarterly leadership reviews and corrective actions where needed.



Labour and Human Rights

The Group recognises that our people are central to our success. As we progress towards a sustainable, low-carbon economy, we are committed to ensuring that our workforce is equipped, supported and empowered through fair and responsible labour practices.

Management Oversight

Our holistic approach embeds social considerations into our business strategy, ensuring that economic and environmental progress goes hand in hand with livelihoods, equity and well-being.

To achieve this, we prioritise job security, capability building and social inclusion as key pillars of our transition. Employees and contractors are provided with opportunities for continuous learning and professional growth, while gender equality and fair labour practices are actively promoted.

The Group believes that our people are central to long-term success. We provide equal opportunities and foster an environment that supports learning, career development and personal growth. We embed values of openness, respect, adaptability and fairness into daily practices and recruitment process, ensuring our approach extends beyond compliance to reflect global labour and human rights standards and equal opportunity policies, reinforced by comprehensive anti-discrimination measures to foster an inclusive workplace.

The Group also recognises the importance of collective bargaining in advancing fair labour standards. We maintain constructive dialogue with employees and their representatives to safeguard equity, transparency and inclusivity in workplace matters. Through these actions, the Group continues to nurture an ethical, inclusive and resilient workplace culture, underpinned by internationally recognised labour and human rights practices.

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

Equal Opportunity Employer



We promote equal opportunity in all aspects of employment

Safety First



We prioritise the well-being and health of our employees, striving for an injury-free workplace

Diversity and Inclusion



We foster a diverse, inclusive environment that respects the values, customs and traditions of our employees across different markets

Employee Development





















We support staff growth in an engaged workplace, caring for them and their families

Community Engagement



We undertake philanthropic efforts and community initiatives tailored to the needs of the communities where we operate

The Group's policy and guidelines help build a more resilient workforce and stronger communities:

Policy	TOPICS				
	Labour Rights	Human Rights	Modern Slavery	Health and Safety	Workforce Diversity
Modern Slavery and Human Trafficking Statement					
Anti-harassment Policy					
Human Rights Policy					
Health and Safety Policy					
Workforce Diversity Policy					
Code of Conduct					
Media, Public Engagement and Donation Policy					

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.

Due Diligence Process

Child labour, forced labour and modern slavery are strictly prohibited within the Group and 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 is guided by international human rights

principles encompassed by the Universal Declaration of Human Rights, including those contained within the International Bill of Human Rights and the International Labour Organisation's (ILO) 1998 Declaration on Fundamental Principles and Rights at Work. It 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.

The due diligence process on the goods and services being purchased and is integrated into procurement. For each tender, a planning-stage risk assessment is undertaken, suppliers are asked relevant questions during the tender and, where required, will ask for evidence to substantiate the responses provided. Reference checks are undertaken with other organisations and, if applicable, suppliers will be asked to complete a Modern Slavery Questionnaire.

Human Capital Management

In 2025, the Group and its business units employ over 20,000 people. Managing a workforce of this scale requires a strong focus on employee development and engagement. Across our business units, we are building resilient teams equipped to navigate industry complexities while advancing the Group’s strategic priorities.

Management Oversight

We are committed to fostering a supportive and empowering workplace where employees can thrive

and achieve their full potential. By continuously strengthening our human capital initiatives, we address employee needs, align with industry best practices and reinforce long-term organisational resilience. Talent retention and team adaptability remain key priorities, enabling us to respond effectively to challenges while driving strategic success. The Group also works closely with operating units to identify human capital trends and address emerging challenges, ensuring a consistent and forward-looking approach to workforce development.

Policy	TOPICS			
	Workforce Ethics and Protection	Retention and Career Development	Employee Engagement	Recruitment
Modern Slavery and Human Trafficking Statement				
Anti-harassment Policy				
Human Rights Policy				
Workforce Diversity Policy				
Code of Conduct				
Media, Public Engagement and Donation Policy				

Recruiting and Retaining Talent

The Group recognises that employees are one of our greatest assets. To attract and retain top talent, we invest in global graduate programmes, offer extensive employee benefits and ensure competitive

compensation packages. By collaborating with external recruitment partners, we broaden our access to diverse talent pools and streamline the hiring process, ensuring we secure the right people for the right roles.

VPN Building the Next Generation of Field Talent



Through its Class of 2025 apprentice and trainee intake, CitiPower and Powercor have welcomed 37 recruits selected from more than 1,200 applicants to build capabilities critical to a safe and reliable electricity network for Victorians. Spanning ages 18 to 44 and diverse backgrounds—from school leavers to tradespeople and performers—the cohort will be based across regional and metropolitan locations. The intake includes six women, reflecting ongoing progress in increasing female representation in traditionally male-dominated field roles and providing the only direct pathway to join an in-house Victorian network field team.

The structured programme places recruits into operational and technical roles—overhead linework, electrical fitting, underground cable jointing, metering, design, asset inspection and No-Go Zone supervision—supported by assigned mentors for on the job learning and formal training. With more than 20 years of continuous investment, the apprenticeship programme has produced over 500 graduates and currently supports over 100 apprentices, strengthening workforce depth across regional and urban areas.



Driving Performance Review and Succession Planning

To support open dialogue and continuous improvement, the Group operates a structured appraisal system that enables two-way feedback and builds lasting employee relationships. On an annual basis, team-based reviews help align personal goals with organisational objectives while ensuring fair

and transparent compensation. This process fosters collaboration, accountability and collective success.

Business units introduce succession planning process during annual performance review to evaluate leadership pipeline and identify training needs, ensuring effective succession for key positions and equipping them with future-ready skills.

Phoenix Energy ▶ Fostering Staff Engagement for a Sustainable and Inclusive Workplace

Phoenix Energy continued to strengthen staff engagement in 2025 as part of its commitment to building a responsible and inclusive business culture. Key initiatives included hosting quarterly LIFE Committee meetings, providing a structured forum for employees at all levels to contribute ideas and drive improvements toward becoming a Great Place to Work. This led to the successful implementation of nine “You said, we did” actions in direct response to employee feedback.



This year also featured a dedicated ‘Your Voice Matters’ employee survey to gather input on the responsible business strategy and four post-event anonymous satisfaction surveys. Additionally, managers were given regular platforms to present at Management Team meetings, further promoting open dialogue and shared ownership of sustainability and workplace goals.

Tailoring Compensation and Benefits

The Group recognises the value of competitive incentives and benefits and regularly benchmark with industry best practices. Ongoing assessments of employee benefits address evolving personal

and professional needs, ensuring employees feel supported and valued throughout their careers. To promote work-life balance and inclusivity, the Group designs flexible initiatives and personalised benefits that reflect the diverse needs of its workforce including:

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.

UKPN ▶ Award-winning Health and Wellbeing

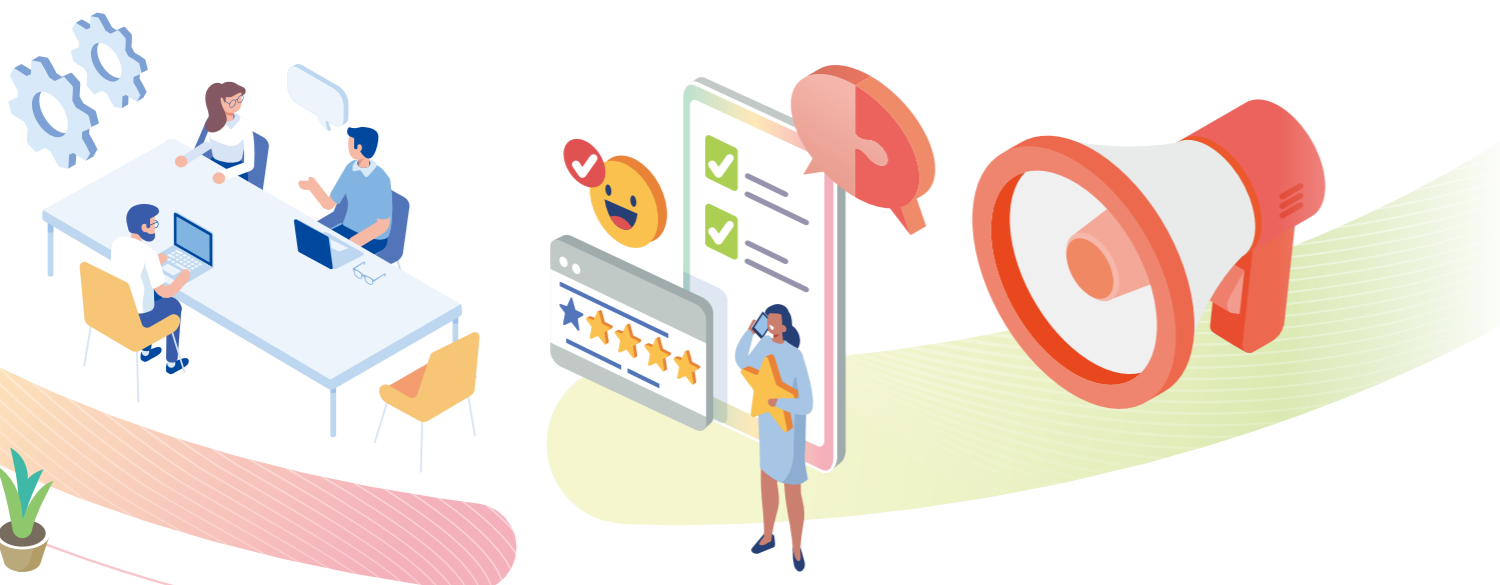
UKPN won Best Healthcare and Wellbeing Benefits–Large Employer at the 2025 Employee Benefits Awards, after being shortlisted in 2024. Its strategy blends proactive prevention with responsive support, tailored to office-based and field colleagues, including a 24/7 confidential Employee Assistance Programme (EAP), digital health tools via Pam Assist, an employer-funded Health Cash Plan for all employees and a self-insured Private Medical Trust.

Targeted mental health initiatives, inclusive policies such as six months’ full maternity pay and menopause guidance and financial wellbeing support via Nudge are complemented by location-dependent benefits like



free gyms, occupational health therapists, on-site counsellors, quiet spaces and flexible working. In early 2026, UKPN rolled out a new Equipsme health plan, providing 24/7 general practitioners access, physiotherapy, and private diagnosis/treatment to over 5,000 frontline staff, further bridging gaps in benefits support.

This balanced approach has helped UKPN ranked second in the UK’s Best Big Companies to Work For 2025 list and secure Employer of the Year (Platinum >250 employees) at the 2024 Investors in People Awards, reinforcing a safe, resilient and high-performing culture.



RPCL ▶ Promoting sense of appreciation and recognition across the Organisation



RPCL actively fosters a positive and mindful workplace culture through its Happy Soul initiative, organising activities that promote moral values, mindfulness, and focus on daily work life. Key efforts include the annual Outstanding Personal Award and Plant Equipment Ownership Annual Forum which recognises outstanding employee performance and dedication through certificates and cash reward, encouraging excellence and appreciation.



In addition, RPCL promotes well-being across the plant workforce and to support communities and culture such as the traditional water-pouring ceremony for executives to express gratitude and blessings, and regular merit-making gatherings that strengthen team spirit and social responsibility. These initiatives contribute to employee well-being, ethical awareness, and a harmonious organisational environment aligned with sustainable people practices.

and strengthen our talent development programmes to ensure alignment with the evolving expectations and needs of our workforce.

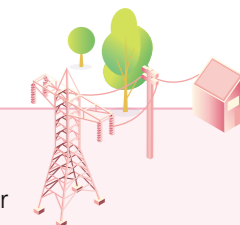
Developing Future Skills

The Group is committed to fostering an inclusive workplace that empowers employees to grow and develop. By prioritising talent learning and development, we equip our workforce with the skills, knowledge and confidence needed to thrive in a dynamic, ever-changing environment.

Our comprehensive approach to workforce development enables us not only to attract top talent but also to retain and empower employees with the capabilities required to advance the Group's long term growth. We continually review

By investing in training, mentoring, and career development—and by integrating sustainability and forward looking capabilities into these initiatives—we cultivate a highly skilled and motivated workforce ready to meet the demands of a rapidly changing industry. Guided by Just Transition principles, our efforts prioritise employee well being and professional growth, ensuring our people are equipped to contribute meaningfully to a sustainable, low carbon future.

SAPN ▶ Creating New Career Pathways into Cybersecurity

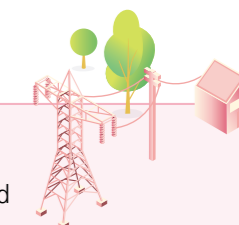


In an exciting move toward nurturing future talent, SAPN has unveiled the “Cyber Kickstart Program”, designed specifically for individuals venturing into the world of cyber security with little to no IT experience. In collaborating with the Australian Computer Society, this initiative opens doors for up to four participants who will gain practical experience alongside the cyber security team and work toward industry-recognised certifications over two transformative years.

With a focus on inclusivity, the programme invites applicants who are at least 18 years old, Australian citizens or permanent residents and hold a senior secondary certificate. By empowering aspiring professionals, SAPN aims to bridge the talent gap in South Australia and inspire a new generation of skilled cyber security experts, ensuring a more secure digital future. This initiative reveals a commitment not only to the industry but to nurturing the next wave of leaders who will navigate and protect the digital landscape.



UKPN ▶ Supporting Military Talent



UKPN is strengthening its workforce and community ties through structured work experience programmes for service leavers and veterans. Designed to support a smooth transition into civilian careers, the initiative offers hands-on exposure to the power industry, mentoring and the opportunity to develop transferable skills—delivered in collaboration with military organisations.

By collaborating with military organisations, UKPN not only supports the professional journeys of these brave individuals but also enriches its own workforce with their diverse perspectives and invaluable expertise. This programme resonates with the Company's heartfelt mission to support ex-service personnel as they navigate their new career paths, embodying a commitment to inclusivity and community engagement.

Through these meaningful initiatives, UKPN fosters a culture that genuinely appreciates and values the unique contributions of military talent. This compassion not only enhances operational effectiveness but also strengthens the power network for all. Ultimately, UKPN's dedication to these heroes creates a brighter, more connected future.

Health, Safety and Wellness

Health, safety and well-being are fundamental to our operations, protecting employees and contractors, ensuring business continuity and maintaining the integrity of our services. By promoting a safe and healthy workplace, we reduce the likelihood of accidents and injuries, minimise disruptions and sustain productivity. Beyond physical safety, employee well-being encompasses a holistic focus on mental, emotional and physical health. Prioritising well-being fosters higher morale, stronger engagement and improved retention, enabling employees to perform at their best while feeling fully supported.

Management Oversight

The Group is fully committed to advancing health and safety across all business activities. We continuously monitor, evaluate and enhance our health and safety practices to provide a secure environment for employees, contractors, customers and stakeholders. Our goal is to achieve zero accidents among employees and contractors while ensuring a safe and reliable supply of energy for customers and the public.

Throughout the year, internal and external audits are conducted across business units to drive continuous improvement and safeguard stakeholders from potential harm. Health and Safety Committees play a critical role in overseeing risk assessments and managing operational

safety. At the Group level, biannual Health and Safety Management Meetings are held to review performance and provide updates. All work-related injuries, including fatalities, are recorded. Relevant procedures are disclosed, and preventative measures are implemented to avoid recurrence, ensuring a safer workplace for all employees.

To uphold this commitment, the Group actively:

Regular Safety Audits and Risk Assessments



Conduct regular safety audits and risk assessments to identify hazards and implement preventative measures

Training and Awareness Programmes



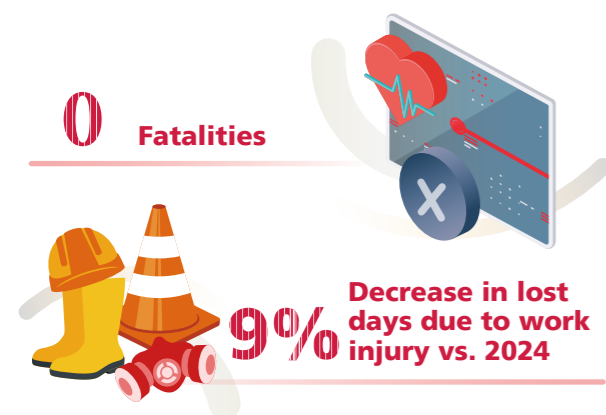
Deliver continuous training and awareness programmes to strengthen safety knowledge and preparedness among employees and contractors

Workplace Wellness Initiatives















Implement workplace wellness initiatives that support employees' mental, physical and emotional well-being, reinforcing a holistic approach to health at work

Our Employee and Non-Employee's Health and Safety Performance in 2025



The Group's Health and Safety Policy demonstrate top management's commitment and provides a framework of minimum safety standards that all operating companies must implement, in compliance with applicable legal requirements. The Group also encourages its associates, suppliers, contractors, business partners and, where relevant, customers to observe the practices outlined in this policy, ensuring they feel protected, supported and empowered to perform at their best. The Group complies with health and safety certification standards such as OHSAS18001 and ISO 45001 and legal requirements in the countries where we operate and have implemented robust Health and Safety Management Systems to maintain safe working conditions that go beyond regulatory obligations.

Policy	TOPICS		
	Health and Safety	Employee Well-being	Workplace Conduct and Protection
Anti-harassment Policy			
Human Rights Policy			
Sustainability Policy			
Health and Safety Policy			
Workforce Diversity Policy			
Code of Conduct			

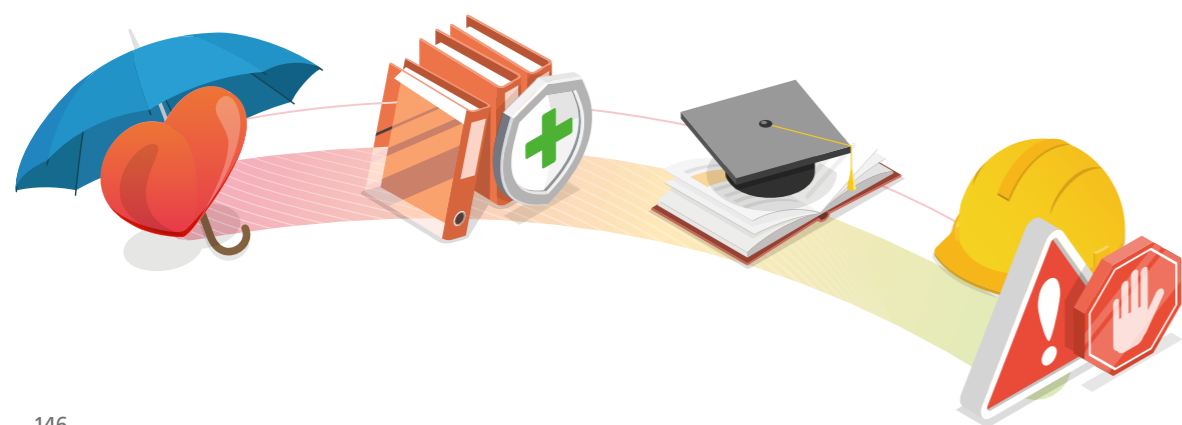
Fostering a Safe and Secure Workplace

To uphold the highest standards, we provide role specific training and safety awareness programmes that build knowledge, strengthen preparedness and mitigate workplace hazards. These programmes

cover emerging health and safety trends, occupational health and emergency response, ensuring all personnel—employees and contractors alike—are equipped with the skills and awareness to work safely and responsibly.

Business Units' Targets & Initiatives by Industry Portfolio

Business Units	Details of Targets	Progress in 2025
Electricity Generation, Transmission & Distribution		
UKPN	Engage 300,000 people per year during RIIO-ED2 on safety issues, focusing on those at highest risk of harm from our networks (vs. 250,000 people per year during RIIO-ED1)	Engaged with over 1.37 million people through our website, school visits, and other interactions with young people and the public in 2024/2025
United Energy	Zero fatalities by 2026	0 fatalities
VPN	Zero fatalities by 2026	0 fatalities
Gas Transmission & Distribution		
NGN	Attain 0.04 lost time injuries (LTI) for employees and contractors	0.04



Power Assets, together with CK Infrastructure co-hosted the 2025 Health and Safety Conference in September to share advance safety standards and innovative practices across our business units. This conference brought together industry leaders, safety experts and stakeholders to discuss key challenges and opportunities in health and safety management.



CKI / PAH 2025 Health & Safety Conference



The event also emphasised the critical role of management in preventing accidents by fostering a strong safety culture, ensuring transparent communication, providing adequate training and resources. Effective management ultimately sets the tone for safety practices, encouraging every team member to engage actively in maintaining a safe work environment. Participants of the conference also shared successful case studies and strategies that have effectively reduced incidents and improved overall safety performance and risk mitigation practices.

Jinwan ▶ Eliminating Inherent Hazards



Jinwan Power Plant has taken proactive steps to eliminate the inherent hazards associated with handling, transporting and storing liquid ammonia by replacing it entirely with urea. Liquid ammonia is highly hazardous, posing risks such as severe burns, respiratory distress and environmental damage. Its volatility can lead to toxic gas releases, resulting in greater needs in safety for proper handling and storage.



The retrofit was completed and put into commercial operation at the end of December 2024, resulting in stable operations that meet all mandatory requirements under maximum output conditions. Before this project, the plant consumed 1,182 tonnes of liquid ammonia in 2024. In 2025, following the replacement, no liquid ammonia has been used, while urea consumption was 2,782 tonnes. This significant shift greatly reduces the hazard level at Jinwan Power Plant, enhancing safety for both workers and the surrounding community.

EDL ▶ Introducing Blackline Safety Initiative



EDL has in place a Blackline Safety Initiative in line with updates to the Remote and Isolated Worker Procedure, strengthening their commitment to protecting the health and safety of their people. Lone work and travel are among the highest-rated risks across EDL's operations globally and introducing the mandatory use of Blackline technology has been a valuable step toward managing this risk and ensuring that every team member returns home safe and well each day.

Blackline has delivered measurable safety improvements and continues to prioritise well-being and foster a strong safety culture. By investing in innovative safety technology, EDL demonstrates its continuous improvement commitments to both social responsibility and operational excellence. Next, EDL will leverage data insights from the platform to spot trends and drive continuous improvement in safety performance.

Devices have been deployed across the global operational sites supported by comprehensive training and full integration with existing safety systems. The updated Remote and Isolated Worker Procedure sets clear requirements for use, check-ins, escalation and responsibilities, ensuring consistent adoption and confident execution across teams.

Blackline's advance features



enable immediate identification of potential hazards and incidents.

How it works?

When an alert is triggered, monitoring teams respond rapidly, helping to prevent serious incidents and strengthening EDL's emergency response capability. This proactive approach not only enhances operator safety but also offers reassurance to employees and their families.

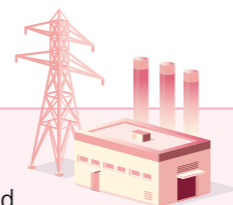
Promoting Safety Measures for Contractors

Our dedication to safeguarding contractors' health and safety is integral to our operation. The Group's business units have implemented a comprehensive approach to contractor safety management, incorporating key initiatives to ensure a safe working environment. Key aspects include but not limited to the following:



By implementing these initiatives, the Group aims to foster a culture of safety that benefits all stakeholders involved. In addition, our business units also mandate high contractor safety standards by aligning their safety management systems with international ISO standards and local government guidelines. This commitment to safety not only enhances operational efficiency but also builds trust and confidence among our investors.

HK Electric ▶ Implementing a Comprehensive Contractor Health and Safety Handbook



To strengthen safety performance across electricity generation, transmission and distribution of electricity, and power system development projects, HK Electric implemented a Contractor Handbook that sets clear expectations for work on construction sites, including but not limited to Lamma Island and Hong Kong Island. The Handbook provides practical guidance for contractors on health and safety, environmental protection, quality assurance and housekeeping and security.

Designed as a working guide during contract execution, the Handbook complements contract-specific requirements and statutory obligations. The approach centres on contractor-led safety management that is tailored to real-world conditions.

Contractor site management is expected to:

- 

Develop site-specific work instructions and safe working procedures aligned to the actual environment and operations.
- 

Establish a safety management system and precautionary measures for identified risks.
- 

Provide workers with clear information, training and supervision to ensure understanding and compliance with procedures.

By clarifying requirements and embedding site-specific safety planning, HK Electric’s model aims to prevent accidents, uphold regulatory compliance and integrate environmental and quality considerations into daily operations. This framework supports a consistent safety culture across diverse project locations while empowering contractors to take accountable, proactive control of risk management.




Implementing Employee Well-being Initiatives


Employee well-being is a central focus for the Group, encompassing not just physical safety but also mental, emotional and overall workplace health. By adopting a holistic approach, we ensure that employees feel supported, valued and equipped to be resilient, enabling them to perform at their best while maintaining a healthy work-life balance.

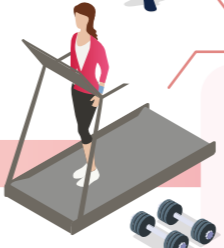
We cultivate strong relationships with employees and their representative bodies to foster a positive and inclusive culture. We promote flexible working


arrangements and offer comprehensive, life-stage-appropriate benefits that adapt to evolving needs, enhancing both well-being and organisational resilience. Safeguarding the health, safety and well-being of our people is embedded in the Group’s core values. Through structured programmes and continuous support for mental, physical and emotional health, we create an environment that drives engagement, productivity and overall job satisfaction.

To uphold these commitments, our business units implement the following employee well-being initiatives:

- 




Mental Health Support
Offer employee assistance programmes, counselling services and stress management workshops
- 

Flexible Work Arrangements
Support remote work, hybrid schedules and adaptable benefits to accommodate employees at various life stages
- 

Physical Wellness
Promote workplace health initiatives, fitness programmes and preventive healthcare services
- 

Emotional Well-Being
Foster an inclusive and supportive culture through peer support networks, leadership training and wellness campaigns

Business Units’ Targets & Initiatives by Industry Portfolio

Business Units	Details of Targets	Progress in 2025
Electricity Generation, Transmission & Distribution		
United Energy	Achieve 75% employee satisfaction in the well-being and mental health section of the Employee Opinion Survey (EOS) by 2026	89% 
VPN	Achieve 75% employee satisfaction in the well-being and mental health section of the EOS by 2026	85% 
Gas Transmission & Distribution		
NGN	Deliver mental health training for all colleagues by 2026	386 colleagues participated the training 

Across the Group, mental health is being brought to the fore as an everyday commitment. We are normalising check-ins and building practical support—through conversations that spark change and systems that identify psychosocial risks early. Together, these efforts strengthen connections, encourage people to speak up and create safer, more supportive workplaces.

Strengthening Connections

Champion Mental Health Awareness



AGIG ► R U OK?

R U OK? Is a national suicide prevention charity that encourages people to stay connected and have conversations that may help others through a difficult time. R U OK? Day at AGIG with an important reminder: these conversations matter every day, not just once a year.

They shared the history behind the R U OK? movement, the power of small moments and why checking in can make a big difference. They also heard from a social impact workwear brand, whose bold “Conversation Starter” shirts are helping break down barriers and normalise vulnerability and mental health discussions in workplaces across Australia.

EDL ► Powering Mental Health Awareness and Systems of Support

EDL is embedding mental health into its safety culture, including opening conversations through the R U OK? Day initiative. With one in two Australians expected to face a mental health challenge (Beyond Blue), the Company is prioritising early support and peer check-ins.

Key actions include integrating mental health into the Health and Safety Policy, adding mental health and wellbeing questions to the safety and culture survey, establishing a psychosocial risk register and enabling employees to log mental health-related hazards and incidents through upgraded reporting tools. EDL is also introducing a new procedure and reporting guideline to identify and manage psychosocial risks, such as stress, fatigue and bullying.



- The message was clear:
- ✓ Ask the question
 - ✓ Listen without judgment
 - ✓ Encourage action
 - ✓ Check in

Diversity, Equity and Inclusion

Diversity, Equity and Inclusion (DEI) means fostering a workplace where diverse perspectives, experiences and identities are acknowledged, respected and valued. By ensuring equitable access to opportunities and promoting an inclusive environment, the Group cultivates a culture in which all employees feel supported and empowered. This commitment underpins our efforts to remove barriers, address systemic challenges and create a strong sense of belonging.

By aligning our decarbonisation efforts with Just Transition principles, we ensure that the social impacts of change are recognised and addressed, creating a pathway to a more inclusive and sustainable future.

Management Oversight

The Group is dedicated to cultivating a workplace culture rooted in inclusion and respect across all business units. In 2023, we became a signatory

of the Racial Diversity and Inclusion Charter for Employers, reaffirming our commitment to advancing racial diversity and fostering inclusive policies, practices and environments. Our focus on DEI ensures that individuals from all backgrounds and perspectives are valued and empowered to make meaningful contributions, supporting both organisational success and alignment with the communities we serve.

Our Workforce Diversity Policy establishes a framework to guarantee equal opportunities in recruitment, career progression and training. DEI is embedded in our operations through regular ESG committee reviews and active employee engagement, enabling us to identify gaps, implement targeted initiatives and strengthen understanding of workforce diversity through DEI training. Key priorities include monitoring gender pay equity and ensuring fair employment practices, reflecting our commitment to tangible progress in building an inclusive workplace.

Policy	TOPICS		
	Diversity	Equity and Inclusion	Gender Diversity
Anti-harassment Policy			
Human Rights Policy			
Sustainability Policy			
Health and Safety Policy			
Workforce Diversity Policy			
Code of Conduct			

Fostering Awareness, Promoting Gender Diversity and Engaging First Nations

The Group’s DEI strategy is built on three key pillars: inclusion awareness, employee engagement and gender diversity, with a strong emphasis on First Nations inclusion. Through targeted initiatives, we aim to enhance equity, strengthen engagement and ensure representation at all levels of the organisation.

Our goal is beyond compliance and aims to create a workforce that reflects the communities we serve,

making inclusivity a shared responsibility. Our programmes equip employees and leaders with the tools to embrace diversity, integrate equity into daily practices and foster inclusive behaviours.

We promote inclusion awareness through training and internal communications, while collaborative platforms encourage employees to actively engage in DEI initiatives. Additionally, we support gender diversity through dedicated initiatives. Together, these efforts create an environment where employees at all levels can thrive and make meaningful contributions.

Business Units’ Targets & Initiatives by Industry Portfolio

Business Units	Details of Targets	Progress in 2025
Electricity Generation, Transmission & Distribution		
UKPN	Retain National Equality Standard (NES) accreditation and status as a Top 50 Inclusive Employer throughout RIIO-ED2	Have been in the Top 10 of the list since 2019
United Energy	Reach 27% females in employment and 15% in management roles by 2026	32% and 21% respectively
VPN	Reach 25% females in employment and 22% in management roles by 2026	22% and 24% respectively
Gas Transmission & Distribution		
NGN	Reduce Gender Pay Gap by 50% by 2026 from 2020	Gained a full understanding of gender pay gap in order to enable achievement of target for end RIIO-GD3 (2031)
AGIG	40% female representation in workforce by end 2027	35% overall female workforce representation
	40% female representation in senior leaders category by end 2030	33% female representation at a senior management level

The Group’s energy companies in Australia and Canada are demonstrating their commitment to reconciliation with First Nations peoples through innovative programmes that promote cultural understanding, economic empowerment and career transition, embedding respect into everyday operations.

Strengthening Bonds

Innovative Approaches to

First Nations Engagement



Canadian Power ► Committing to Reconciliation and Community Engagement with First Nations

Canadian Power aligns with the Truth and Reconciliation Commission’s Call to Action 92, prioritising meaningful consultation and respectful relationships and seeking free, prior and informed consent before development. The Company broadens access to jobs, training and education for Indigenous peoples, while equipping employees with learning on history, the legacy of residential schools, intercultural competency and human rights.

VPN ► Supporting Health and Wellbeing Equality for First Peoples

Through its Reconciliation Action Plan and DEI Strategy, VPN is creating opportunities for First Nations peoples via procurement, employment and skills development. To mark National Close the Gap Day, VPN partnered with the Clontarf Foundation to host young First Nations participants from Ballarat and Warrnambool—sparking interest in its First Nations Pre-Apprenticeship Programme and supporting long-term social and economic outcomes.

The students had the chance to:

- Hear from First Peoples within VPN’s business
- Test their skills putting on bolts with G&B gloves and sleeves
- Experience an elevated work platform ride—a definite highlight for the group

EDL ► Initiating Sustainability Transition in Community

EDL has launched its third Reconciliation Action Plan (2025-2027 Innovate), strengthening its long-term commitment to Aboriginal and Torres Strait Islander peoples. Guided by EDL’s SPIRIT Values and DEI programme, the plan sets practical actions across respectful engagement, cultural learning, economic participation and advocacy. A commissioned artwork by Mayi artist Leah Cummins (Bunya Designs), co-created with employees during National Reconciliation Week 2024, depicts journey lines, waterways and mountains that symbolise walking side by side—a strong representation of EDL’s approach to reconciliation and partnerships.



From classroom sparks to frontline leadership, women are stepping into engineering and reshaping our energy future. Through partnerships that ignite interest, role models who inspire confidence and practical pathways that remove barriers, we're opening doors—and the impact is felt in safer networks, smarter solutions and stronger communities.

Breaking Barriers

Advancing Women's Participation in Engineering



SAPN ▶ Advancing Women's Participation in STEM-related Field

SAPN is widening access through the University of Adelaide's Women in STEM Careers Programme, Women in Engineering panels and career expose to early outreach such as a STEM session at St Aloysius College that engaged over 80 Year 6 girls with hands-on problem-solving and the social impact of engineering. These efforts are translating into tangible change with SAPN now employs 60 women in engineering roles, including five undergraduates and nine leaders—up from just one female engineer in 1999—driving inclusion and capability across the business.

UKPN ▶ Strengthening Gender Diversity Across Operations

Women at UKPN are leading high-stakes operations and system control. One area manager oversees more than 120 field staff, maintaining supply during incidents such as a 65-foot sinkhole. The Company's first female 132 kV control engineer—now the sector's only female emergency planning manager—monitors risks across a 190,000-kilometre network and coordinates round-the-clock responses to major events.

A female led AI tool has also identified over 200 cable repairs, prevented 17 million minutes of power cuts and saving more than £10 million. Another colleague is expanding the flexibility market, securing 44 MW—enough to power 142,000 homes for an hour and driving the clean energy transition.

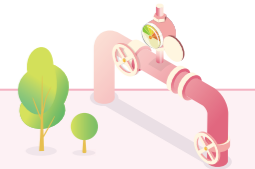
Their contributions extend beyond real time operations, helping shape UKPN's digital future and the broader energy transition.



Driving Inclusion Through Employee Participation

The Group is building an inclusive culture through robust policies and practices, active employee engagement and a clear focus on gender diversity. By amplifying underrepresented voices and creating channels for meaningful participation, it enables employees to grow, contribute and realise their potential. This commitment strengthens workplace fairness, unlocks innovation and resilience and delivers long-term value for the Group and the communities it serves.

WWU ▶ Advancing Inclusion, Equity and Diversity



WWU accelerated its Inclusion, Equity & Diversity Strategy—levelling up policies and removing barriers to entry. Enhancements included paternity leave, time off for fertility treatment, an inclusion policy for all colleague events and strengthened financial well-being support. Recruitment was made more accessible by removing non-essential academic requirements, simplifying applications (including telephone options), sharing interview questions in advance and working with the Accessibility Network to reduce barriers.

Inclusion is now part of everyday leadership and team practice. WWU delivered inclusion awareness to an additional 30 colleagues in 2025, embedded EDI into management training and continues with a monthly nudge series to support our leaders manage high performing teams. A new high performing teams module reached 135 senior leaders via the Inspire programme, with a focus on upskilling our senior leaders leadership skills. Through the Women's Inclusion Network, mentoring and development partnerships expanded and free period products were made available across all sites. The Aspire programme continued from the previous launch year with a near 50/50 male-female cohort, with 30 colleagues trained—tangible progress towards a fairer, more inclusive culture.

More widely, WWU continued to strengthen colleague voice through the expansion of our colleague networks. The business now has four established colleague networks – the Women's Inclusion Network, Accessibility Network, Future Generations Network and the Men's Health & Wellbeing Network. Each network is supported by senior sponsorship and plays an active role in shaping inclusive decision-making, reinforcing inclusion as a shared responsibility across the business. Investment into Wellbeing continues and WWU is seeing greater engagement with the EAP and other support resources more than ever before, demonstrating that these resources are appropriate, helpful and that colleagues feel psychologically safe to access help when they need it.



Addressing Gender Pay Gap

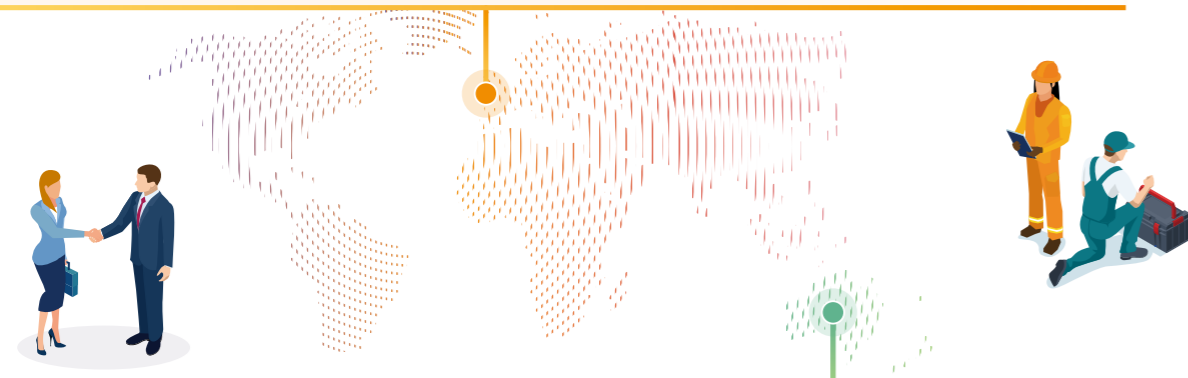
Closing the Gender Pay Gap (GPG) is essential to achieving workplace equality. The GPG compares the average earnings of women and men across an organisation and is influenced by factors such as representation in senior roles, industry norms and structural barriers to career progression. This differs from an equal pay comparison, which focuses on ensuring that men and women are paid equally for performing the same or similar jobs.

These reviews help identify underlying drivers, meet regulatory reporting requirements and inform targeted actions to reduce gaps over time. Interventions may include improving hiring and promotion processes, supporting returners and caregivers, expanding mentoring and sponsorship and building diverse talent pipelines for leadership roles. By monitoring progress and holding leaders accountable, we aim to strengthen pay equity and create an environment where all employees, regardless of gender, have equal opportunities to develop, advance and succeed.

To better understand and address disparities, our business units conduct regular GPG analyses.

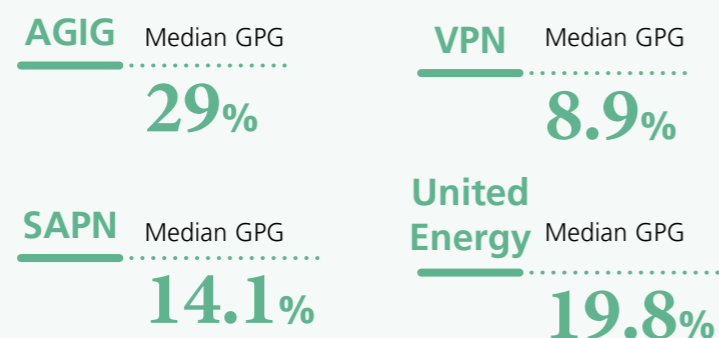
Overview of GPG Analysis in UK Businesses

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



Overview of GPG Analysis in Australia Businesses

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



Community Engagement and Development

The Group recognises that a successful energy transition hinges on meaningful community engagement. We build enduring partnerships and engage early and often with local communities to foster shared responsibility and ownership of the transition. This collaboration raises awareness, strengthens social licence and co-designs solutions tailored to each community's needs and climate adaptation challenges.

Our commitment extends beyond consultation. We actively seek to understand and elevate the voices of those most affected, ensuring their perspectives inform our strategies and decisions. Through inclusive dialogue, we prioritise empowerment and collaboration, advancing environmental objectives while enabling a fair, low-carbon future that benefits all while promoting sustainable growth and community resilience.

Supporting Vulnerable Customers

The Group adopt a balanced approach that integrates environmental, social and economic priorities across all aspects of our operations.

Recognising the increasing pressures faced by low-income households, particularly amid rising energy costs and broader economic challenges, the Group is dedicated to ensuring affordable energy access during the global energy transition, leaving no one behind. In practice, our business units have introduced a range of targeted programmes to support those in need. These include one-off subsidies to alleviate immediate financial pressures, customer support funds for additional assistance, concessionary tariff schemes to improve energy affordability and green education campaigns that empower households to adopt sustainable energy practices.

Business Units' Targets & Initiatives by Industry Portfolio

Business Units	Details of Targets	Progress in 2025
Electricity Generation, Transmission & Distribution		
UKPN	Provide information and help to 500,000 vulnerable customers over RIIO-ED2 to ensure no one is left behind in the changing energy system, at no cost to customers	Supported 154,186 vulnerable customers
	Improve support to disadvantaged and vulnerable customers, ringfencing £5 million of Network Innovation Allowance investment over the RIIO-ED2 period to focus in these areas	£2.8 million was spent on innovative solutions to support vulnerable customers
Gas Transmission & Distribution		
NGN	Provide over £1 million of regulatory and shareholder funding annually to support vulnerable customers and communities by 2026	Funded over £1.3 million of projects through shareholder funded Hardship Funds and Community Partnering Funds across RIIO-GD2
AGIG	Support customers in vulnerable circumstances	Additional 298 customers registered for Priority Services Program in 2025, a total of 421 since the launch of the programme in 2023

Empowering vulnerable customers is essential in addressing fuel poverty and promoting an inclusive energy future. UKPN recent initiatives focus on ensuring access to reliable energy, providing necessary support and expanding priority services. These efforts aim to create a fairer energy landscape, ensuring that no one is left behind in managing energy costs.



UKPN Empowering Vulnerable Customers

Helping Vulnerable Customers from Fuel Poverty

UKPN is committed to supporting vulnerable customers through its SHIELD initiative, designed to combat fuel poverty. This programme provides essential assistance to those most at risk, ensuring they have access to reliable energy and the support needed to manage their energy costs effectively.

and affordability. The initiative not only focuses on immediate support but also promotes long-term solutions to enhance energy resilience. Through these efforts, UKPN is actively working to create a fairer energy landscape, ensuring that all customers, regardless of their circumstances, can access the energy they need without undue financial strain.

By collaborating with local organisations and community partners, UKPN aims to identify and assist individuals facing financial hardship, helping them navigate challenges related to energy use



Building a Fair and Inclusive Energy Future

UKPN is committed to delivering a fairer, more accessible energy future and published 2024-2025 Annual Vulnerability Report outlines the work the Company is doing to support vulnerable customers.



Supported **103,168**

fuel poor customers, which included personalised one-to-one interactions, energy advice for those in or at risk, fuel vouchers, winter warm packs and more

A record number of **154,186**

customers were supported in the transition to net zero, through home energy audits, smart parks, grant application support, energy efficiency advice, etc.

3.1 million

households are registered to the PSR (93.5% of eligible households in the area, +21.3% on 2023/2024). UKPN also maintained the industry leading PSR customer satisfaction score of 93.5%

As UKPN prepares for future challenges, their goal is to support 500,000 fuel-poor households and expand the PSR to three million customers by 2028 which now the target has already been exceeded. This reflects their ongoing dedication to fostering an inclusive energy system that leaves no one behind.

RPCL ▶ Bringing Health to Your Doorstep



In collaboration with 13 nearby sub-district health centres, RPCL launched the Mobile Clinic Initiative to address healthcare needs, especially in eye and ear health. The project ensures better access to essential healthcare services and promotes well-being. RPCL funds 13 sessions annually, one for each participating centre, benefiting around 1,500 villagers per year. Together, RPCL is not just providing care; they are nurturing healthier, happier communities, one smile at a time.



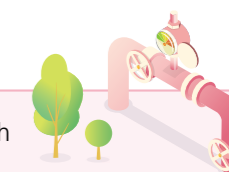
Phoenix Energy ▶ Building Thriving Communities

Phoenix Energy puts thriving, connected communities at the heart of its purpose. Through the Phoenix Community Fund, the Company backs local charities and groups across its licensed area with small grants that make a big difference—supporting projects that reduce social isolation, remove barriers to inclusion and promote equality. In 2025, the fund contributed to 11 Biodiversity and Community initiatives including the opening of a new SenseNI hub, a leading disability charity who offer personalised, creative and flexible support for disabled people at every stage of life. The fund also supported

Together 21 by enabling a Pumpkin Patch event specifically designed for children with Down Syndrome, offering them opportunities to attend Halloween activities.



Other funding opportunities included providing a weekly, home cooked hot meal to socially isolated residents in a deprived area of Belfast and a biodiversity initiative to provide funding for a herbal hedge within the community garden of the North Belfast Women's Initiative & Support Project. These activities allow those in grassroots organisations to make a real difference to their communities.



UK Renewables Energy ▶ Driving Community Support Through Wind Farm Contributions

In 2025, the five utility scale windfarms of UK Renewables Energy provided in excess of £0.55 million in community benefit contributions through its Community Benefit Fund and Local Electricity Discount Scheme. Community benefit contributions supported local sporting clubs, Parish Councils, local memorials, sports facilities and village town halls. The Medium Scale Wind assets also paid £34,000 into local community funds over 2025.



Empowering Energy Efficiency Adoption

In line with our commitment to a sustainable future, the Group supports customers in enhancing energy efficiency as they transition to low-carbon living. Our goal is to empower individuals and households with the skills, resources and confidence to make informed energy choices. These initiatives not only reduce energy costs for customers but also promote sustainable lifestyles and awareness in energy

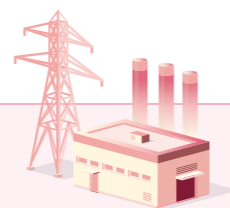
efficiency, reflecting our dedication to community well-being and advancing global sustainability objectives.

Our business units implement a variety of programmes that leverage digital innovation to drive energy efficiency. These include conducting energy audits, providing guidance on reducing energy, sharing tips for optimising appliance usage and equipping customers with the knowledge to adopt energy-efficient technologies.

Business Units' Targets & Initiatives by Industry Portfolio

Business Units	Details of Targets	Progress in 2025
Electricity Generation, Transmission & Distribution		
UKPN	Proactively provide low carbon technologies (LCTs) and energy efficiency information to 1.4 million of its customers located within zones earmarked for electrified heating by 2028	Delivered over 138,152 proactive communications to customers as a result of having an LCT installed e.g., charge point and heat pump in 2024/2025
HK Electric	Conduct 1,000 energy audits and provide subsidies for 500 buildings between 2024 and 2028	Completed 426 audits under Smart Power Energy Audit in 2025, particularly for NGOs, schools and Small and Medium Enterprises. Approved subsidies for 354 buildings from 2024 to 2025
	Help 500 businesses switch to energy-efficient electrical equipment for their operations during 2024 and 2028	199 businesses have been supported to adopt energy-efficient electrical equipment for business operations from 2024 to 2025
	Support 100 construction sites to use grid-electricity supply to replace diesel generators during the period from 2024 to 2028	40 construction sites have been supported to adopt grid-electricity supply to replace diesel generators from 2024 to 2025

HK Electric ▶ Raise Community Awareness of Energy Efficiency and Conservation

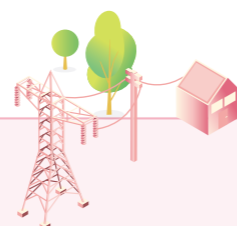


HK Electric has reimagined its Smart Power Gallery into a dynamic “2.0” experience—blending smart technology, playful learning and hands-on workshops to inspire action across the community, from curious students to committed sustainability champions. The aim is simple and compelling: empower Hong Kong along the journey towards a smart zero-carbon caring city.

Showcasing real-world initiatives—from energy management and electrified construction sites to EV charging and all-electric lifestyle programmes—the

Gallery turns complex energy topics into practical steps people can take at home, at work and in their neighbourhoods. It’s an engaging platform that demystifies green energy and builds momentum towards Hong Kong’s 2050 carbon-neutrality goal.

United Energy ▶ Responding to First Nation Peoples’ Energy Needs



Operating on Wurundjeri and Bunorong/Boonwurrung Countries, United Energy is engaging directly with First Peoples to better understand energy experiences and priorities. The Company has met with community members, local organisations and Registered Aboriginal Parties and contributed to the First Nations Clean Energy Strategy roundtable. Established in 2023, the First Peoples Advisory Committee (FPAC) advises the networks on engaging with First Peoples customers, providing insight and feedback on proposals and initiatives.



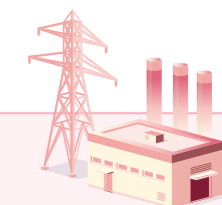
United Energy has accepted FPAC’s recommendations and incorporated them into its final proposal to the Australian Energy Regulator (January 2025). Actions include upgrading and operationalising the Customer Assistance Package with a community energy literacy programme and a First Peoples 60+ energy programme, continuing direct engagement to stay responsive to evolving needs and providing regular updates to FPAC for ongoing feedback. The focus is clear: co-design solutions, improve access and affordability and ensure services reflect community priorities.

Fostering Knowledge Exchange

In our commitment to sustainable development, the Group and its business units prioritise knowledge exchange initiatives that enhance awareness of green practices and technologies. By fostering

collaborations with diverse communities, we empower individuals and organisations to adopt sustainable solutions, driving innovation while promoting environmental stewardship and mutual growth for a more sustainable future.

HK Electric ▶ Embarking on First Green Energy Study Tour Proves Eye-opening



HK Electric’s “Happy Green Campaign” has successfully accomplished its first-ever study experience beyond Hong Kong, with 18-member delegation joining the “Green Energy Study Tour” in Chengdu, Sichuan to learn and explore. This incredible journey included visits to the State Grid Sichuan Electric Power Company, where participants discovered how innovative technology is utilised to transmit green energy from the north-western part of Chinese Mainland to the eastern territories. Delegates explored the Sichuan Electric Power Digital Museum and Research Institute to learn about the latest advancements in energy transition, including the development of smart grid infrastructure.

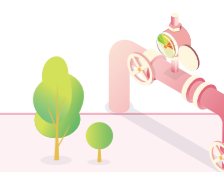


Sichuan, being the country’s largest hydropower base, plays a crucial role in advancing green energy initiatives, making this visit even more insightful. One of the tour’s highlights was the breathtaking Dujiangyan Irrigation System, a UNESCO World Heritage Site that offers a glimpse into ancient water management wisdom.



In addition to these enlightening visits, the delegation also engaged in meaningful exchanges with students at The Experimental School Attached to Sichuan Normal University, fostering collaboration and cultural understanding. To top it off, they enjoyed cultural experiences at the Giant Panda Base and local museums, immersing themselves in the rich ecology and heritage of the region.

AGIG ▶ Advancing Renewable Gas through Partnerships and Knowledge Sharing



AGIG is strengthening Australia’s renewable gas transition by convening industry, government and research partners to accelerate innovation and deployment. Through active memberships, sector forums and guided visits to HyP South Australia, AGIG demonstrates safe hydrogen production and blending, shares practical insights and builds stakeholder capability and confidence.



In addition, AGIG actively supports research and engagement across future fuels through its participation in the Future Fuels Cooperative Research Centre (which concluded in 2025), and as a founding member of Gas Infrastructure Research Australia, established in 2025 to continue industry-led research.

Engaging Communities and Investing in Initiatives

The Group operates on the principle that infrastructure should enhance the well-being of the communities it serves. By prioritising both engagement and investment, we aim to create lasting, positive impacts that address local and diverse stakeholders' needs and build trust.

Investing in future generations is central to achieving a sustainable and inclusive future.

This approach addresses immediate community needs while empowering individuals to thrive in a rapidly changing world. The Group leverages technology and innovation to deliver impactful community investment initiatives. Programmes focus on education that enhances understanding and appreciation of nature, encouraging sustainable practices and fostering environmental stewardship. Through volunteering and tailored programmes, employees actively contribute to initiatives that benefit local communities, strengthening connections and fostering a sense of shared purpose.

Business Units' Targets & Initiatives by Industry Portfolio

Business Units	Details of Targets	Progress in 2025
Electricity Generation, Transmission & Distribution		
United Energy	Involve 1,000 customers in energy literacy programmes by 2026	160,381 customers participated
VPN	Involve 2,000 customers per annum participate in energy literacy programmes by 2026	78,986 customers participated
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	38 engagement activities have been arranged from 2024 to 2025
Gas Transmission & Distribution		
AGIG	Invest in the community through our Community Partnerships Programme (CPP)	Ongoing support of 2025 Flagship and Community partners. Awarded 12 th place in The Good Company, Top 40 Best Workplaces to Give Back

Resources Contributed to Community Investments

Focus Area	Hours Contributed (hours)	Amount of Money Donated (HK\$'000)
Education	7,190	7,333
Environment	3,348	128,913
Labour needs	59	19
Health	4,486	10,323
Culture	220	2,508
Sport	50	13,583
Others (e.g., chronic disease, awareness, coastal conservation, vulnerable communities and animal care)	14,906	3,975

HK Electric has long been committed to low-carbon power generation and promotion of sustainable development. Through its 'Happy Green Campaign', which has been running for over 20 years, the Company encourages the public and younger generations to embrace energy efficiency, RE and low-carbon lifestyles.

HK Electric Igniting Culinary Creativity



The 24 shortlisted teams competing live at the International Culinary Institute's all-electric kitchen. Participants experienced the eco-friendly, quiet and comfortably cool environment of low-carbon cooking, while transforming surplus ingredients into creative and sustainable gourmet dishes.

HK Electric also tackles food waste internally by encouraging staff to pre-order meals and ensuring proper recycling. Specially curated meal options made from locally sourced ingredients are also made available at staff canteens to promote low-carbon dining while reducing carbon footprint.

As reducing food waste is one of the key drivers of reducing carbon emissions, the campaign organised the "All You Can Cook" Culinary Competition to encourage Hong Kong citizens to unlock their culinary creativity by fully utilising subtle traces of unused leftover food in the kitchen and thoughtfully transforming them into delicious dishes.



AVR ► Advancing Social Responsibility Through the Social Enterprise Performance Ladder



AVR has demonstrated its social responsibility by supporting people with a vulnerable position in the job market. The Company uses Social Enterprise Performance Ladder (PSO), the scientifically substantiated quality mark of TNO (Dutch Research Organisation) that recognises employers who create opportunities for people at a distance from the labour market, including individuals with disabilities, long-term unemployed people and those who need additional guidance.

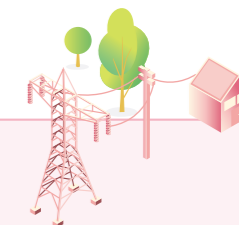
In 2025, AVR successfully advanced from Step 1 to Step 2 on the PSO. This achievement highlights that social entrepreneurship at AVR is not merely a badge; it represents a structured, measurable commitment to inclusion by providing meaningful work opportunities for individuals with limited access to the labour market.

By leveraging the PSO framework, AVR encourages suppliers and contractors to adopt socially responsible practices, while customers also promote PSO requirements throughout their networks, including AVR. To ensure accountability, an independent verifier, DEKRA, is engaged to confirm that AVR's social entrepreneurship practices are not only documented but effectively implemented.

Additionally, the training coordinator has mentored employees and interns from PSO target groups, establishing learning and work trajectories for individuals with limited access to the labour market. As a result, 33 people from PSO target groups were supported through employment and learning/work trajectories and counted in AVR's PSO performance measurement. This positions AVR as a leader in inclusive employment and strengthens its relationships with business partners who prioritise social return on investment.



SAPN ► Building the Next Generation of Regional Energy Talent



SAPN is helping shape South Australia's future workforce through a partnership with the new Port Augusta Technical College—bringing industry into the classroom and turning learning into career pathways. Funded by the SA Government, the college enables Years 10-12 students to complete their South Australian Certificate of Education alongside nationally recognised Vocational Education and Training. Working with the Department for Education, SAPN has aligned the Multi Trades Programme with industry standards, so students gain the fundamentals of electrotechnology and safe work practices around electricity.

Beyond the classroom, SAPN provides work experience, shadowing and guest lectures and has co-designed curriculum and training content to meet real technical and safety requirements. The result is job-ready, safety-focused graduates, a stronger local talent pipeline for regional depots and reduced reliance on external recruitment—creating opportunities for young people to build meaningful careers close to home.

Seabank ► Celebrating 15 Years of Investors in People Accreditation



15 YEARS

Investors in People (IIP) accreditation is an internationally recognised standard that recognises organisations for their commitment to developing and investing in their people. It is a business development tool used to improve performance by setting a framework for good leadership, employee development and a positive work environment. Seabank achieved through an assessment process and must be renewed periodically, typically every three years. Seabank is coming up to the end of its 15th year of accreditation, with first accreditation achieved in 2010.

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 2025 to 31 December 2025, 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, Chinese Mainland, 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.

Assurance 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 Assurance Report. This report has been endorsed by our Sustainability Committee and approved by our Board of Directors (the Board). Please refer to the section on [Sustainable Governance](#) for information about how the Board oversees the Group’s sustainability strategy, management, performance and reporting.

Reporting Framework

HKEX Environmental, Social and Governance Reporting Code

This Report is prepared in accordance with mandatory disclosure requirements and the “comply or explain” provisions of the ESG Reporting Code set out in the Appendix C2 to the Main Board Listing Rules of the Stock Exchange of Hong Kong Limited.

Sustainability Accounting Standards Board (SASB) Standards

The Report also refers to Sustainability Accounting Standards Board (SASB) Standards to report on industry-specific metrics, 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.

To provide a clearer and more precise representation of our business portfolio throughout this Sustainability Report, we have designated “Energy from waste” as the primary industry classification for EDL, reflecting the central focus of our operational profile and sustainability narrative. Nevertheless, for the data and metrics presented in this appendix, the SASB Electric Utilities & Power Generators Standard has been applied where relevant.

This Report should be read in conjunction with the Group’s Annual Report 2025, 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 Double Materiality Assessment and Stakeholder Engagement on pages p.27 to p.41. The material information on climate-related risks and opportunities is disclosed on pages p.66 to p.79.
- **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.



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 2025.

Overview

GHG emissions scope

The Group's GHG inventory covers six greenhouse gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆). NF₃ is excluded from this inventory as it is not relevant to the Group's operations or processes.

Assurance

The Group's Scope 1, 2 and 3 emissions have been independently verified by a third party. Please refer to the Assurance Report on page p.211.

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 2026. If significant changes occur after this report's preparation, updates will be reflected in the following year's publication.

The attributable revenue represents the revenue of each business multiplied by the effective interests owned by the Group on see-through basis. 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.

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 SF₆ 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., RE 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 metre 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 2025, the Scope 3 emissions inventory covered the Group's most significant businesses, accounting for approximately 92% 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
- Category 11: Use of Sold Products
- Category 15: Investments

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 based on recognised standards and published sources. The following table summarises the methodology, assumption and data input for the major categories.

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.

Scope 3 category	Relevance to our Businesses	Methodology and assumption
Category 1: Purchased Goods and Services	Upstream emissions from extraction, production and transportation processes associated with our business units' purchased goods and services.	Assessed based on activity data collected with average-data or spend-based method from our key business units, focusing primarily on the purchase of raw materials and services across relevant sectors.
Category 2: Capital Goods	Upstream emissions from extraction, production and transportation of capital goods purchased or acquired by our business units.	Assessed using data on the average-data or spend-based method of purchased property, machinery, equipment, and services from our business units.
Category 3: Fuel-and Energy-Related Activities	Emissions related to extraction, production and transportation from fuels and energy purchased by our business units, not accounted for in Scope 1 and Scope 2 emissions.	Assessed using fuel consumption data from suppliers or average-data method from our business units in relevant sectors.
Category 4: Upstream Transportation and Distribution	Emissions related to transportation and distribution of goods and services purchased by our business units.	Assessed based on activity data collected from supplier, average-data or distance-based method.

Environmental and Social Performance Indicators

Scope 3 category	Relevance to our Businesses	Methodology and assumption
Category 5: Waste Generated in Operations	Emissions from disposal and treatment of waste generated by our business units.	Assessed using data on the weight or volume of liquid and solid waste generated with average-data method by our business units in relevant sectors.
Category 6: Business Travel	Emissions from transportation of the business units' employees for business-related activities.	Assessed using the distance-based method.
Category 7: Employee Commuting	Emissions from transportation of business units' employees between their homes and their worksites.	Assessed using the average-data or distance-based method of employee commuting to offices, plants and facilities of our business units.
Category 8: Upstream Leased Assets	Emissions from upstream leased assets include the Scope 1 and 2 emissions that are leased by our business unit.	Assessed using spend-based methods supported by invoices of leasing costs from one of our business units.
Category 9: Downstream Transportation and Distribution	Emissions from transportation and distribution of products after the point of sale by our business unit.	Assessed using activity data from fuel consumption and the sold products delivered to the customers by one of our business units.
Category 10: Processing of Sold Products	Emissions from downstream, third-party processing of intermediate products sold by our business unit.	Assessed using activity data from meter readings and deliveries of sold fuel by one of our business units.
Category 11: Use of sold products	Emissions resulting from the use of products sold by our business units.	Assessed based on the LNG fuel sold and delivered to customers by one of our business units.
Category 15: Investments	Emissions associated with the Company's investments.	Calculated based on the proportionate share of emissions from investee companies, using available emissions data.

Environmental KPIs ¹	Unit	2023	2024 ²	2025	Index (HKEX/SASB)
GHG emissions					
Total Scope 1 and 2 emissions (location-based)	tonne CO ₂ e	7,632,026	7,069,543	7,131,443	
Total Scope 1 and 2 emissions (market-based)	tonne CO ₂ e	7,224,818	6,626,440	6,725,322	
Scope 1 emissions	tonne CO ₂ e	6,875,967	6,256,096	6,354,141	HKEX 28 (a)
Scope 2 emissions (location-based)	tonne CO ₂ e	756,059	813,447	777,302	HKEX 28 (b), 29 (c)
Scope 2 emissions (market-based)	tonne CO ₂ e	348,851	370,344	371,181	HKEX 28 (b)
Scope 1 and 2 emissions by sector					
Generation (incl. renewables)	%	85	87	85	
Electricity transmission & distribution	%	5	5	5	
Gas transmission & distribution	%	6	6	6	
Energy-from-waste	%	3	1	3	
Oil pipelines & storage facilities	%	1	1	1	
Scope 3 emissions³	tonne CO ₂ e	685,093	829,290	1,102,209	HKEX 28 (c)
Scope 3 emissions by category					
Category 1 – Purchased goods and services	tonne CO ₂ e	105,239	130,570	135,781	
Category 2 – Capital goods	tonne CO ₂ e	108,247	109,336	122,724	
Category 3 – Fuel- and energy related activities	tonne CO ₂ e	461,969	567,040	579,497	
Category 4 – Upstream transportation and distribution	tonne CO ₂ e	1,855	2,499	3,036	
Category 5 – Waste generated in operation	tonne CO ₂ e	2,767	3,503	4,018	
Category 6 – Business travel	tonne CO ₂ e	2,241	4,320	3,887	
Category 7 – Employee commuting	tonne CO ₂ e	2,776	3,023	3,174	
Category 11 – Use of sold products	tonne CO ₂ e	N/A	8,463	14,957	
Category 15 – Investment	tonne CO ₂ e	N/A	N/A	234,725	
Others	tonne CO ₂ e	N/A	538	410	

Environmental KPIs ¹	Unit	2023	2024 ²	2025	Index (HKEX/SASB)
Total Scope 1 and 2 intensity (location-based)	tonne CO ₂ e/ HK\$'000 revenue	0.277	0.251	0.238	
Total Scope 1 and 2 intensity (market-based)	tonne CO ₂ e/ HK\$'000 revenue	0.262	0.235	0.224	
Scope 1 emissions intensity	tonne CO ₂ e/ HK\$'000 revenue	0.249	0.222	0.212	
Scope 2 emissions intensity (location-based)	tonne CO ₂ e/ HK\$'000 revenue	0.027	0.029	0.026	
Scope 2 emissions intensity (market-based)	tonne CO ₂ e/ HK\$'000 revenue	0.013	0.013	0.012	
Biogenic carbon emissions	tonne CO ₂ e	511,509	378,372	442,379	

Use of energy

Total energy consumption ⁴	'000 kWh	17,456,412	18,567,257	16,676,180	HKEX KPI A2.1
Direct energy used					
i) Non-renewable energy used	'000 kWh	24,924,272	25,576,011	25,641,878	
Gasoline/Petrol	'000 kWh	5,610	6,378	13,589	
Diesel	'000 kWh	197,014	191,147	201,594	
Natural gas	'000 kWh	9,838,650	10,703,780	9,306,763	
Liquified petroleum gas (LPG)	'000 kWh	100	93	111	
Waste-derived fuels (non-biomass) ⁵	'000 kWh	1,490,074	1,012,803	1,410,995	
Coal	'000 kWh	12,559,869	12,877,499	13,179,728	
Other fuels ⁶	'000 kWh	832,955	784,311	1,529,098	
ii) Renewable energy used	'000 kWh	1,797,977	1,713,846	858,336	
Wind	'000 kWh	5,782	4,073	257,568	
Solar	'000 kWh	1,619	1,596	27,441	
Hydro	'000 kWh	-	-	248	
Biomass	'000 kWh	1,790,576	1,708,177	573,079	
Direct energy consumption of the organisation⁷	'000 kWh	17,352,518	18,452,212	16,523,422	HKEX KPI A2.1
Non-renewable energy	'000 kWh	-	-	16,453,307	
Renewable energy	'000 kWh	-	-	70,115	

Environmental KPIs ¹	Unit	2023	2024 ²	2025	Index (HKEX/SASB)
Indirect energy consumption⁸	'000 kWh	103,894	115,045	152,758	HKEX KPI A2.1
Non-renewables	'000 kWh	76,134	86,718	122,241	
Renewables	'000 kWh	27,760	28,327	30,517	
Total energy intensity		0.633	0.658	0.557	
Direct energy intensity	'000 kWh/ HK\$'000 revenue	0.629	0.654	0.552	HKEX KPI A2.1
Indirect energy intensity		0.004	0.004	0.005	HKEX KPI A2.1
Sale of energy					
Total energy sold	'000 kWh	9,458,623	8,938,405	9,976,782	
Electricity	'000 kWh	8,557,707	8,183,666	9,056,846	
Heating	'000 kWh	279,222	217,102	347,378	
Cooling	'000 kWh	-	-	-	
Steam	'000 kWh	622,695	537,638	572,558	

Air emissions

NOx emissions	Tonnes	5,024	4,783	4,073	HKEX KPI A1.1 SASB IF-EU-120a.1
Generation (incl. renewables)	Tonnes	3,906	3,793	3,159	
Electricity transmission & distribution	Tonnes	653	614	505	
Gas transmission & distribution	Tonnes	299	262	230	
Energy-from-waste	Tonnes	134	69	134	
Oil pipelines & storage facilities	Tonnes	32	45	45	
SOx emissions	Tonnes	879	947	890	HKEX KPI A1.1 SASB IF-EU-120a.1
Generation (incl. renewables)	Tonnes	757	834	796	
Electricity transmission & distribution	Tonnes	108	102	80	
Gas transmission & distribution	Tonnes	-	-	2	
Energy-from-waste	Tonnes	14	11	12	
Oil pipelines & storage facilities	Tonnes	-	-	-	

Environmental KPIs ¹	Unit	2023	2024 ²	2025	Index (HKEX/SASB)
RSP emissions⁹	Tonnes	157	168	149	HKEX KPI A1.1 SASB IF-EU-120a.1
Generation (incl. renewables)	Tonnes	136	148	132	
Electricity transmission & distribution	Tonnes	16	15	12	
Gas transmission & distribution	Tonnes	4	4	3	
Energy-from-waste	Tonnes	1	1	1	
Oil pipelines & storage facilities	Tonnes	1	1	1	
Mercury ¹⁰	Tonnes	9	0.26	0.68	HKEX KPI A1.1 SASB IF-EU-120a.1

Use of water¹¹

Total water withdrawal	'000 m ³	1,033,380	941,249	921,684	SASB IF-EU-140a.1
By type					
Surface water	'000 m ³	24,571	10,050	14,778	
Groundwater	'000 m ³	46	75	78	
Seawater	'000 m ³	1,005,423	927,746	903,741	
Third-party water	'000 m ³	3,121	3,185	2,850	
Other sources	'000 m ³	218	193	237	
By sector					
Generation (incl. renewables)	'000 m ³	1,009,327	933,973	909,461	
Electricity transmission & distribution	'000 m ³	32	42	45	
Gas transmission & distribution	'000 m ³	16	14	23	
Energy-from-waste	'000 m ³	24,002	7,219	12,154	
Oil pipelines & storage facilities	'000 m ³	3	1	1	
Water withdrawal intensity	'000 m ³ / HK\$'000 revenue	0.037	0.031	0.031	
Total water discharge	'000 m ³	1,030,630	937,275	917,612	SASB IF-EU-140a.1
By type					
Surface water	'000 m ³	23,692	6,853	11,680	
Groundwater	'000 m ³	-	-	-	

Environmental KPIs ¹	Unit	2023	2024 ²	2025	Index (HKEX/SASB)
Seawater	'000 m ³	1,005,423	927,746	903,741	
Third-party water	'000 m ³	1,261	2,456	1,947	
Other sources	'000 m ³	253	220	244	
By sector					
Generation (incl. renewables)	'000 m ³	1,006,759	930,280	905,804	
Electricity transmission & distribution	'000 m ³	-	1	1	
Gas transmission & distribution	'000 m ³	55	28	2	
Energy-from-waste	'000 m ³	23,813	6,966	11,804	
Oil pipelines & storage facilities	'000 m ³	3	1	1	
Water discharge intensity	'000 m ³ / HK\$'000 revenue	0.037	0.031	0.031	
Total water consumption	'000 m ³	2,750	3,973	4,072	HKEX KPI A2.2 SASB IF-EU-140a.1
By type					
Surface water	'000 m ³	878	3,197	3,098	
Groundwater	'000 m ³	46	75	78	
Seawater	'000 m ³	-	-	-	
Third-party water	'000 m ³	1,860	729	903	
Other sources ¹²	'000 m ³	(34)	(27)	(7)	
Water consumption intensity	'000 m ³ / HK\$'000 revenue	0.00010	0.00013	0.00014	HKEX KPI A2.2

Waste

Total hazardous waste produced	Tonnes	12,449	16,375	23,536	HKEX KPI A1.3
By management method					
Reuse	Tonnes	102	105	37	
Recycling	Tonnes	2,297	7,771	4,500	
Incineration (incl. energy recovery)	Tonnes	231	285	186	
Incineration (without energy recovery)	Tonnes	90	79	44	
Landfilling	Tonnes	896	3,129	10,079	
Others	Tonnes	8,832	5,006	8,690	

Environmental KPIs ¹	Unit	2023	2024 ²	2025	Index (HKEX/SASB)
By sector					
Generation (incl. renewables)	Tonnes	1,261	1,098	1,327	
Electricity transmission & distribution	Tonnes	2,253	2,241	2,487	
Gas transmission & distribution	Tonnes	257	8,197	11,375	
Energy-from-waste	Tonnes	7,924	4,034	7,468	
Oil pipelines & storage facilities	Tonnes	754	805	879	
Total hazardous waste produced intensity	Tonnes/ HK\$'000 revenue	0.001	0.0006	0.0008	HKEX KPI A1.3
Total non-hazardous waste produced	Tonnes	351,097	415,126	504,583	HKEX KPI A1.4
By type					
Reuse	Tonnes	5,837	227,806	300,784	
Recycling	Tonnes	337,222	174,456	191,795	
Incineration (including energy recovery)	Tonnes	1,399	1,373	1,191	
Incineration (without energy recovery)	Tonnes	0	0	3,924	
Landfilling	Tonnes	3,524	5,951	3,873	
Others	Tonnes	3,115	5,540	3,016	
By sector					
Generation (incl. renewables)	Tonnes	219,601	268,729	314,048	SASB IF-EU-110a.1
Electricity transmission & distribution	Tonnes	26,121	28,475	70,222	
Gas transmission & distribution	Tonnes	98,249	110,810	110,309	
Energy-from-waste	Tonnes	5,983	6,641	9,438	
Oil pipelines & storage facilities	Tonnes	1,143	471	566	
Total non-hazardous waste produced intensity Middle alignment	Tonnes/ HK\$'000 revenue	0.013	0.0147	0.0168	HKEX KPI A1.4

Environmental KPIs ¹	Unit	2023	2024 ²	2025	Index (HKEX/SASB)
Coal Ash Management					
Ash and Gypsum ¹³	Tonnes	N/A	220,485	292,987	SASB IF-EU-150a.1
Percentage of ash and gypsum recycled	%	N/A	N/A	100	
Packaging material					
Total packaging material used for finished products	Tonnes	6.18	5.31	3.53	HKEX KPI A2.5
Paper	Tonnes	6.18	5.31	3.53	

- 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.
- 2024 data for Phoenix Energy, UK Renewables Energy and Powerlink Renewable Assets acquired through UK Power Networks Services, included figures only after the acquisition date. The 2025 data reflect a full year's accounting for these assets.
- 2024 data figures have been restated for meaningful comparison of data over time. For enhanced transparency in 2025 disclosure, Scope 3 Category 15 includes emissions from businesses where our ownership share is less than 10%.
- Total energy consumption = Direct energy consumption of the organisation + Indirect energy consumption.
- Waste-derived fuels (non-biomass) include municipal waste (non-biomass fraction), industrial waste, waste oils and waste coal mine gas.
- Other fuels include residual fuel oil, lubricants and other petroleum products.
- The reporting approach for direct energy consumption of the organisation has been updated effective for the 2025 reporting period, with non-renewable and renewable energy disclosed separately to enhance data transparency.
- Indirect energy consumption refers to purchased energy (electricity) for consumption. We did not purchase any energy for heating. The 2023 and/or 2024 data have been restated due to enhanced data collection and reporting to ensure comparability of data over time.
- RSP emissions refer to respirable suspended particulates, a type of particulate matter (PM) measured in this report.
- The mercury emissions are produced from our electricity generation businesses. 2024 data figure has been restated due to enhanced reporting to ensure comparability of data over time.
- 2024 data figures have been restated to align with the updated approach to allow for meaningful comparison of data over time.
- Water consumption from other sources includes reuse of wastewater from sites activities or cooling tower.
- The ash and gypsum waste is produced from our power-generation businesses and all of them are recycled/reused.

Social KPIs		2023	2024	2025	Index (HKEX/SASB)
Number of employees					
Total		19,165	20,225	20,601	HKEX KPI B1.1
By employment type	Full-time	18,012 (94%)	18,944 (94%)	19,339 (94%)	
	Part-time	1,153 (6%)	1,281 (6%)	1,262 (6%)	
Number of full-time employees					
By gender	Male	14,663 (81.4%)	15,355 (81%)	15,586 (81%)	HKEX KPI B1.1
	Female	3,349 (18.6%)	3,589 (19%)	3,753 (19%)	
By employee category	General staff	15,464 (85.9%)	16,309 (86%)	16,287 (84%)	
	Manager grade or above	2,548 (14.1%)	2,635 (14%)	3,052 (16%)	
By age group	Below 30	2,493 (13.8%)	2,614 (14%)	2,495 (13%)	
	30 – 49	9,578 (53.2%)	10,223 (54%)	10,689 (55%)	
	50 or above	5,941 (33.0%)	6,107 (32%)	6,155 (32%)	
By region	Hong Kong	1,848 (10.3%)	1,850 (9.8%)	1,813 (9.4%)	
	Chinese Mainland	303 (1.7%)	305 (1.6%)	316 (1.6%)	
	Thailand	42 (0.2%)	40 (0.2%)	39 (0.2%)	
	United Kingdom	9,235 (51.3%)	9,808 (51.8%)	9,948 (51.4%)	
	Netherlands	551 (3.1%)	520 (2.7%)	526 (2.7%)	
	Australia	5,764 (32%)	6,151 (32.5%)	6,440 (33.3%)	
	Canada	13 (0.1%)	13 (0.1%)	13 (0.1%)	
	United States	171 (0.9%)	167 (0.8%)	154 (0.8%)	
New Zealand	85 (0.4%)	90 (0.5%)	90 (0.5%)		

Social KPIs		2023	2024	2025	Index (HKEX/SASB)
Turnover rate for full-time employees¹					
Overall voluntary and involuntary		7.1%	6.7%	6.3%	HKEX KPI B1.2
By gender	Male	6.8%	6.2%	6.2%	
	Female	8.5%	8.9%	6.3%	
By age group	Below 30	7.7%	7.1%	7.1%	
	30 – 49	5.9%	5.6%	4.6%	
	50 or above	8.8%	8.3%	8.7%	
By region	Hong Kong	10.8%	8.9%	7.3%	
	Chinese Mainland	4.0%	2.3%	2.5%	
	Thailand	0.0%	7.5%	2.6%	
	United Kingdom	5.4%	5.0%	4.7%	
	Netherlands	13.4%	14.8%	12.4%	
	Australia	7.8%	7.7%	7.5%	
	Canada	0.0%	7.7%	0.0%	
	United States	17.5%	21.0%	23.4%	
New Zealand	14.1%	17.8%	20.0%		
Overall voluntary²		5.7%	5.3%	4.9%	HKEX KPI B1.2
By gender	Male	5.4%	4.9%	4.9%	
	Female	7.0%	6.9%	5.1%	
By age group	Below 30	6.6%	5.9%	5.7%	
	30 – 49	5.2%	4.4%	3.7%	
	50 or above	6.1%	6.5%	6.7%	
By region	Hong Kong	6.5%	6.9%	5.0%	
	Chinese Mainland	4.0%	2.3%	1.3%	
	Thailand	0.0%	7.5%	2.6%	
	United Kingdom	4.5%	4.2%	3.9%	
	Netherlands	12.2%	12.5%	9.1%	
	Australia	6.5%	5.6%	6.0%	
	Canada	0.0%	7.7%	0.0%	
	United States	12.3%	16.2%	9.1%	
New Zealand	14.1%	17.8%	18.9%		

Social KPIs		2023	2024	2025	Index (HKEX/SASB)
Overall involuntary		1.4%	1.4%	1.3%	HKEX KPI B1.2
By gender	Male	1.4%	1.3%	1.4%	
	Female	1.5%	2.0%	1.2%	
By age group	Below 30	1.1%	1.3%	1.4%	
	30 – 49	0.7%	1.2%	0.9%	
	50 or above	2.6%	1.8%	2.0%	
By region	Hong Kong	4.3%	1.9%	2.3%	
	Chinese Mainland	0.0%	0.0%	1.3%	
	Thailand	0.0%	0.0%	0.0%	
	United Kingdom	0.9%	0.8%	0.8%	
	Netherlands	1.3%	2.3%	3.2%	
	Australia	1.4%	2.2%	1.5%	
	Canada	0.0%	0.0%	0.0%	
	United States	5.3%	4.8%	14.3%	
New Zealand	0.0%	0.0%	1.1%		

New internal hires					
Total number of internal new hires		1,346	2,080	1,460	
By employee category	General staff	1,154 (85.7%)	1,861 (89.5%)	1,276 (87.4%)	
	Manager grade or above	192 (14.3%)	219 (10.5%)	184 (12.6%)	
By gender	Male	1,079 (80.1%)	1,628 (78.3%)	1,172 (80.3%)	
	Female	267 (19.9%)	452 (21.7%)	288 (19.7%)	

Gender diversity by position					
Overall management positions	Male	79.6%	78.67%	78.64%	
	Female	20.4%	21.33%	21.36%	
Top management positions	Male	81.9%	79.34%	79.13%	
	Female	18.1%	20.66%	20.87%	

Social KPIs		2023	2024	2025	Index (HKEX/SASB)
Middle management positions	Male	79.0%	77.13%	75.93%	
	Female	21.0%	22.87%	24.07%	
Junior management positions	Male	79.6%	79.15%	79.48%	
	Female	20.4%	20.85%	20.52%	
Management position in revenue-generating functions ³	Male	88.1%	85.49%	85.31%	
	Female	11.9%	14.51%	14.69%	
STEM-related position ⁴	Male	88.0%	89.60%	88.62%	
	Female	12.0%	10.40%	11.38%	

Collective bargaining				
Percentage of employees covered by collective bargaining and unionised in support of the UNGC	88.3%	88.0%	88.5%	

Health and safety performance				
Employees				
Number of work-related fatalities (full-time employees)	1	0	0	HKEX KPI B2.1 SASB IF-EU-320a.1
Number of work-related fatalities (part-time employees)	0	0	0	
Rate of work-related fatalities	0.006	0	0	HKEX KPI B2.1
Number of lost days due to work injury	1,667	2,647	2,401	HKEX KPI B2.2
Number of lost time injury incidents	50	51	61	
Lost time injury rate (LTIR) ⁵	0.29	0.27	0.31	
Number of first aid incident	174	194	156	
Number of high potential incident	16	16	11	
% of employee covered by OHSAS 18001/ISO 45001 ⁶	83.3%	84.2%	84.5%	
Non-employee ⁷				
Number of work-related fatalities (contractors)	0	0	0	HKEX KPI B2.1 SASB IF-EU-320a.1
Number of lost time injury incidents	41	38	33	HKEX KPI B2.2
Lost time injury rate (LTIR) ⁵	0.59	0.62	0.31	
Number of first aid incident	143	184	207	
Number of high potential incident	54	31	25	

Social KPIs		2023	2024	2025	Index (HKEX/SASB)
Percentage of full-time employees who received training⁸					
Overall		97.0%	93.4%	96.2%	HKEX KPI B3.1
By gender	Male	97.9%	94.3%	97.0%	
	Female	92.7%	89.6%	93.0%	
By employee category	General staff	99.9%	96.0%	96.2%	
	Manager grade or above	79.0%	77.6%	95.9%	
Average hours of training per full-time employee					
Overall		48.4	46.1	42.3	HKEX KPI B3.2
By gender	Male	53.7	50.9	46.9	
	Female	25.5	25.6	23.2	
By employee category	General staff	51.7	49.9	46.8	
	Manager grade or above	28.7	22.8	18.1	
Number of suppliers					
Total		16,825	18,463	17,466	HKEX KPI B5.1
By region	Hong Kong	904	930	906	
	Chinese Mainland	215	212	222	
	Asia (excluding Hong Kong, Chinese Mainland)	65	67	365	
	United Kingdom	3,975	4,663	4,598	
	Europe	1,154	1,169	1,159	
	Australia	8,205	9,650	8,488	
	Canada	295	195	291	
	United States	1,677	1,260	1,122	
	New Zealand	330	306	308	
	Other regions	5	11	7	

Social KPIs		2023	2024	2025	Index (HKEX/SASB)
Customer portfolio					
Total number of customers for electricity utilities and power generation					
Residential customers		–	Over 12 million customers	Over 12 million customers	SASB IF-EU-000-A
Commercial customers		–			
Industrial customers		–			
Total number of customers for gas utilities and distribution					
Residential customers		–	Over 7 million customers	Over 7 million customers	SASB IF-GU-000.A
Commercial customers		–			
Industrial customers		–			
Number of complaints received					
Products and service related		5,790	6,232	5,971	HKEX KPI B6.2
Concluded legal cases regarding corrupt practices					
Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees		–	–	–	HKEX KPI B7.1
Number of employees by training on anti-corruption/ethics and integrity					
Total		10,286	13,417	15,322	HKEX KPI B7.3
By employment type	Full-time	9,445	12,518	14,318	
	Part-time	841	899	1,004	
Percentage of full-time and part-time employees who received training on anti-corruptive/ethics and integrity ⁹		53.7%	66.3%	74.4%	

Social KPIs 2023 2024 2025 **Index (HKEX/SASB)**

Number of training hours on anti-corruption/ethics and integrity completed by employees

Total		8,028.4	10,242.7	10,607.9	HKEX KPI B7.3
By employment type	Full-time	7,723.8	9,921.2	10,198.1	
	Part-time	304.6	321.5	409.8	

Resources contributed (e.g. money or time) to the focus area

Amount of money donated by focus areas (HK\$'000)					
Education		7,350	59,292	7,333	HKEX KPI B8.1, 8.2
Environment		1,828	512	128,913	
Labour needs		588	–	19	
Health		13,195	9,195	10,323	
Culture		4,325	2,141	2,508	
Sports		9,346	12,038	13,583	
Others (e.g., chronic disease awareness, coastal conservation, vulnerable communities and animal care)		3,919	4,935	3,975	

Number of hours contributed by focus areas (hours)					
Education		14,564	2,277	7,190	HKEX KPI B8.1, 8.2
Environment		909	6,043	3,348	
Labour needs		595	1,706	59	
Health		79,579	2,583	4,486	
Culture		4,188	342	220	
Sports		242	1,400	50	
Others (e.g., chronic disease awareness, coastal conservation, vulnerable communities and animal care)		11,635	18,300	14,906	

- 1 Turnover rate refers to full-time employees of the in-scope entities 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 Voluntary turnover refers to employees who choose to leave an organisation such as resignation, retirement, early retirement, etc.
- 3 Refers to line management roles that contribute directly to the output of products and services.
- 4 Refers to science, technology, engineering and mathematics (STEM) workers that use their knowledge of science, technology, engineering or mathematics in their daily responsibilities.
- 5 LTIR represents the number of injuries per 100 employees/non-employees per year. It is calculated as "total number of injuries multiplied by 200,000 and then divided by the total hours worked".
- 6 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%".
- 7 Refers to contractors, sub-contractors or service-providers.
- 8 Full-time employees who received training 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%.
- 9 It is calculated as "total number of employees who received training on anti-corruption/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%".

Disclosure Requirement Content Index

HKEX ESG Reporting Code Mandatory Disclosure

Disclosure Requirement Index	Indicator	Section
HKEX 13	A statement from the board containing the following elements: <ol style="list-style-type: none"> a disclosure of the Board’s oversight of ESG issues; 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 how the Board reviews progress made against ESG- related goals and targets with an explanation of how they relate to the issuer’s businesses. 	Sustainable Governance
HKEX 14	Reporting Principles.	About this Report
HKEX 15	Reporting Boundary.	About this Report

Environmental Metrics

Disclosure Requirement Index	Indicator	Section/Remarks
HKEX Aspect A1, A2, A3 UNGC 7, 8, 9 SASB IF-EU-150a.3	Policies relating to <ol style="list-style-type: none"> air emissions, discharges into water and land and generation of hazardous and non-hazardous waste. efficient use of resources, including energy, water and other raw materials. minimising the issuer’s significant impacts on the environment and natural resources. 	Caring for the Environment and Planet > Management Oversight Our Sustainability Blueprint Sustainability Policy Environmental Policy Supplier Code of Conduct

Disclosure Requirement Index	Indicator	Section/Remarks
HKEX Aspect A1 UNGC 7, 8, 9	Compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land and generation of hazardous and non-hazardous waste.	Caring for the Environment and Planet > Management Oversight
SASB IF-EU-110a.1	(1) Gross global Scope 1 emissions, percentage covered under (2) emissions limiting regulations and (3) emissions reporting regulations.	(1) Appendix > Environmental and Social Performance Indicators (2) Currently not reported (3) 100%
SASB IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries.	Caring for the Environment and Planet > Electricity Generation, Transmission & Distribution
SASB IF-EU-110a.3	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets.	Caring for the Environment and Planet > Management Oversight
HKEX KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Low-carbon Transition Strategy > Climate Action Plan
HKEX KPI A1.6 SASB IF-EU-150a.3	Description of how hazardous and non-hazardous wastes are handled and a description of reduction target(s) set and steps taken to achieve them.	Caring for the Environment and Planet
HKEX KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Caring for the Environment and Planet > Electricity Generation, Transmission & Distribution
HKEX 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.	Caring for the Environment and Planet > Electricity Generation, Transmission & Distribution
HKEX KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Caring for the Environment and Planet

Disclosure Requirement Index	Indicator	Section/Remarks
Air Quality		
SASB IF-EU-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) particulate matter (PM10), (4) lead (Pb) and (5) mercury (Hg).	(1), (2), (3) and (5): Environmental and Social Performance Indicators (4) Currently not reported
SASB IF-EU-120a.1	Percentage of each in or near areas of dense population.	Currently not reported
Water Management		
SASB IF-EU-140a.1	(1) Total water withdrawn, (2) total water consumed;	Appendix > Environmental and Social Performance Indicators
SASB IF-EU-140a.1	Percentage of each in regions with High or Extremely High Baseline Water Stress.	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.
SASB IF-EU-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations.	Caring for the Environment and Planet > Management Oversight
SASB IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks.	Caring for the Environment and Planet > Electricity Generation, Transmission & Distribution
Coal Ash Management		
SASB IF-EU-150a.1	(1) Amount of coal combustion products (CCPs) generated, (2) percentage recycled.	Appendix > Environmental and Social Performance Indicators
SASB IF-EU-150a.3	Description of coal combustion products (CCPs) management policies and procedures for active and inactive operations.	Caring for the Environment and Planet > Electricity Generation, Transmission & Distribution

Social Metrics

Disclosure Requirement Index	Indicator	Section/Remarks
HKEX Aspect B1, B2, B3, B4, B5, B6, B7, B8 UNGC 1, 2, 3, 4, 5, 6	<p>Policies:</p> <ol style="list-style-type: none"> relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare. relating to providing a safe working environment and protecting employees from occupational hazards. on improving employees' knowledge and skills for discharging duties at work. Description of training activities. relating to preventing child and forced labour. on managing environmental and social risks of the supply chain. relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. relating to bribery, extortion, fraud and money laundering. 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. 	<p>Valuing Community and People</p> <p>Our Sustainability Blueprint > Sustainable Value Chain</p> <p>Our Sustainability Blueprint > Business Ethics and Anti-corruption/ Information and Cybersecurity</p> <p>Health and Safety Policy</p> <p>Whistleblowing Procedure</p>

Disclosure Requirement Index	Indicator	Section/Remarks
HKEX Aspect B1, B2, B4, B6, B7 UNGC 1, 2, 3, 4, 5, 6	Compliance with relevant laws and regulations that have a significant impact on the issuer: 1) relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare. 2) relating to providing a safe working environment and protecting employees from occupational hazards. 3) relating to preventing child and forced labour. 4) relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 5) relating to bribery, extortion, fraud and money laundering.	Valuing Community and People Our Sustainability Blueprint > Sustainable Value Chain
HKEX KPI B2.3	Description of occupational health and safety measures adopted and how they are implemented and monitored.	Valuing Community and People > Health, Safety and Wellness
SASB IF-EU-320a. 1	(1) Total recordable incident rate (TRIR), (2) fatality rate and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees.	Appendix > Environmental and Social Performance Indicators
HKEX KPI B4.1 UNGC 3, 4, 5, 6	Description of measures to review employment practices to avoid child and forced labour.	Valuing Community and People > Labour and Human Rights
HKEX KPI B4.2 UNGC 3, 4, 5, 6	Description of steps taken to eliminate such practices when discovered.	Valuing Community and People > Labour and Human Rights
HKEX 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 Sustainability Blueprint > Sustainable Value Chain

Disclosure Requirement Index	Indicator	Section/Remarks
HKEX 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 Sustainability Blueprint > Sustainable Value Chain
HKEX 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 Sustainability Blueprint > Sustainable Value Chain
HKEX KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
HKEX KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Appendix > Environmental and Social Performance Indicators Our Sustainability Blueprint > Sustainable Value Chain
HKEX 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.
HKEX KPI B6.4	Description of quality assurance process and recall procedures.	Our Sustainability Blueprint > Sustainable Value Chain
HKEX KPI B6.5	Description of consumer data protection and privacy policies and how they are implemented and monitored.	Our Sustainability Blueprint > Sustainable Value Chain
SASB IF-EU-550a.1	Number of incidents of non-compliance with physical or cybersecurity standards or regulations.	The Group is not aware of any material non-compliance in this area.
HKEX KPI B7.2	Description of preventive measures and whistle-blowing procedures and how they are implemented and monitored.	Our Sustainability Blueprint Business Ethics and Anti-corruption Whistleblowing Procedure
HKEX KPI B7.3 UNGC 10	Description of anti-corruption training provided to directors and staff.	Our Sustainability Blueprint > Business Ethics and Anti-corruption

Sector performance and product responsibility metrics

Disclosure Requirement Index	Indicator	Section/Remarks
Electric Utilities & Power Generators		
SASB IF-EU-000.B	Total electricity delivered to: (1) residential customers.	Currently not reported
SASB IF-EU-000.B	Total electricity delivered to: (2) commercial customers.	
SASB IF-EU-000.B	Total electricity delivered to: (3) industrial customers.	
SASB IF-EU-000.B	Total electricity delivered to: (4) all other retail customers.	
SASB IF-EU-000.B	Total electricity delivered to: (5) wholesale customers.	
SASB IF-EU-000.C	Length of electricity transmission and distribution lines.	Overview > Business at a Glance
SASB IF-EU-000.D	Total electricity generated, percentage by major energy source, percentage in regulated markets.	Overview > Business at a Glance
SASB IF-EU-000.E	Total wholesale electricity purchased.	Not applicable, as our electricity business segment is focused on electricity distribution.
	Average efficiency of coal plants and combine-cycle gas plants.	46%
	Average Availability Factor of coal and gas plants.	82%
SASB IF-EU-240a.1	Average retail electric rate for (1) residential, (2) commercial and (3) industrial customers.	Currently not reported
SASB IF-EU-240a.3	(1) Number of residential customer electric disconnections for non-payment, (2) percentage reconnected within 30 days.	
SASB IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory.	Valuing Community and People > Just Transition

Disclosure Requirement Index	Indicator	Section/Remarks
SASB IF-EU-420a.2	Percentage of electric load served by smart grid technology.	Caring for the Environment and Planet > Electricity Generation, Transmission & Distribution
SASB IF-EU-420a.3	Customer electricity savings from efficiency measures, by market.	Caring for the Environment and Planet > Electricity Generation, Transmission & Distribution
SASB IF-EU-540a. 1	Total number of nuclear power units, broken down by results of most recent independent safety review.	Not applicable
SASB IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness.	Not applicable
SASB IF-EU-550a. 1	Number of incidents of non-compliance with physical or cybersecurity standards or regulations.	The Group is not aware of any material non-compliance in this area.
SASB IF-EU-550a.2	(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.	Caring for the Environment and Planet > Electricity Generation, Transmission & Distribution
Gas Utilities & Distributors		
SASB IF-GU-000.B	Amount of natural gas delivered to: (1) residential customers.	Currently not reported
SASB IF-GU-000.B	Amount of natural gas delivered to: (2) commercial customers.	
SASB IF-GU-000.B	Amount of natural gas delivered to: (3) industrial customers.	
SASB IF-GU-000.B	Amount of natural gas delivered to: (4) transferred to a third party.	Not applicable
SASB IF-GU-000.C	Length of gas transmission and distribution lines.	Overview > Business at a Glance
SASB IF-GU-240a.4	Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory.	Valuing Community and People > Just Transition

Disclosure Requirement Index	Indicator	Section/Remarks
SASB IF-GU-240a.1	Average retail gas rate for (1) residential, (2) commercial and (3) industrial customers and (4) transportation services only.	Currently not reported
SASB IF-GU-240a.3	(1) Number of residential customer gas disconnections for non-payment, (2) percentage reconnected within 30 days.	Currently not reported
SASB IF-GU-420a.2	Customer gas savings from efficiency measures, by market.	Caring for the Environment and Planet > Gas Transmission & Distribution
SASB IF-GU-540a.1	Number of (1) reportable pipeline incidents, (2) corrective actions received and (3) violations of pipeline safety statutes.	Currently not reported
SASB IF-GU-540a.2	Percentage of distribution pipeline that is (1) cast or wrought iron and (2) unprotected steel.	
SASB IF-GU-540a.3	Percentage of gas (1) transmission and (2) distribution pipelines inspected.	
SASB IF-GU-540a.4	Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions.	Caring for the Environment and Planet > Gas Transmission & Distribution

HKEX ESG Reporting Code Part D Content Index

Item	Requirements	Section/Remarks
(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: 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	Our Sustainability Blueprint > Sustainable Governance Cross-reference provided to: Climate-related Disclosures Report
	(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:	Our Sustainability Blueprint > Sustainable Governance
	(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	Cross-reference provided to: Climate-related Disclosures Report
	(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/Remarks
(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-related Disclosures
	(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;	Cross-reference provided to: Climate-related Disclosures Report
	(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-related Disclosures
	(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/Remarks
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-related Disclosures
	(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).	Climate-related Disclosures
23.	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Overview > Low-carbon Transition Strategy

Item	Requirements	Section/Remarks
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	Climate-related Disclosures
	(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.	There is no significant risk of a material adjustment within the next annual reporting period.
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:	Climate-related Disclosures
	(i) its investment and disposal plans; and	Cross-reference provided to: Climate-related Disclosures Report
	(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/Remarks
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-related Disclosures
	(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;	Cross-reference provided to: Climate-related Disclosures Report
	(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/Remarks
(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:	Our Sustainability Blueprint > Risk and Opportunity 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 tonnes of CO ₂ equivalent, classified as:	
	(a) Scope 1 greenhouse gas emissions;	Appendix > Environmental and Social Performance Indicators
	(b) Scope 2 greenhouse gas emissions; and	
	(c) Scope 3 greenhouse gas emissions.	

Item	Requirements	Section/Remarks	
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;	Appendix > GHG Calculation Methodology	
	(b) disclose the approach it uses to measure its greenhouse gas emissions including:		
	(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;		
	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.		Climate-related Disclosures
Climate-related physical risks			
31.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Climate-related Disclosures Cross-reference provided to: Climate-related Disclosures Report	

Item	Requirements	Section/Remarks
Climate-related opportunities		
32.	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Climate-related Disclosures
Capital deployment		
33.	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Our Sustainability Blueprint > Sustainable and Responsible Investments
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 (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.	The Group does not apply an internal carbon price in decision-making but incorporates carbon pricing into climate scenario analysis. The Group's GHG reduction targets and transition plan continue to effectively guide decarbonisation efforts
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).	Our Sustainability Blueprint > Sustainable Governance
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 > Environmental and Social Performance Indicators

Item	Requirements	Section/Remarks
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; (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.	Overview > Low-carbon Transition Strategy
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; (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.	Overview > Low-carbon Transition Strategy There is no revision to the target during the reporting period.
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.	Overview > Low-carbon Transition Strategy Caring for the Environment and Planet > Management Oversight

Assurance Report

Item	Requirements	Section/Remarks
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;	Overview > Low-carbon Transition Strategy
	(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 > Disclosure Requirement Content Index



Independent Assurance Report

1. Introduction

Hong Kong Quality Assurance Agency (“HKQAA”, “we”, “our”, “us”) was engaged by Power Assets Holdings Limited (“the Company”) to conduct an independent assurance of the sustainability disclosures (“Sustainability Disclosures”) presented in its Sustainability Report 2025 (“the Report”) for the reporting period from 1 January 2025 to 31 December 2025 (“Reporting Period”) and issue this Independent Assurance Report (“Assurance Report”). For the avoidance of doubt, the Appendices listed at the end of this Assurance Report form an integral part of it, though certain Appendices are intended for the Company’s internal use only. Our sustainability assurance activities and this Assurance Report are undertaken based on the assumptions, dependencies, boundaries, limitations, exclusions, roles and responsibilities and independence as set out under Appendix A. A generic version of Appendix A is available for reference on the HKQAA website (www.hkqaa.org) under the navigation path: News & Resources > Guides & Forms > Guidelines > Sustainability Assurance.

The objective of this sustainability assurance service is to provide an independent conclusion, with a limited level of assurance, on whether the Sustainability Disclosures have been prepared in accordance with the following reporting criteria:

- The Environmental, Social and Governance Reporting Code (“ESG Reporting Code”) set out in Appendix C2 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited

The assurance team also reviewed the Sustainability Disclosures by making reference to the following disclosure framework, as the Report has been prepared with reference to:

- Sustainability Accounting Standards Board (SASB) Electric Utilities & Power Generators and Gas Utilities & Distributors Industry-specific Standards

2. Assurance Methodology

HKQAA’s assurance procedure was 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 (“IAASB”).

The evidence gathering processes were designed to obtain a limited level of assurance, using a risk-based approach. Our assurance procedures included, but were not limited to:

- reviewing relevant policies, procedures, relevant documentation and records provided by the Company, including those related to sustainability-related information such as governance, risk identification, and performance metrics;
- interviewing key management and responsible personnel of the Company for reporting and sustainability-related governance;
- conducting analytical reviews of disclosures for plausibility and consistency with relevant external frameworks and internal supporting data;
- selecting representative samples of disclosures, with a focus on materiality and risk, and assessing the underlying evidence for each sample using judgmental sampling;
- evaluating the transparency of disclosed assumptions, dependencies, and boundaries; and

Assurance Report



- assessing the completeness of coverage with respect to the requirements of the reporting criteria, including reviewing methodologies used for estimations, sensitivity analyses, and disclosures of uncertainties.

3. Conclusion

Based on the procedures performed, evidence obtained, and subject to the stated assumptions, dependencies, boundaries, limitations, and exclusions, nothing has come to our attention that causes us to believe that the Sustainability Disclosures in the Sustainability Report 2025 of the Company for the Reporting Period from 1 January 2025 to 31 December 2025 are not presented, in all material respects, in accordance with the requirements of the ESG Reporting Code and with reference to the reporting criteria as stated in the Introduction section of this Assurance Report.

This Assurance Report is made solely for the use of Power Assets Holdings Limited and the users of its Sustainability Report 2025, and for use in accordance with the reporting criteria set out in the Introduction section of this Assurance Report. We do not accept or assume responsibility for any other purpose or to any other person to whom this Assurance Report is shown or in whose hands it may come. We confirm our independence from Power Assets Holdings Limited in conducting this engagement.

The engagement leader on the assurance engagement resulting in this Assurance Report is KT Ting.

Signed by Hong Kong Quality Assurance Agency

11 April 2026

Ref: 14985286

Awards and Initiatives, Charters and Membership

Organisation / Division	Awards / Recognitions / Membership
Caring Company 20 Years Plus	Advanced Performance and Caring Company 20 Years Plus presented by Hong Kong Council of Social Service
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
Racial Diversity and Inclusion Charter for Employers	The Group has been a signatory to the Racial Diversity and Inclusion Charter for Employers from 2023
Hydrogen Council	Supporting Members
Energy Institute (Hong Kong)	Member
The Hong Kong Institution of Engineers	Member
The Racial Diversity and Inclusion Charter for Employers implemented by the Equal Opportunities Commission (Hong Kong)	Signatory

Abbreviations

Corporate Key Forms

Abbreviation	Long form
Australian Energy Operations	AEO
Australian Gas Infrastructure Group	AGIG
Australian Gas Networks	AGN
Dampier Bunbury Pipeline	DBP
Dutch Enviro Energy Holdings B.V.	AVR
Energy Developments Ptd	EDL
Husky Midstream Limited Partnership	HMLP
Multinet Gas Networks	MGN
Northern Gas Networks	NGN
Ratchaburi Power Company	RPCL
SA Power Networks	SAPN
UK Power Networks	UKPN
Victoria Power Networks	VPN
Wales & West Utilities	WWU
Wellington Electricity	WELL

Other Terminologies

Abbreviation	Long form
AI	Artificial Intelligence
CMIP5	Coupled Model Intercomparison Project Phase 5
CO ₂	Carbon dioxide
COP	Communication on Progress
COP30	The 30 th 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
EV	Electric vehicle
FIT	Feed-in Tariff
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



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