CK Infrastructure Holdings Limited

長江基建集團有限公司

(Incorporated in Bermuda with limited liability)

(HKEX: 1038 / LSE: CKI)

Shaping Global Infrastructure for Today and Tomorrows

Sustainability Report 2025

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

CK Infrastructure Holdings Limited
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1 About this Report

Shaping Global Infrastructure For Today and Tomorrows

Since its incorporation in 1996, CKI has evolved from a regional business focused on Hong Kong and Chinese Mainland into a diversified portfolio of over 20 business units worldwide, establishing itself as one of the world's largest infrastructure companies. Building on this legacy, we remain committed to shaping a sustainable future by investing in and developing a wide range of infrastructure assets and services across the globe.

CKI is listed on The Stock Exchange of Hong Kong Limited ("HK Stock Exchange") and London Stock Exchange plc ("UK Stock Exchange").

Scope of the Report

This Sustainability Report provides an overview of the Group's sustainability strategies, management approach, progress, and highlights during the year from 1st January, 2025 to 31st December, 2025, unless otherwise specified. The information disclosed in this Sustainability Report covers the key businesses in which the Group has an equity interest. These businesses are presented in Section 2 Our Business Portfolio.

This report should be read alongside the Company's Annual Report 2025, which provides a full review of financial performance and corporate governance, as well as key policies available on the Company's website. For more detailed information on the sustainability efforts and achievements of each business unit, please refer to their separate sustainability reports or websites.

Reporting Process and Frameworks

This Sustainability Report is reviewed and approved by the Sustainability Committee and the Board of Directors of the Company. This report is prepared with reference to global reporting standards that are relevant to our business and in accordance with regulatory frameworks:

- The Sustainability Report is prepared in alignment with HK Stock Exchange's Environmental, Social and Governance Reporting Code ("ESG Code") (effective from 1st January, 2025), including the new climate-related disclosure requirements under Part D of the ESG Code.
- Climate-related disclosures are prepared in accordance with the Recommendations from the Task Force on Climate-related Financial Disclosures ("TCFD"), in line with the Group's "comply or explain" obligation under the Listing Rules of the UK's Financial Conduct Authority ("UK Listing Rules").
- The Group references the Sustainability Accounting Standards Board ("SASB") Standards, which focus on two sectors: Electric Utilities & Power Generators and Gas Utilities & Distributors. These two sectors represent more than half of the Group's attributable revenue[1].

As a LargeCap issuer listed on the HK Stock Exchange, CKI is required to follow the new climate reporting requirements under the ESG Code, which align with the International Financial Reporting Standards ("IFRS") S2 Standard. These requirements apply to CKI on a "comply or explain" basis for the financial year 2025. The Group continues to enhance its climate-related disclosures to ensure compliance with these requirements.

The HK Stock Exchange ESG Code Content Index, TCFD Content Index, and SASB Content Index in Section 11 Annex show how the Group has applied these reporting frameworks and provide cross-references to the relevant sections in this report.

Language

This Report is available in both English and Traditional Chinese versions. In case of any inconsistencies or discrepancies, the English version will take precedence.

Feedback

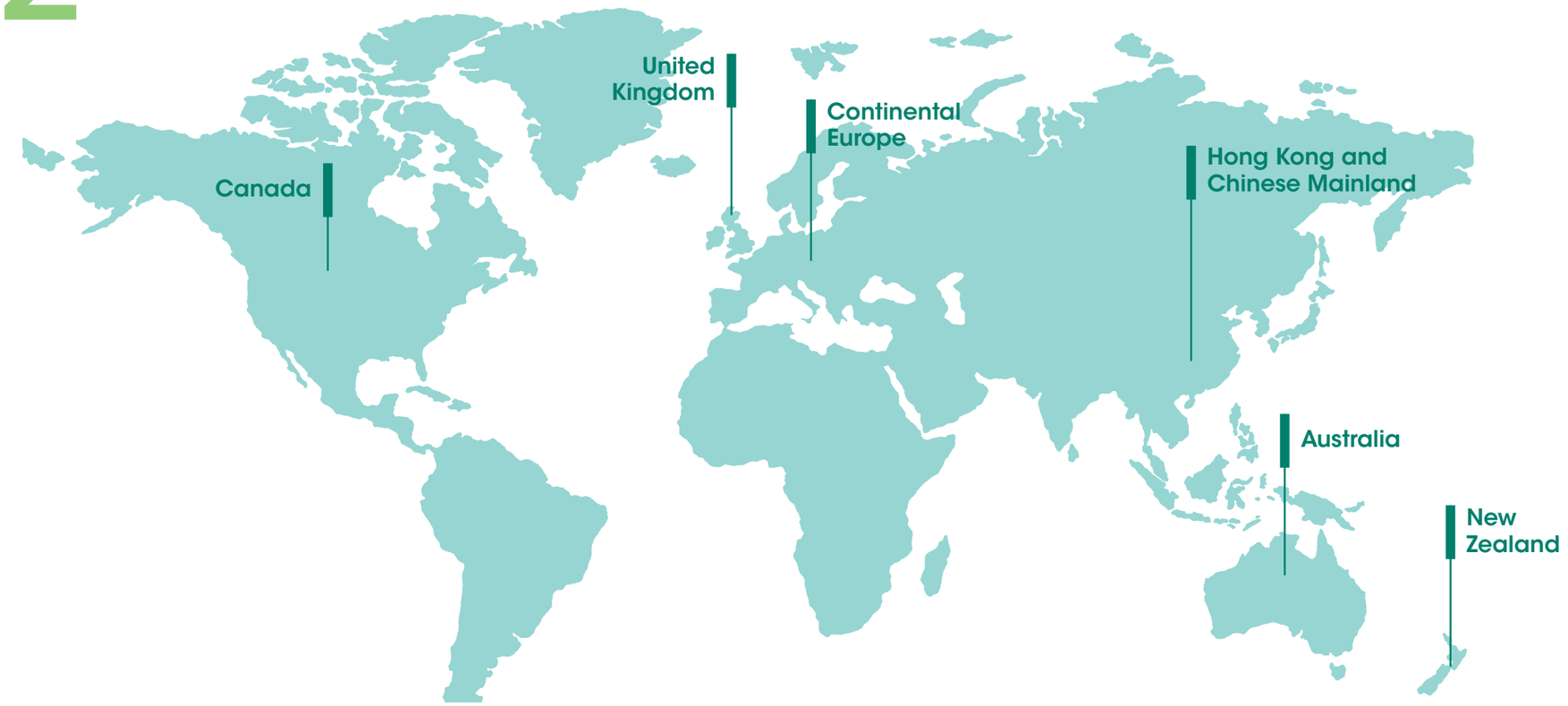
We welcome any suggestions, comments, or questions about our Sustainability Report and sustainability performance. Please feel free to contact us at **sustainability@cki.com.hk**.

This report is primarily available online for our stakeholders, with hard copies provided upon request to minimise paper use and support environmental conservation.

Note:

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

2 Our Business Portfolio



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

Canada

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

United Kingdom

- UK Power Networks[1]
- Northumbrian Water
- Northern Gas Networks
- Wales & West Gas Networks
- Phoenix Energy
- UK Renewables Energy
- Seabank Power

Continental Europe

- ista
- Dutch Enviro Energy

Power Assets

- Power Assets

Hong Kong and Chinese Mainland

- Alliance Construction Materials
- Guangdong Gitic Green Island Cement
- Green Island Cement
- Yunfu Xiangli Cement
- Anderson Asphalt
- Shen-Shan Highway (Eastern Section) and Shantou Bay Bridge
- Green Island Cement (Yunfu)

Australia

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

New Zealand

- Wellington Electricity
- Enviro NZ

Note:

1 Entered into a share purchase agreement to divest interest of UK Power Networks in February 2026

2 Our Business Portfolio

The Group's Businesses and Operations

The Group operates across six key regions and continued to expand its portfolio in these key markets during the reporting period:

Investment in Power Assets

The Power Assets Group is a global investor in power and utility-related businesses with investments in electricity generation, transmission and distribution, renewable energy, gas distribution and energy-from-waste. Power Assets has established a strong global presence with investments in the United Kingdom, Australia, New Zealand, Chinese Mainland, Hong Kong, the United States, Canada, Thailand, and the Netherlands, bringing sustainable energy and lighting up the lives of millions around the world.

Infrastructure Investments in the United Kingdom

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

- UK Power Networks ("UKPN") – an electricity distribution network operator which serves London, the South East England and the East of England.
- Northumbrian Water – a water supply, sewerage and wastewater company that serves North East England and provides water supply to certain areas in South East England.
- Northern Gas Networks ("NGN") – a gas distribution business that serves the North of England.
- Wales & West Gas Networks ("WWU") – a gas distribution business that serves Wales and the South West of England.
- Phoenix Energy – the largest natural gas distribution network in Northern Ireland.
- UK Renewables Energy – a portfolio of 32 wind farms located in England, Scotland and Wales.
- Seabank Power – an electricity generation plant located near Bristol in the South West of England.

Infrastructure Investments in Australia

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

- SA Power Networks ("SAPN") – the primary electricity distributor in the state of South Australia.
- Victoria Power Networks ("VPN") – of which its member companies – Powercor and CitiPower – distribute electricity to over 1.2 million residential households and commercial customers across the state of Victoria.
- United Energy – an electricity distribution business in the state of Victoria serving approximately 700,000 customers across the East and the Southeast of Melbourne and the Mornington Peninsula.
- Australian Gas Networks ("AGN") (part of Australian Gas Infrastructure Group ("AGIG")) – owns and operates gas infrastructure (distribution and transmission pipelines) in Victoria, South Australia, Queensland, New South Wales and the Northern Territory. It also owns and operates two renewable hydrogen production facilities, Hydrogen Park South Australia and Hydrogen Park Gladstone, with a third facility, Hydrogen Park Murray Valley under development in Victoria.
- Dampier Bunbury Pipeline ("DBP") (a member of AGIG) – owns and operates Western Australia's principal gas transmission system, the Dampier to Bunbury Natural Gas Pipeline. Australian Gas Infrastructure Developments operates unregulated transmission pipelines, gas processing, storage and small quantities of native gas production in Western Australia and the Northern Territory.
- Multinet Gas Networks ("MGN") (part of AGIG) – owns and operates gas distribution infrastructure in Victoria, Australia.
- Energy Developments Pty Limited ("EDL") – a global producer of sustainable distributed energy supporting the transition to decarbonised solutions.
- Australian Energy Operations ("AEO") – a renewable energy power transmission business in the state of Victoria.

Infrastructure Investments in New Zealand

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

- Wellington Electricity – an electricity distributor which serves New Zealand's capital city and its surrounding areas.
- Enviro NZ – provides waste and recycling collection, resource recovery and reuse, and disposal services nationwide.

Infrastructure Investments in Continental Europe

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

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

Infrastructure Investments in Canada

- Reliance Home Comfort – a residential services company under the Household Infrastructure portfolio of the Group.
- Canadian Power – holds a portfolio comprising stakes in Okanagan Wind in British Columbia and five electricity generation plants in Ontario, Alberta and Saskatchewan.
- Park'N Fly – the largest off-airport car park provider in the country.
- Canadian Midstream Assets – holds oil and gas midstream assets in Alberta and Saskatchewan.

Infrastructure Investments in Hong Kong and Chinese Mainland

CKI's Hong Kong and Chinese Mainland portfolio comprises infrastructure materials manufacturing businesses and Chinese Mainland infrastructure investments and operations.

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

Our Business Portfolio

Employees[1]
38,320

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

Electricity Network Length
over **390,000** km

Gas Pipeline Length
over **115,000** km

Installed Capacity Mix

	Renewable Energy							
	Coal	Gas	Oil	Wind	Solar	Biomass	Energy-from-waste and others	Total (MW)
On an equity basis	321	1,205	92	132	44	103	192	2,089
On a gross basis	2,250	5,630	608	369	84	213	387	9,541

3 Message from the Chairman

VICTOR T K LI
Chairman

The operating environment in 2025 continued to evolve amid a mix of economic uncertainties, together with elevating climate risks and unpredictable sustainability policies across major markets. Geopolitical tensions, rapid development of artificial intelligence and data centres, extreme weather events, and the need to accelerate decarbonisation to combat climate change are just some of the key issues that impact the operating environment significantly. Despite these challenges, our group continued to focus on our vision, which is to make the world a better place through different types of infrastructure investments and developments across the world. The Sustainability Report 2025 highlights our steadfast commitment and achievement to drive sustainable development.

More Investment into Our Infrastructure Portfolio

As a global leader in infrastructure investment, we recognise our critical role in addressing both acute and chronic sustainability challenges. At the same time, we remain focused on capturing the growth opportunities that arise. Across our portfolio, we are committed to making substantial investments in energy systems and essential infrastructures globally. These investments form the foundation for strengthening resilience against future climate events, supporting the energy transition, enhancing biodiversity, safeguarding health and safety of our people and managing increasing cybersecurity risk. During the year, the Group allocated approximately HK$12.6 billion on sustainable investment and activities focusing in four key areas: low-carbon transition technology, sustainable transportation, asset modernisation and energy efficiency, and water, biodiversity and circular economy. Through these focused efforts, we aim to meet our sustainability objectives, proving that strategic capital investment in existing assets is a powerful driver of both the net-zero transition and durable, long-term value.

The frequency and intensity of extreme weather events have increased noticeably in recent years, and these conditions may persist as climate patterns continue to shift. Such events place further pressure on infrastructure systems and present operational challenges for network operators and essential service providers like us. Despite these circumstances, our operations continued to uphold strong performance and service reliability throughout 2025. Notwithstanding this, these experiences reinforce the importance of sustained investment in climate adaptation and resilience.

We have observed that many governments and regulators across the regions in which we operate are placing greater emphasis on accelerating investment to strengthen these areas. In the UK, Northumbrian Water commenced its new regulatory period on 1st April, 2025. Under the five-year plan, significant investment will be directed towards enhancing asset resilience, preserving the environment and reducing the pollution impact. Similarly, the two gas distribution networks – namely NGN and WWU – will be allowed to increase investment in innovation, decarbonisation, asset resilience and network reliability in the upcoming regulatory period from 1st April, 2026 to 31st March, 2031. In Australia, SAPN began its new regulatory period on 1st July, 2025, which supports more efficient investment to facilitate the energy transition, and to address important emerging issues such as climate resilience and integration of consumer energy resources.

In addition, many of our operating companies continue to make strategic and impactful investment into low carbon projects. For example, EDL acquired GWE Energy, one of the most advanced anaerobic digestion facilities in the UK during the period. The facility can produce up to 750 cubic metres of biomethane per hour and generates enough renewable electricity to supply approximately 8,000 homes, with its renewable biomethane able to power another 6,000 households. In Continental Europe, ista acquired SGW-Metering in September 2025. It is a prominent service provider in the metering sector with expertise in the installation of smart metering systems. This addition bolsters ista's position as a leading provider of climate protection solutions to its customers.

Sustained Momentum on Decarbonisation

The Group's global portfolio places us in a unique position to support the energy transition and net zero ambitions of the jurisdictions in which we operate. Our focus remains on delivering reliable services, managing long-lived assets prudently, and preparing our businesses for long-term sustainability challenges and opportunities. Many of the Group's core assets – in electricity and gas distribution, renewable and clean energy generation, water and wastewater treatment, waste management, or household related infrastructure – sit at the centre of energy transitions and climate resilience planning.

The Group also continued to advance its low-carbon transition plan during the year, applying a structured approach built around six strategic levers. These focus areas include decarbonising our generation portfolio; modernising and digitalising electricity networks to enhance reliability and accommodate increasing renewable penetration; reducing methane and carbon emissions across our operations; preparing our gas networks for more renewable gas and hydrogen usage; optimising our use of energy, water, and materials; and adopting cleaner production and service models through technology and innovation. Together, these levers provide a clear pathway for each business unit to contribute meaningfully to the global net-zero agenda.

3 Message from the Chairman

During the year, the Group recorded a continued reduction in Scope 1 and 2 GHG emissions. In 2025, our emissions decreased by 4.9% compared with the previous year. Our decarbonisation progress remains aligned with our medium and long-term commitments, where we target to reduce 50% of Scope 1 and 2 emissions by 2035 (versus 2020 levels) and the pursuit of net zero by 2050.

Good Progress in Preserving and Restoring Biodiversity

Environmental stewardship continues to be an integral part of the Group's sustainability strategy. Across the countries where we operate, regulatory expectations on biodiversity have continued to strengthen. Building on the establishment of the Group's Biodiversity Policy in 2024, our businesses have further embedded biodiversity considerations into their operations and planning, ensuring that potential impacts on natural ecosystems are assessed and mitigated throughout different stages.

Within this evolving global landscape, the Group advanced several initiatives and set clear short-, medium- and long-term commitments across its operations. For example, Northumbrian Water aims to enhance or restore 500 hectares of priority habitat every five years, and ensure that by 2050 all of its construction activities will deliver a net gain in biodiversity. In the UK gas distribution networks, WWU and NGN have committed to delivering biodiversity net gain across their operational activities in their upcoming regulatory periods. WWU has also partnered with Stump Up For Trees to support projects that promote biodiversity net gain and long-term carbon sequestration. In Hong Kong, HK Electric conducted bird surveys at Lamma Power Station ("LPS") to assess and enhance biodiversity conservation efforts.

Growing Talent in Our Workforce

As we navigate the future of infrastructure, we remain focused on cultivating a diverse, skilled and empowered workforce. Strengthening our human capital remains fundamental to the Group's long-term performance and resilience. Our culture emphasises continuous learning, effective knowledge transfer, and the development of future-ready capabilities across all business units, ensuring our people can contribute meaningfully to the Group's strategic ambitions.

Across the Group, we believe that a diverse and empowered workforce would enhance our ability to deliver essential services that reflect the evolving needs of the communities we serve. By investing in people, fostering inclusive workplaces, and promoting equitable opportunities, we strengthen our organisational capability to support sustainable growth and long-term value creation. Our businesses received a number of recognitions in this regard. For example, UKPN was named the winner of the Outstanding In-House Training Initiative award at the Learning Excellence Awards in London for its craft apprenticeship programme.

Driving for an Inclusive Transition

For the energy transition movement, our goal remains to ensure that the transition is inclusive, sustainable, beneficial and accessible to all. We recognise that the transition to a low carbon future must be both just and orderly, with the social well-being of the communities we serve placed firmly at the centre of our efforts.

This requires evolving our role, from simply providing essential support to actively building long-term community resilience. While we continue to stand alongside vulnerable customers through targeted financial assistance and education programmes, we are increasingly prioritising strategic partnerships and innovative solutions that tackle the root challenges of energy affordability and social exclusion. Through this approach, we aim to empower communities to thrive throughout the transition and beyond. In the UK, our business units participate in the Priority Services Register ("PSR") to provide additional support to vulnerable customers for free. This includes advanced notification on service interruption, hot meals and battery packs for backup power during extended outages, and special grants on energy tariffs in exceptional circumstances. Through PSR, our business units aim to ensure equal access to essential services for all customers.

During business operations and expansions, we also pay special attention to foster respectful relationships with Indigenous people and First Nations communities. Reconciliation Actions Plans ("RAPs") are developed when appropriate to guide meaningful engagement and strengthen relationships with local communities. In Australia, our business units including AGIG, EDL, VPN and United Energy have established RAPs to both deepen relationships and share benefits with Aboriginal and Torres Strait Islander peoples, including the Djurrubu Rangers. We look forward to extending our connections with local communities and contributing meaningfully to every regions' reconciliation journey.

Our Sustainability Governance and Transparency

The Group continues to strengthen its sustainability governance framework through regular reviews of board composition, skills matrices and diversity representation to ensure that oversight capabilities remain aligned with evolving regulatory and stakeholder expectations. Our sustainability-related policies are also refreshed on a routine basis to reflect best practice standards, market developments and stakeholder priorities across our global operations.

To enhance transparency, the Group further advanced its climate-related financial disclosures with reference to the HK Stock Exchange ESG Code and the ISSB S2 Climate-related Disclosure Standard. These disclosures are supported by a rigorous analytical approach that combines holistic, Group-wide climate scenario assessments with detailed bottom-up insights from individual business units. This enables stakeholders to gain a clear, data-driven understanding of the Group's climate-related risks, opportunities and strategic responses.

We recognise that collective action is essential to tackling climate change and progressing toward net zero. I extend my heartfelt appreciation to our employees, customers, partners, local communities and stakeholders for working with us to make the world a better place and for seizing every opportunity to help build a resilient and sustainable future for generations ahead.

VICTOR T K LI

Chairman

18th March, 2026

4 2025 Highlights

Environment

Scope 1 and 2 Emissions

CO_2

⬇ 4.9%
Compared with 2024

⬇ 19.8%
Compared with 2020 baseline year

Avoided Emissions

CO_2

1,988,599 tCO_2e

Avoided emissions from renewable energy and energy-from-waste operations

Water Consumption

⬇ 4.3%

Reducing to 74,922 thousand m^3 in 2025 from 78,319 thousand m^3 in 2024

Biodiversity

Biodiversity net gain and site enhancement commitments at business unit-level

Social

No. of Employees

38,000+

Gender Diversity

26%
Women in total Workforce

22%
Women in top management positions

Safety

Zero
Fatalities (employees)

0.54
Lost time injury rate (employees)

Training

88.9%
Percentage of full-time employees who received training

31.2 hours
Average hours of training per full-time employees

Community Contributions

57,325 hours
Volunteering

Governance

Double Materiality Assessment

Refreshed our double materiality assessment to review the bilateral sustainability impacts on the Group and the broader society

Business Ethics Training

35,597 hours

Provided to employees on anti-corruption, ethics, and integrity

Annual Directors' Training:

- The evolving landscape of digital transition
- Sustainability trends

In-house ESG Workshops

- Reinforce sustainability vision and foster synergies
- Work with regional sustainability lead to track ESG development closely

4 2025 Highlights

SUSTAINABILITY PROGRESS ACROSS BUSINESS SEGMENTS

Electricity Distribution

13.5 GW
Capacity of Connections to Distributed Renewable Energy Generation
⬆10% vs 2024

83.3%
Customer Satisfaction Score (consolidated, 100% as basis)

Electricity Generation/Clean & Renewable Energy

666 MW
Renewable Energy Generation Capacity, including Wind, Solar, Hydro and Biomass (On a gross basis)

46%
Generation Efficiency (Consolidated)
⬆from 45% in 2024

82%
Weighted Average Availability Factor of Plants

Water Utilities & Services

⬇17.6% (ESW)
⬇12.0% (NW)
Water Leakage, measured on a 3 year average, Leakage has consistently declined over the past 4 years

> 80
Customer Satisfaction Score during 2023–2025 (100 as basis)

Construction Materials

0.238 tonnes CO_2e/m^3 concrete
Concrete Production GHG Emissions Intensity
⬇ 11% vs 2024

661 kg CO_2e per tonne of cementitious product
Cement Production Carbon Intensity

225,491 metric tonnes (including GGBS, PFA[1], etc.)
Sales of Lower Carbon Cementitious Materials
⬆12% vs 2024

Gas Transmission & Distribution

1,169 km
Mains Replacement

20,553 kg
Renewable Gas Production
⬆8% vs 2024

1,572 GWh
Biomethane Injected
⬆5% vs 2024

Household Infrastructure

85 (Sales) **75** (Service)
Reliance Home Comfort
Net Promoter Score, highest during 2023–2025

79%
Reliance Home Comfort
Recycling Rate
⬆from 77% in 2024

⬇9.8%
ista
Heating Energy Emissions per user, vs 2018 base year

Waste Management

26%
Enviro NZ
Percentage of Waste Diverted from Landfills
⬆ from 19% in 2024

17,282 tonnes
Enviro NZ
Methane Captured
⬆10% vs 2024

Transportation

EV Charging Services
Provided in **Park'N Fly** car parks

Note:
1 Ground Granulated Blast-furnace Slag ("GGBS") and Pulverised Fuel Ash ("PFA") are low-carbon cementitious materials that can be added to concrete to reduce its embodied carbon. PFA is a byproduct of pulverised coal combustion in electricity generation, while GGBS is a byproduct of the iron and steel-making process.

The People

5

Sustainability at CKI

The Group's sustainability strategy is grounded in clear sustainability pillars, principles and policies, with strong oversight from the Board and executive management. We prioritise the sustainability issues that matter most to our business and our stakeholders, recognising that active engagement is essential to co-creating solutions to shared challenges. Through this focus, we aim to deliver meaningful impact, create long-term value and develop resilient, sustainable infrastructure for today and tomorrows.

Sustainability Governance

Our sustainability governance is embedded at every level of the organisation, with oversight rests with the Board's Sustainability Committee, strategic direction coordinated by a management-level Sustainability Working Group, and implementation carried out through ESG committees across our business units. This framework ensures clear accountability and consistent execution.

Stakeholder Engagement and Materiality Assessment

The Group conducted its first double materiality assessment in 2024 to deepen understanding of stakeholder perspectives, priorities and expectations, and to assess both our impacts on society and the environment, as well as the implications of sustainability issues for our business. In 2025, this methodology is continuously applied to identify and prioritise the topics that are most important to the Group and to society. Insights from ongoing engagement – including the results of this year's survey – inform regular updates to our materiality matrix. This process enhances transparency, aligns our actions with stakeholder priorities and supports effective decision-making and resource allocation.

5.1 Approach to Sustainability

Sustainability Pillars and Policies

Our sustainability strategy is founded on four pillars: The Business, The People, The Environment and The Community. Aligned with the UN Sustainable Development Goals, we are committed to advancing the UN 2030 Agenda, with a particular focus on seven priority SDGs where the Group can make the greatest contribution. We have established a comprehensive set of policies, procedures, and guidelines designed to assist our management teams and business units in addressing significant sustainability challenges within the Group, details of which are elaborated within this report. Each division tailors these principles to its local social, economic and environmental context, with performance and compliance assessed through regular management reviews and reporting.

For further information on our policies and procedures, please refer to the Sustainability Policies and Corporate Governance Policies sections on the Company's website.

Sustainability Policies

Corporate Governance Policies

Business

A resilient business model is vital to remain competitive, attract investment and retain talented people. It enables our teams to drive sustainable development and supports long-term value creation for stakeholders.

Core Principles:

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

People

Our employees are at the heart of our operations and play a vital role in our corporate success. The Group strives to cultivate an inclusive, diverse, and equitable work environment for all, where individual development and growth are prioritised.

Core Principles:

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

Environment

Environmental protection is one of the core principles and a key element of our sustainable strategies. As a global infrastructure company, our Group believes it is our responsibility to lead in the decarbonisation of our industry and to manage our assets in a responsible manner.

Core Principles:

- Comply with or exceed the requirements of the relevant laws and regulations to control any GHG emissions, discharges into water and land, and waste generation.
- Establish targets and regularly review and evaluate results to ensure the effectiveness of emission control measures.
- Monitor and manage the use of resources, including energy, water and other raw materials.
- Minimise the impact of its business activities on the environment and natural resources.
- Encourage and provide support for conservation and environmental protection programmes.
- Create and promote eco-friendly products and processes with potential commercial applications.

Community

Engaging with the community plays a vital role in advancing our decarbonisation objectives. The Group actively maintains regular dialogue with stakeholders to strengthen communication, gain insights into their expectations, and drive improvements in our long-term sustainability performance.

Core Principles:

- Encourage employees to play a positive and active role in the community.
- Implement internal guidelines and controls on donations and contributions to safeguard stakeholders' and shareholders' interests.
- Consult with local communities and undertake initiatives catered to the needs and benefits of the communities within which it operates, with a focus on employee volunteerism, education, health and elderly care, arts and culture, sports and disaster relief.

5.1 Approach to Sustainability

Contribution to UN SDGs

As a global infrastructure player, the Group strives to contribute to the UN Sustainable Development Goals ("SDGs") and the UN 2030 Agenda by promoting the transition to net zero for our customers and businesses. We have identified seven SDGs highly relevant to our business and operations, which we believe we are well-positioned to meaningfully contribute towards achieving.

Our prioritised SDGs and contributions in 2025

Achieve gender equality and empower all women and girls

The Group has zero tolerance for any form of discrimination or harassment. We strive to create a diverse and inclusive workplace where equal opportunities to thrive are offered to all staff. Our Corporate Social Responsibility Policy, Human Rights Policy and Workforce Diversity Policy stipulate our commitment to equal opportunity and value to diversity.

- Up to the date of this Report, 31.25% of CKI's Directors are female, increasing from 26.66% in 2024.

Ensure access to affordable, reliable, sustainable, and modern energy for all

Recognising the significance of transforming the energy sector, the Group made a public commitment to phase out coal-fired generation by 2035. Our Environmental Policy articulates the Group's commitment to manage direct and indirect impacts arising from our operations and increase the use of innovative, clean and energy efficient technology.

- 100% of our gas transmission and distribution companies have developed plans to blend renewable and carbon neutral gases, including biomethane or hydrogen into their existing gas transmission and distribution networks.

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

The Group has established the Corporate Social Responsibility Policy, Health and Safety Policy, Human Rights Policy and Modern Slavery and Human Trafficking Statement to demonstrate our commitment to fostering a decent working environment and making an impactful contribution to the economic growth of society.

On top of ensuring compliance with all relevant laws and regulations of health and safety, we also continuously monitor and report on the health and safety performance of our operations. To encourage career growth and success for our employees, we provide various training and development programmes to allow their continuous upskilling and capacity building.

- 89% of our full-time employees received training.

5.1 Approach to Sustainability

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

The Group is firmly committed to fostering creativity, innovation, and agility as we explore innovative solutions and advanced technology to fulfil our decarbonisation targets. In line with the Group's decarbonisation strategy, business units have been enhancing their operations to offer more sustainable services and products.

- 100% of our electricity distribution companies are committed to investing in smart energy solutions, including Distribution System Operator ("DSO"), smart metering and network battery projects.

Make cities and human settlements inclusive, safe, resilient, and sustainable

The Group is committed to ensuring resilient and sustainable infrastructures for the cities and communities in which we operate by implementing stringent measures to manage air pollution and enhance air quality, as well as offering sustainable waste management services in our areas of operation.

- 88% of the Group's attributable revenue was covered by the Environmental Management System ("EMS") certified by ISO 14001 or other relevant EMS certificates.

Ensure sustainable consumption and production patterns

The Group strives to adopt sustainable practices and responsibly manage natural resources across its businesses. We have established the Environmental Policy which demonstrates our commitment to promoting the reuse and recycling of resources in our day-to-day operations. To facilitate our material management, we also encourage the adoption of new technologies to optimise our production and operation processes and improve our environmental management procedures.

Furthermore, business units are exploring sustainable material options and working with external parties to move towards more sustainable patterns of consumption and production.

- Water consumption in 2025 – 74,922 thousand m^3, which is a 4.3% reduction compared to 2024.

Take urgent action to combat climate change and its impacts

In response to the global call for swift action against the climate emergency, we have publicly declared a Group-level carbon reduction target of 50% by 2035 compared to 2020 levels. Business units are supporting the successful transition to a low-carbon economy as they develop, operate and invest in low-carbon infrastructure. While delivering cleaner products and services to our customers, the Group also ensures our operations are resilient to the impacts of climate change as part of our business strategy.

- Scope 1 and 2 emissions in 2025 – 6,840,763 tCO_2e, which is a 4.9% reduction compared to 2024.

5.2 Sustainability Governance

A vigorous sustainability governance structure within the Group has always been a key priority, ensuring that our commitment to sustainable practices is integrated at all levels, from the Board to the Sustainability Committee and the Sustainability Working Group, which includes all personnel responsible for key business areas. This framework guides the Group in executing sustainable strategies, setting and managing goals and targets, enhancing stakeholder communications, and upholding accountability across the businesses.

The Board of Directors has carefully considered the balance of climate-related risks and opportunities, particularly between climate-related cost implications and the long-term opportunities and benefits from climate transition. This balanced approach ensures that climate considerations are embedded into strategic planning and risk management, supporting both the Group's financial performance and its contribution to the transition towards a low-carbon economy.

The Company established its Sustainability Committee on 1st December, 2020. As at 31st December, 2025, the Sustainability Committee comprises three Directors, a majority of whom are Independent Non-executive Directors, and the Company Secretary. The Sustainability Committee, with delegated responsibility, oversees management and advises the Board on the development and implementation of the sustainability initiatives of the Group, including reviewing the related sustainability policies and practices, and assessing and making recommendations on matters concerning the Group's sustainability development and ESG risks and opportunities. The Sustainability Committee held two meetings in March and November of 2025. At its meeting in March 2026, the Sustainability Committee reviewed the sustainability report for the year of 2025 and the sustainability policies of the Company.

The following is a summary of the major work of the Sustainability Committee during the year of 2025:

- Reviewed the Group's sustainability objectives, strategies, priorities, initiatives, goals, targets, work progress and highlights for the year of 2024, in consultation with the external professional consultant;
- Reviewed the enhancements of the sustainability report for the year of 2024 on structural redesign, double materially assessment and sectoral perspectives as well as enhancements to meet HKEX climate-related disclosure requirements;
- Reviewed the climate-related disclosure requirements that applied to the sustainability report for the year of 2024 that meets the recommendations from the Task Force on Climate-related Financial Disclosures and the UK mandatory climate-related financial disclosure requirements;
- Considered rating agencies' analyses of the Group's sustainability performance;
- Reviewed the sustainability-related issues, trends and best practices that might affect the Group;
- Reviewed the Company's sustainability frameworks and sustainability-related policies, practices and management approach;
- Reviewed the Company's sustainability report for the year of 2024, prepared in consultation with the external professional consultant;
- Reviewed the progress of the Group in 2025 towards the sustainability targets and sustainability-related issues, trends and best practices;
- Considered the plan and preparatory work for the Company's sustainability report for the year of 2025; and
- Reviewed the Company's sustainability frameworks, policies and practices and approved the updates of (a) Anti-Harassment Policy; (b) Biodiversity Policy; (c) Environmental Policy; (d) Human Rights Policy and (e) Supplier Code of Conduct.

The Group recognises that sustainability and climate issues are evolving quickly and ensures that Board members, key personnel, and the Sustainability Working Group stay informed through targeted training by external experts. Directors participated in annual training sessions covering digital transition and AI adoption, cybersecurity risks, responsible digital practices, climate integration practices, nature-related disclosures, and the role of AI in advancing sustainability.

To achieve the Group's sustainability ambitions, all businesses are accountable for executing sustainability initiatives and managing related risks and performance. ESG committees within each business unit design, implement and oversee sustainability strategies and provide regular updates and assurance to senior management. This governance supports continuous improvement and regular reassessment of processes and outcomes.

The Group established its CK Sustainability Council in June 2022 to provide a platform for discussing sustainability issues, coordinate responses and initiatives related to sustainability, and guide the sustainability strategy and investor relations throughout the Group. In 2025, the Council conducted four quarterly meetings and addressed different sustainability-related major items, including understanding the newly established regulations and their impact on the Group and our business units.

Building ESG Capacity Across the Group

In 2025, CKI and Power Assets organised two regional ESG workshops in the UK and Australia, bringing together sustainability leads from our regional business units across both regions. The sessions focused on key sustainability topics, including climate disclosure requirements, stakeholder engagement strategies, emissions reporting, diversity, equity and inclusion, and biodiversity management. Constructive dialogues were fostered between the Group and representatives from business units. The workshops have provided a valuable platform for all to share industry best practices which will support the continued advancement of the Group's sustainability performance.

5.2 Sustainability Governance

Top-down Strategy

CKI's Sustainability Governance Structure

The Board

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

Sustainability Committee

- Chaired by Mr. Paul Joseph Tighe[1], an Independent Non-executive Director. Other members include Mr. Ip Tak Chuen, Edmond, the Company's Deputy Chairman, Mr. Lan Hong Tsung, David, an Independent Non-executive Director, and Ms. Eirene Yeung, the Company Secretary.
- The principal responsibilities include overseeing management and advising the Board on the development and implementation of the sustainability initiatives of the Group. To discharge these responsibilities, the Sustainability Committee reviews the related sustainability and ESG policies and practices, and assesses and makes recommendations on matters concerning the Group's sustainability development and ESG risks and opportunities.
- Reports periodically to the Board on sustainability risks and opportunities, and their impact on business strategy and new investments.
- For more information, please refer to the Terms of Reference of the Sustainability Committee.

Sustainability Working Group

- Composed of key members of senior management of the head office and the business divisions of the Group.
- Focuses on proactively addressing sustainability issues and policies and driving strategic initiatives across the Group.
- Reports to and receives feedback from the Sustainability Committee regularly.

Management of Business Units

- Identifies sustainability-related risks and opportunities specific to their operations.
- Monitors and tracks progress against agreed targets and initiatives.
- Provides feedback to the Sustainability Working Group on sustainability-related achievements and progress.

Bottom-up Information Flow

Note:

1 Mr. Paul Joseph Tighe was appointed as chairman of the Sustainability Committee in place of Mr. Ip Tak Chuen, Edmond with effect from 1st November, 2025.

5.3 Stakeholder Engagement and Materiality Assessment

Double Materiality Assessment

The Group is committed to enhancing the transparency of our sustainability disclosures and focusing on meeting stakeholder expectations. We engage regularly with our diverse stakeholder groups, including but not limited to employees, customers, business partners, regulators, investors and financiers to understand their perspectives and expectations. This ongoing dialogues enables us to understand stakeholders' needs and enhance our business performance in the continuously evolving industry landscape.

In 2024, the Group conducted our first double materiality assessment, undertaking a comprehensive analysis to identify and prioritise the sustainability topics most relevant to our business and its broader impacts. This marked an important step in aligning with international disclosure. In 2025, our approach transitions to a review basis assessment, drawing on insights from ongoing stakeholder engagement activities to make necessary updates to last year's engagement results. This process reflects evolving best practice and supports the integration of sustainability considerations into our strategic planning and operations.

The Group remain committed to making decisions informed by a comprehensive view of sustainability impacts, reinforcing accountability and long-term value creation for all stakeholders. Through double materiality assessment, we focus on identifying critical economic, environmental, and social issues which have a significant impact on both within the corporate context and in the wider community, so as to:

- Enhance accountability and drive long-term sustainable value creation by focusing on key priorities;
- Inform the overall risk management process by reviewing and potentially integrating materiality assessment results; and
- Ensure our sustainability report provides a balanced and transparent view, addressing both financial risks and opportunities for the Group, as well as our broader impacts on society and the environment.

A four-steps methodology have been established for the double materiality assessment exercise.

01 **Understand the context**

02 **Identify material topics, and assess their materiality through stakeholder engagement**

03 **Validate the materiality assessment results**

04 **Identify impacts, risks, and opportunities ("IROs"), and report results**

5.3 Stakeholder Engagement and Materiality Assessment

Step 1: Understand the context

Our methodology of the four-step double materiality assessment is informed by the Global Reporting Initiative Standards and the European Financial Reporting Advisory Group. Double materiality assessment considers both impact and financial aspects. While impact materiality focuses on the assessment of the Group's effects on society and the environment, financial materiality focuses on the impact on the Group's financial performance and metrics, such as asset value and profitability, due to risks and opportunities arising from the Company's sustainability matters.

In 2024, the Group has undertaken a comprehensive, full-scope stakeholder engagement and materiality assessment, including extensive evaluation of key sustainability topics through peer benchmarking, industry analysis, focus group discussions and surveys with a broad set of internal and external stakeholders. Our 2025 approach adopts a review-based, blended methodology with the objective of refreshing and validating the previous findings by gathering updated stakeholder insights and generating latest insights. This process also incorporated the climate-related risks and opportunities identified through our ongoing scenario analysis, ensuring that the materiality review remained forward-looking and attentive to emerging issues.

Step 2: Identify material topics, and assess their materiality through stakeholder engagement

We review current and potential impacts, risks and opportunities across the Group's operations and our upstream and downstream value chain. This includes assessing environmental and social impacts, sustainability related financial risks and opportunities for value creation and resilience. Through stakeholder engagement, each material topics can be identified and ranked according to its significance.

Identifying material topics

Before initiating the materiality assessment process, we thoroughly reviewed and updated the list of material topics as part of a broader materiality analysis procedure. This process involved analysing research papers and publications from professional institutions released in the last three years, which led to the identification of four megatrends: **Climate Change, Technological Acceleration, Demographic Bifurcation, and Geostrategic Shifts**.

Megatrends relevant to the Group

Climate Change	Technological Acceleration	Demographic Bifurcation	Geostrategic Shifts
The paths of global warming and their potential impacts on earth systems, driven by human actions and environmental changes.	A structural force driven by exponential advances in computing power and analytics.	Changes in population size, growth, and structure at national, regional, or global levels that affect socioeconomic systems.	Changing geopolitical dynamics, including global and regional alliances, national attitudes toward key actors, governance, and strategic goals.

Based on the four megatrends and an extensive review of various sources, including external reports, articles, previously identified material topics, ESG ratings, assessments, and peer benchmarking, we compiled a list of material topics that are most pertinent to the Group's operations and business strategy. We also considered the underlying principles of Just Transition and UN SDGs when identifying material topics. The Group has identified seven UN SDGs highly related to our business and operations. Please refer to Section 5.1 Approach to Sustainability for details.

In 2025, the list of material topics most relevant to our businesses remained at twenty, following the comprehensive double materiality assessment conducted in 2024. This reflects the continued relevance of the topics identified last year and our stakeholders' focus in their identified key sustainability areas.

Material topics identified/consolidated from 2024

Environment (5 topics)

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

Social (9 topics)

- Supply Chain Management
- Human Capital Management
- Community Engagement and Investment
- Service Excellence
- Initiating Sustainability Transition in Community
- Health, Safety, and Well-being
- Labour and Human Rights
- Diversity, Equity, and Inclusion
- Future-ready Skills for Development

Governance (6 topics)

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

5.3 Stakeholder Engagement and Materiality Assessment

Engaging stakeholders

In 2025, we continued to advance our understanding of double materiality through an engagement process designed to capture diverse perspectives and validate the relevance of our material topics. By applying a range of communication channels, including in-person meetings and online surveys to gather insights from different stakeholder groups, we aim to ensure that our assessment remains broad-based, decision-useful, and aligned with evolving sustainability priorities and disclosure standards.

The outcome of the 2025 review indicates strong continuity with the prior year. The list of material topics most relevant to our business remains at twenty and identical, reflecting the continued relevance and robustness of the topics identified through the 2024 double materiality assessment. While the overall stakeholder perspectives remained broadly consistent, it is observed that more financial institutions has taken part in our stakeholder engagement in 2025, signalling heightened investor and stewardship interest in our Group, and growing expectations around climate- and sustainability-related disclosures.

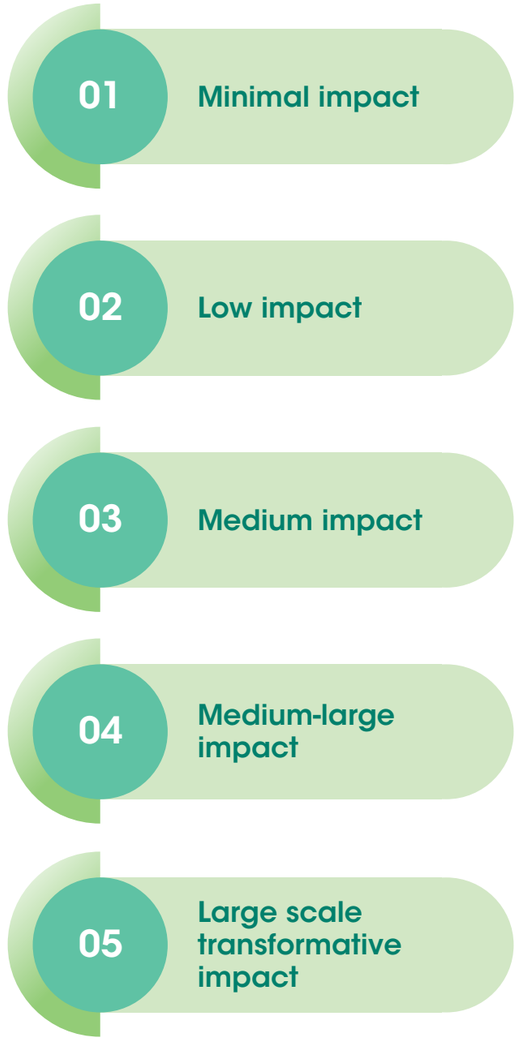
Stakeholders engaged in double materiality assessment

	Key stakeholder groups	Engagement details
Internal Stakeholders	• C-suite representatives • Department heads from business departments of head office • Employees from business departments of head office	Stakeholders are invited to take part in sharing their insights on the Group's sustainability initiatives and performances, as well as the ranking of the material topics according to impact and financial materiality perspective from the point of view of their roles.
	• Senior Management/Sustainability representatives of business units	Stakeholders are invited to complete an online survey to assess and rank the material topics according to both impact and financial materiality perspective from their businesses.
External stakeholders	• Financiers • Investors • Sustainability Experts	Stakeholders are invited to complete an online survey to score the material topics according to both impact and financial materiality perspective from the point of view of their roles.
	• Shareholders	In-person external focus group discussion was conducted, targeting major shareholders focused on both impact and financial materiality.

Scoring criteria for double materiality assessment

Impact Materiality	Financial Materiality
Assessing the Group's positive and negative effects on society and the environment. • **Scale** How grave/beneficial an impact is • **Scope** How widespread an impact is • **Ability to reverse/remedy impact** Possibility of reversing an impact • **Likelihood** Possibility of the impact occurring	Assessing the financial implications of the material topic on the Group. • **Impact to profitability and cost of capital** • **Regulatory compensation and penalty** • **Likelihood** Possibility of occurrence

Stakeholders were asked to give scores to each material topic based on different angles, and all the scores from the focus group discussions and the survey were added up and calculated as the "degree of materiality", which is made up of five levels of impact:



Step 3: Validate the materiality assessment results

The materiality results are presented in a matrix, with ten out of the twenty topics identified as highly material. These topics are considered critical for driving the long-term performance of the Group.

Among the ten topics, three are identified as the most material to the Group from a double materiality perspective:

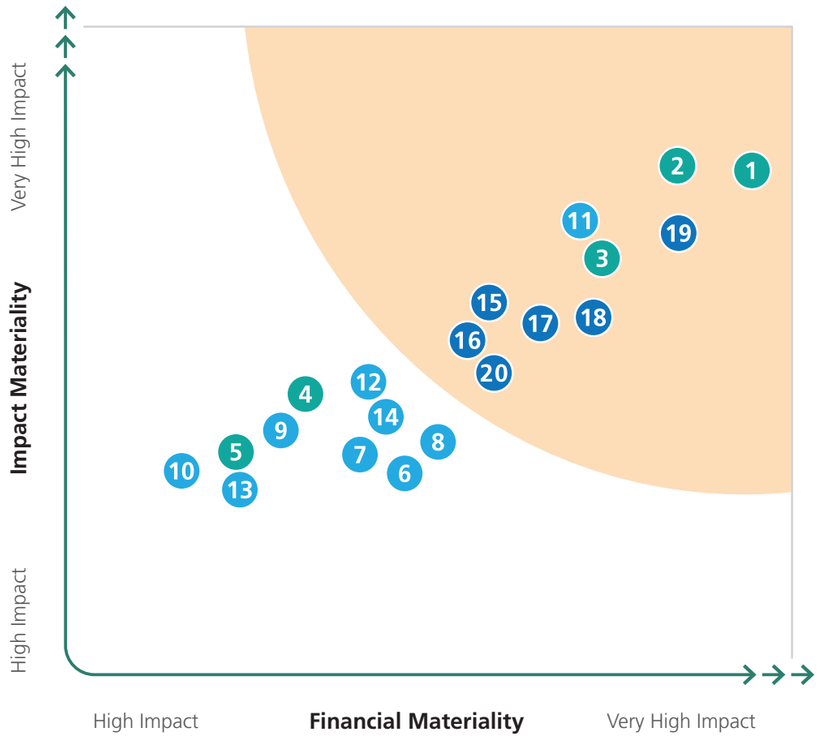
- **Decarbonisation, Hydrogen Economy, and Energy Transition**
- **Greenhouse Gas Emissions**
- **Cybersecurity, Asset Integrity, and Crisis Management**

The three most material topics identified are identical to previous year's results.

The Board-level Sustainability Committee reviewed and approved the materiality findings, which directly influence the content of this sustainability report.

5.3 Stakeholder Engagement and Materiality Assessment

Materiality Matrix



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

Step 4: Identify impacts, risks, and opportunities, and report results

Lastly, based on the identified material topics, we assessed the potential IROs that may arise from them. A comprehensive list of IROs was compiled by reviewing the risk factors at Group and business unit level, benchmarking industry peers and referencing SASB industry standards, with both positive and negative outcomes considered. The identified IROs were then mapped to each material topic to focus management attention and guide action plans. The Group is actively managing these risks while pursuing opportunities to support sustainable growth and long-term value creation. Details for the ten most material topics are set out below:

Potential Positive and Negative Impacts arising from 10 Highly Material Topics

Potential Positive Impact	Potential Negative Impact
Decarbonisation, Hydrogen Economy, and Energy Transition	
CKI's expanding footprint into renewable energy, including solar, wind, and green hydrogen: • Helps societies and economies transition to a low-carbon economy; • Benefits the environment and communities by supporting their net zero ambitions and reducing global warming; and • Provides more diverse, affordable, and reliable energy.	• Inadequate efforts to support decarbonisation, green energy, and facilitate the energy transition may contribute to delays in achieving net zero targets. • The effects would be felt globally, with more frequent extreme climate events and shifts in climate across geographies. • The Group's reputation may also be negatively affected, risks of non-compliance with government requirements increased.
GHG Emissions	
Dedicated efforts to reduce GHG emissions play a vital role in moderating the effects of global warming. These efforts: • Assist communities in achieving net zero; • Help reduce the frequency of extreme climate events; and • Mitigate the impacts of such events, including flooding, extreme heat, and forest fires.	Insufficient efforts to reduce GHG emissions, particularly in alignment with the Group's established carbon reduction targets, could: • Exacerbate climate change; and • Result in more extreme climate events and shifts in climate across societies.
Cybersecurity, Asset Integrity, and Crisis Management	
Enhanced investment in cybersecurity, asset integrity, and crisis management can: • Better equip the business to withstand cyber threats and operational disruptions; and • Minimise potential damages, downtime, and business interruptions.	• Inadequate cybersecurity protection against the latest cybersecurity threats, alongside an incomplete crisis management plan, may lead to data breaches and service disruptions, affecting customer trust and satisfaction. • Deficiencies in asset integrity could reduce service reliability and lead to lower customer satisfaction.

5.3 Stakeholder Engagement and Materiality Assessment

Potential Positive Impact	Potential Negative Impact
Health and Safety, and Well-being • Greater hazard awareness, a sharper focus on health and safety, and attention to employee well-being help cultivate a proactive mindset on health and well-being among our workforce and the communities we serve. • As a means to attract and retain talent. • Reduce safety incidents. • Our emphasis on health, safety, and well-being also strengthens trust with stakeholders and enhances brand reputation in our operating regions.	• A lack of emphasis on health, safety, and well-being significantly increases the risk of illness, injury, or even fatalities. • Insufficient focus on employees' well-being may also affect workforce morale, productivity, and the quality of services delivered. • Weak health and safety performance may result in fines and liabilities. • Frequent significant health and safety incidents could make hiring increasingly difficult due to the Company's declining reputation.
Climate Resilience and Adaptation • Enhancement in climate resilience can better equip the business to withstand extreme weather events, minimising damages, and disruptions.	• A lack of effort to bolster assets against extreme climate events, such as flooding and extreme heat, could potentially result in infrastructure damage, energy supply outages, and service downtime. • This would disrupt customers' daily lives and negatively impact the business' reputation.
Privacy and Data Security Focusing on enhancing the protection and resilience of data systems and customer data in an increasingly evolving threat landscape: • Helps safeguard customer trust; and • Ensures compliance with regulations and enhances brand value, providing significant benefits to the communities we serve.	• Ineffective policies or a lack of policies for privacy and data security may lead to data breaches or data misuse, undermining customer trust in the Company's ability to protect personal and commercial data. • Incidents of data security breaches may also attract attention from governments or regulators, increasing public scrutiny of the Company's operations. • This could ultimately impact the Company's public reputation and long-term stakeholder relationships.

Potential Positive Impact	Potential Negative Impact
Integrated Governance Structure • A healthy culture, strong governance, effective risk management, and a commitment to ethical behaviour and legal compliance optimise business performance. • These elements foster trust from governments, regulators, and customers.	• A lack of internal control standards and policies may result in inconsistent corporate practices and a lack of transparency. • This may undermine trust with governments, regulators, and the public.
Business Ethics and Anti-Corruption • A high standard of business ethics and a strong commitment to anti-corruption are important factors in building trust with governments, regulators, and other stakeholders.	• A lack of business ethics and a weak commitment to anti-corruption can affect various aspects of a company. • This can result in the loss of assets, damage to reputation, and a loss of trust and credibility with regulators and customers.
Sustainable and Responsible Investment • Sustainable and responsible investments – including in clean energy, energy efficiency, environmental management, and asset improvements – enable the Company to deliver more diverse and stable services to customers. • These investments offer significant benefits to the environment by reducing GHG emissions.	Inadequate investments in sustainable and responsible activities may: • hinder the Company's progress towards achieving its committed net zero target; • reduce the Company's ability to respond to regulatory requirements and industry changes; and • disrupt services if underinvestment prevents assets from operating effectively during adverse climate conditions.
Innovation and Digitalisation • Innovation and digitalisation of assets deliver substantial value to customers and the environment. • Our continuous support for innovative projects and asset digitalisation helps improve service capability and flexibility, enabling our services to reach a larger customer base while providing existing customers with more reliable services. • Innovation and digitalisation enable more efficient delivery of products and services, reducing waste and contributing to a greener, more sustainable environment.	• A lack of innovation and development in digitalisation may lead to asset deterioration and reduced service flexibility in responding to demand. It may weaken the Company's ability to adapt to demand fluctuations and future industry changes. • Customers may experience less reliable services and higher costs due to inefficiencies in service delivery.

5.3 Stakeholder Engagement and Materiality Assessment

Potential Risks

Potential risks	Our response
Decarbonisation, Hydrogen Economy, and Energy Transition • Insufficient governmental and regulatory support, as well as inadequate sustainable planning for the energy transition, could hinder the success of decarbonising our business and the broader economy. • Inadequate support or frequently changing policies related to decarbonisation and energy transition from the governments may increase uncertainty for our investment in energy transition. • Delays or challenges in obtaining regulatory approvals for investments and business plans could hinder decarbonisation progress in regulated businesses.	***Section 8.1***
GHG Emissions • Governmental regulatory policies on limiting GHG emissions, including the use of carbon tax, on certain or all industries may result in an increase of operation cost. • Aggressive restriction on the use of fossil fuel such as coal may also lead to stranded asset risk.	***Section 8.2***
Cybersecurity, Asset Integrity, and Crisis Management • Cybersecurity incidents, including data breaches and cyberattacks, may result in litigation from customers and penalties from governments and regulators. • Inadequate allocation of capital or ineffective long-term planning for cybersecurity systems could leave our operations vulnerable to evolving cyber threats, compromising data security and operational resilience.	***Section 7.3***
Health and Safety, and Well-being • Failure to maintain a safe and healthy environment as required by regulatory safety standards may lead to penalties and litigation. • Health and safety incidents arising from operations also affect the business' reputation and brand value.	***Section 9.3***

Potential risks	Our response
Climate Resilience and Adaptation • Increasing severity and frequencies of extreme climate events may increase the risk of asset failure and affect business operations.	***Section 8.3***
Privacy and Data Security • Privacy and data security incidents, including data breaches, may lead to regulatory actions and civil claims, resulting in penalties and litigation.	***Section 7.4***
Integrated Governance Structure • The absence of an integrated governance structure covering ESG factors could undermine the overall strategy and management of the business, potentially impacting long-term sustainability and stakeholder trust.	***Section 7.1***
Business Ethics and Anti-Corruption • Potential cases of employee misconduct, fraud, corruption, bribery, or criminal activities are likely to result in legal actions and penalties imposed by the government or regulatory bodies.	***Section 7.2***

5.3 Stakeholder Engagement and Materiality Assessment

Potential Opportunities

Decarbonisation, Hydrogen Economy, and Energy Transition	
Asset Value and Revenue	• As regulatory changes and customer preferences shift towards using cleaner products, assets that employ green technologies and have low-carbon capabilities may be preferred by the markets, potentially leading to higher revenues and valuations. • Government policies promoting higher electrification may present opportunities for greater asset base growth for our electricity distribution networks.
Cost of Capital	• Businesses with clear commitment on decarbonisation and improving sustainability performances may make them more attractive to certain investors and financiers which focus on companies' sustainability parameters.
GHG Emissions	
Asset Value and Revenue	• Businesses with reduced GHG emissions are less vulnerable to government environmental policies, such as carbon taxes and regulatory changes. • Lower carbon risks and being future-proof may increase the business' attractiveness to investors. • Developing and offering low-carbon products and services caters to the growing demand in the clean energy market, opening up new revenue streams for the business.
Cost of Capital	• With solid decarbonisation planning and performance, businesses may gain access to capitals with focus on sustainability.
Cybersecurity, Asset Integrity, and Crisis Management	
Asset Value	• Capital expenditure permitted by regulators for strengthening cybersecurity, asset integrity, and crisis management may increase the asset bases which may lead to higher revenues in the future.
Health and Safety, and Well-being	
Operating Expenditure	• Investments in a comprehensive health and safety system may reduce long-term operational expenses by preventing accidents, injuries, and disruptions. • Reduced absenteeism, turnover, and insurance premiums due to fewer workers' compensation claims, optimise operating expenditure while ensuring a motivated and productive workforce.
Climate Resilience and Adaptation	
Asset Value and Revenue	• Investing in asset resilience against climate risks can reduce the likelihood of damage or failure during extreme weather events, prolonging the assets longevity and values. • For our regulated businesses, the value of the asset bases may increase when more capital expenditure, which include investment in climate resilience, is spent. • Higher regulated asset bases may lead to higher revenue bases.
Operating Expenditure	• Investments in resilience may reduce costs associated with service disruptions caused by climate events, such as emergency repairs, downtime, and customer compensation, resulting in a more stable and cost-efficient operation. • More resilient assets benefit insurance costs and may contribute to lower insurance premiums.
Privacy and Data Security	
Asset Value	• For our regulated businesses, emphasis on data security may result in higher allowances for related expenditures, which could lead to higher growth in asset bases.
Sustainable and Responsible Investment	
Asset Value and Revenue	• Expanding the business portfolio by investing in sustainable and renewable projects create synergies with established business, adding further value to our operations. • Sustainable investments unlock new business opportunities and revenue streams, expanding our businesses and strengthening our position as a leading global infrastructure company.
Innovation and Digitalisation	
Asset Value	• Investments in innovation and digitalisation may enhance asset performance by improving efficiency, reliability, and adaptability.
Operating Expenditure	• Technologies improve operational performance by reducing inefficiencies, automating processes, and optimising resource use, leading to long-term operating expenditure savings.

5.3 Stakeholder Engagement and Materiality Assessment

Stakeholder Engagement

Our stakeholder engagement aligns with our goal of making the world a better place through a variety of investments and developments in different parts of the world. A key part of our sustainability commitments is maintaining transparency about our strategies, actions, targets, outcomes, and societal contributions. Our Group actively communicate with different stakeholder groups across various platforms to cultivate an open, meaningful, and informed dialogue about our activities and address the needs and expectations of all stakeholders.

Engaging business units at Group Level

The Group-level management team and local executive teams maintain a strong relationship built on trust and respect. The management team focuses on understanding and offering thought leadership and guidance to enhance the performance of business units. Over time, the Group-level team has supported the success of business units by participating in overseas board meetings, collaborating on subcommittees and special projects, maintaining seamless communication between local management and the head office, and fostering synergy through committees and conferences on topics such as health and safety, risk management, innovation, IT, and public relations. The Group has also created a shared platform to align business units in pursuit of common goals.

To address the Group's evolving needs in a dynamic business environment, a great variety capacity building, in-house training, and knowledge exchange initiatives were offered to board members, representatives from our business units, and employees. Alongside inhouse training, the Group, together with other CK group companies and its subsidiaries regularly organise sustainability-related conferences, including Health and Safety conference, Gas conference and Regulatory conference. These events have successfully created platforms to promote open dialogue and collaborative problem-solving, allowing our Group and our business units to exchange insights on diverse ESG topics. The regular engagements have strengthened the Group's adaptability and proactive stance in responding to the shifting sustainability landscape.

Customer-facing stakeholder engagement initiatives at the business unit level

Business units engage with local government, customers, First Nations and community stakeholders to co-create resilient and inclusive outcomes. To communicate customer concerns, business units introduce regular engagement initiatives, such as the Customer Liaison Group of HK Electric, as well as Gas Matters, the online engagement forum of AGIG.

Regulatory-reset led engagement

AGIG's approach to engagement is both inclusive and responsible, with a wide array of stakeholders and diverse methods, including face to face meetings, newsletters and brochures, town hall meetings, websites and online surveys.

Project-based stakeholder engagement

Our business units actively engage with stakeholders to facilitate timely decision-making involving affected individuals and ensure these groups are provided with adequate opportunities to express their views on specific projects.

For case studies on how our business units engage with stakeholders, please refer to Section 10.1 Initiating Sustainability Transition in Community and Section 10.2 Community Engagement and Investment.

Key Stakeholders and Corresponding Engagement Channels

This year's review-based assessment drew on ongoing stakeholder engagement and market developments, based on the comprehensive 2024 assessment.

Purpose of Engagement	Engagement Channels	Top Material Topics
Financiers and Investors		
• Enhancing transparency • Understanding investors' expectations on sustainability • Attracting potential investors	• ESG ratings ● ● • Capital Markets Day ● • Interim and annual investor presentations ● • Stakeholder engagement survey ● • Investor calls, questionnaires, and emails ● ●	• Integrated Governance Structure ● • Decarbonisation, Hydrogen Economy, and Energy Transition ●
Shareholders		
• Ensuring effective and timely communication with shareholders	• Annual General Meetings ● • Annual and interim reports ● • Investor relations ● • Corporate website ● • Meetings and dialogues ●	• Decarbonisation, Hydrogen Economy, and Energy Transition ● • GHG Emissions ●
Employees		
• Boosting morale, building rapport and trust • Retaining talent • Building the brand as an employer of choice	• Intranet ● ● • Employee opinion surveys ● ● • Staff engagement activities ● ● • Stakeholder engagement focus groups ● ● • Performance reviews and personal development dialogues ● ● • Induction and training opportunities ● ● • Town hall meetings ● ● • Annual conferences ● • Whistleblowing and grievance channels ● ●	• GHG Emissions ● • Decarbonisation, Hydrogen Economy, and Energy Transition ●

Legend:

Group level ● Business units level ● Environment ● Social ● Governance ●

5.3 Stakeholder Engagement and Materiality Assessment

Purpose of Engagement	Engagement Channels	Top Material Topics
Management Teams of Business Units		
• Implementing of sustainability strategies • Building trust • Accelerating knowledge transfer	• Business unit level board and committee meetings ● ● • Stakeholder engagement surveys ● • Annual conferences ●	• Decarbonisation, Hydrogen Economy, and Energy Transition ● • Health, Safety, and Well-being ●
Customers		
• Building trust • Enabling customers to achieve low-carbon transition	• Corporate websites ● • Social media ● • Customer service and outage hotlines ● • Customer satisfaction surveys ● • Customer engagement initiatives ● • Complains and whistleblowing channels ● • Customer forums, roundtables, and consultations ● • Newsletters and capacity building materials ●	• Decarbonisation, Hydrogen Economy, and Energy Transition ● • Cybersecurity, Asset Integrity and Crisis Management ●
Service Providers		
• Ensuring a respectful work environment for suppliers and service providers • Aligning sustainability visions	• Stakeholder engagement surveys ● ● • Regular supplier assessments ● ● • Tendering procedures ● ● • Supplier due diligence or audits ● • Site visits ● • Workshops and seminars for suppliers ●	• Decarbonisation, Hydrogen Economy, and Energy Transition ● • Health and Safety, and Well-being ●
Community		
• Building trust • Gaining support from community • Ensuring community benefit • Responding to community concerns	• Community events and initiatives ● ● • Public meetings and consultations ● ● • Liaison teams ●	• Initiating Sustainability Transition in Community ● • Cybersecurity, Asset Integrity and Crisis Management ●
Government and Regulatory Bodies		
• Ensuring regulatory compliance	• Consultation panels ● ● • Responses to public consultations ● ● • Focus groups ● ● • Documentation related to regulatory reset ● ● • Meetings and dialogues with policymakers ● ●	• Decarbonisation, Hydrogen Economy, and Energy Transition ● • Climate Resilience and Adaptation ●
Associations, Councils, Academic or professional Institutions		
• Ensuring with professional institutions and staying informed on the latest industry trends • Building the talent pipeline	• Local research projects ● • Apprenticeships ● • Collaborations on learning and development initiatives ● • Community project collaborations ● ● • Campus recruitment ●	• Decarbonisation, Hydrogen Economy, and Energy Transition ● • Climate Resilience and Adaptation ●
Non-Governmental Organisations ("NGOs")		
• Building capacity in the local community • Pooling resources to enhance community well-being	• Local research projects ● • Community projects collaborations ● ● • Partnership with NGOs ● ●	• Community Engagement and Investment ● • Initiating Sustainability Transition in Community ●

Legend:

Group level ● Business units level ● Environment ● Social ● Governance ●

6

Net Zero Transition

The Group stays aligned with global trends in climate action and adopts a strategic, comprehensive approach to climate initiatives and transition planning, committed to achieving net zero across our operations while also supporting the wider economy in this effort. By emphasizing resilience and innovation, we are shaping sustainable infrastructure that addresses today's climate challenges and lays the foundation for a low-carbon future.

Low-carbon Transition Plan

The energy transition has created opportunities for the Group to support broader decarbonisation activities. Committed to driving change, the Group has established six transition levers, outlining essential strategic areas aimed at advancing decarbonization across our varied operations.

Sustainable and Responsible Investment

We drive the transition to a net zero economy by adapting our business strategies and investing in essential infrastructure. Our commitment is reflected in both direct investments and those made through our business units, targeting opportunities that accelerate the move away from fossil fuels. These include advancing low-carbon energy solutions such as wind, solar, hydrogen, biomethane, and hybrid systems that integrate renewable power with battery storage.

Climate-related Financial Disclosures

The Group is dedicated to strengthening its resilience to climate change while proactively addressing the risks and opportunities associated with the shift towards a low-GHG and climate-resilient economy. We recognise that effectively responding to the growing impacts of climate change and extreme weather is essential for maintaining the stability of our environment and society.

6.1 Low-carbon Transition Plan

Our role in global transition

Scaling up capital is crucial to facilitate the global transition to a low-emission, climate-resilient economy. The Group acknowledges its duty as a global infrastructure company and a corporate citizen to support this endeavour. By leveraging our experience, we aim to invest capital and strengthen infrastructure for a net zero future.

As the world transitions to using low-carbon energy, investing in energy transition projects is a key driver for the Group's growth. Successfully navigating this transition depends not only on strategic investments but also on innovation in infrastructure management, technological progress, and supportive government policies and regulations.

Sources of emissions

In 2025, the Group's primary sources of Scope 1 and 2 emissions are electricity generation, which is the largest contributor, followed by construction materials. From the attributable revenue perspective, these businesses only account for 13% of the Group. The Group reports Scope 3 emissions and is actively working to expand the coverage of its Scope 3 inventory to include all of our business operations. Details of our GHG emissions disclosures can be found in Section 8.2 GHG Emissions.

Our business portfolio consists of a variety of regulated businesses around the globe, including electricity distribution networks, water utilities and gas transmission and distribution networks. These businesses operate under regulated frameworks set by local regulators, where financial incentives are given to companies that achieve or overperform their established environmental targets. As a result, our businesses are proactively monitoring environmental compliance, as well as managing climate-related risks and opportunities in order to deliver strong performances.

Our low-carbon transition plan

As a global infrastructure company, the Group's vision to shape sustainable infrastructure underpins our low-carbon transition plan. This plan, initially published in April 2023, serves as a strategic roadmap for transitioning the Group to a net zero business, detailing GHG reduction targets, commitments, and strategies. The Group is aligned with the goal of the Paris Agreement to limit temperature rise. We pledge to pursue net zero by 2050 and a 50% reduction in Scope 1 and 2 GHG emissions by 2035, using 2020 as the baseline. By leveraging expertise and influence, the Group aims to drive meaningful progress across our business, support global climate goals and deliver sustainable, long-term value to our stakeholders.

When setting targets, a range of factors were being considered to ensure that established targets are achievable and relevant to each business unit. These factors include the GHG reduction targets of our business units, the pathways available for achieving GHG emissions reductions – such as the Science Based Targets initiative ("SBTi") sectoral decarbonisation pathways or the International Energy Agency ("IEA"), national and state climate action plans, the Group's business planning assumptions, investment strategy, and other relevant considerations.

The progress of these targets are reviewed on an annual basis by the Board-level Sustainability Committee. For details, please refer to the Governance section under Section 6.3 Climate-related Financial Disclosures.

CKI's Commitments and Targets

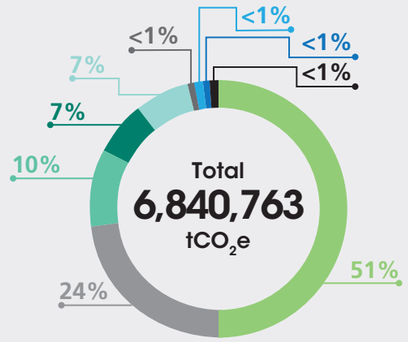
The Group's overarching goal is to decarbonise our portfolio operations and invest in critical infrastructure to facilitate net zero transition and advance decarbonised energy systems.

This goal is supported by specific quantitative targets, including:

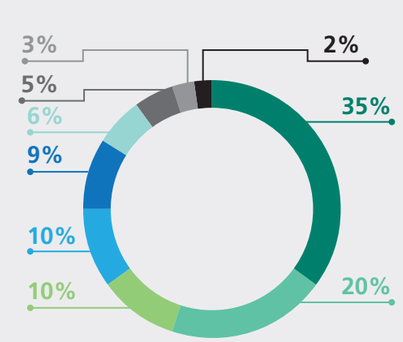
- Phasing out coal-fired generation by 2035;
- Achieving a 50% reduction in its Scope 1 and 2 GHG emissions by 2035, using 2020 as the baseline; and
- Pursuing net zero by 2050.

GHG Emissions and Attributable Revenue Distribution in 2025

GHG Scope 1 & 2 Emissions by Key Business Segment



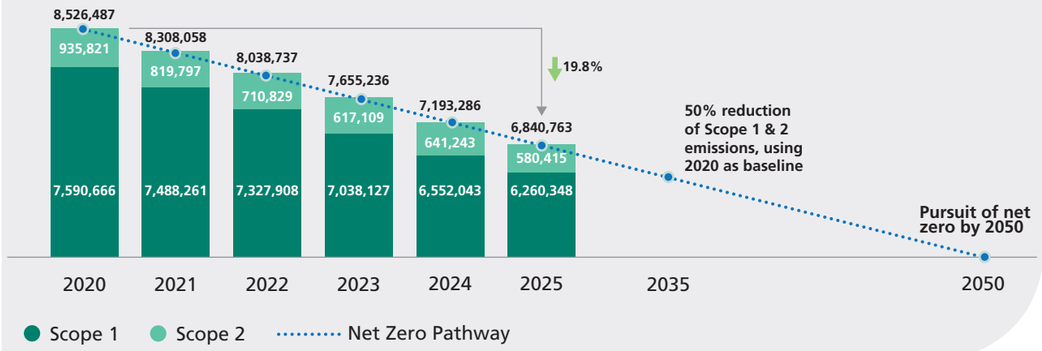
Percentage of Attributable Revenue by Key Business Segment



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

Performance against Targets

Scope 1 & 2 Emissions (tCO_2e), 2020-2025



6.1 Low-carbon Transition Plan

Our Transition Levers

Driving decarbonisation and operational excellence

Developing Cleaner Methods to Produce Products and Deliver Services:
Innovating across the value chain to minimise environmental impact

Decarbonising Our Generation Portfolio:
Phasing out coal and prioritising renewable energy sources

Modernising and Digitalising Electricity Networks:
Enhancing grid efficiency and reliability

Operating in a Resource-saving Manner:
Minimising waste and optimising processes

Promoting the Reduction & Recovery of Methane and Carbon Dioxide:
Targeting emissions at their source

Embracing the Hydrogen Economy:
Supporting the development and adoption of hydrogen as a clean energy source

For an enlarged version of the diagram, please refer to page 117.

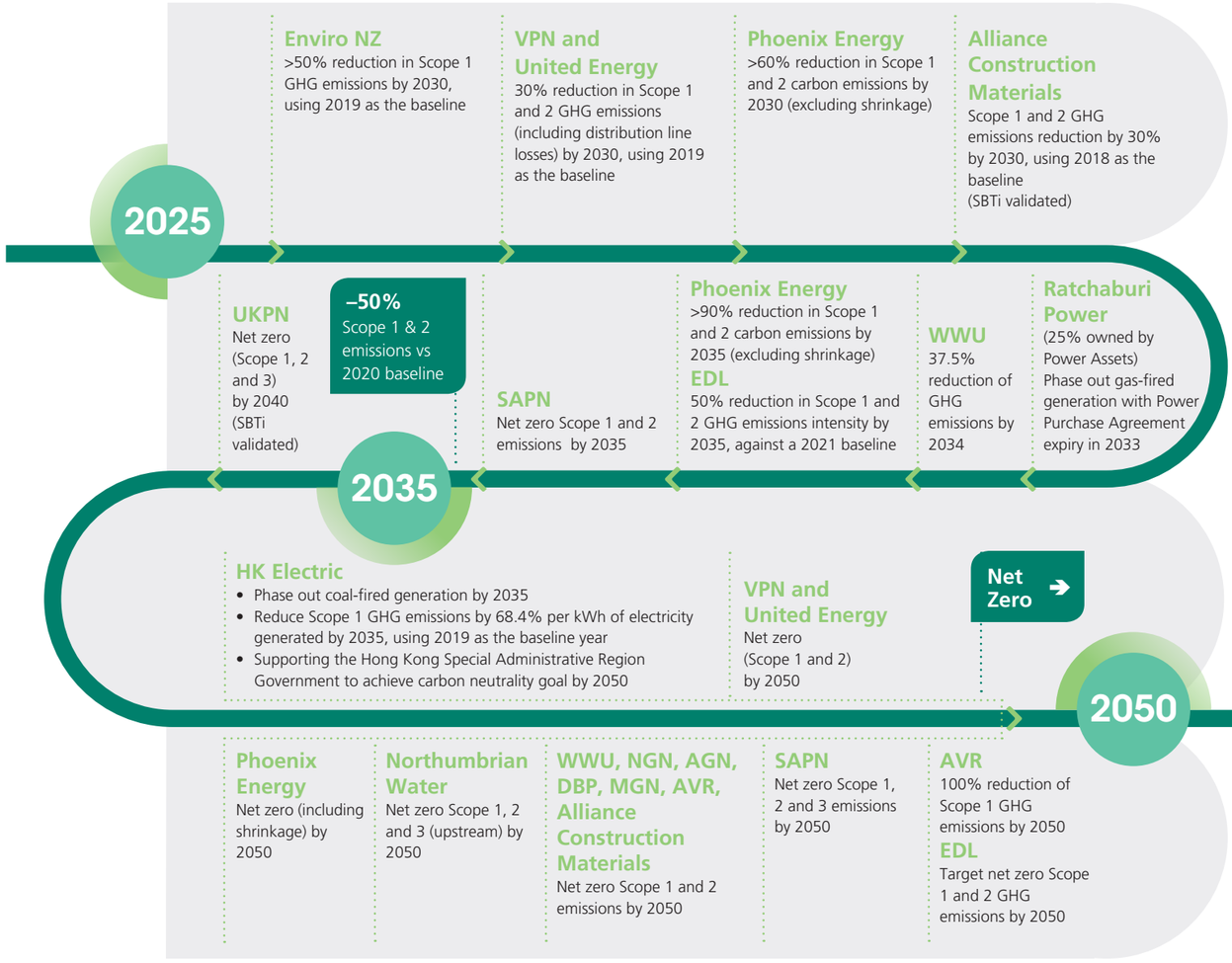
Achieving net zero emissions is a complex yet essential goal for tackling climate change. To guide this effort, the Group has identified six transition levers – strategic areas of focus designed to leverage our operational strength and drive emissions reductions at their sources. Alongside these levers, the Group has developed a phased roadmap to ensure an orderly and effective transition. Each business segment is responsible for reaching progress milestones over short-, medium-, and long-term timeframes.

The Group understands that stakeholder engagement is an important part to advance our transition plan. The Group and its business units collaborate with regulators, governments, and stakeholders across the value chain to promote the adoption of alternative energy solutions, including hydrogen, biomethane, and carbon capture technologies. At the same time, we are committed to a just transition, ensuring that our investments generate secure, inclusive employment and provide adequate training and career development opportunities in the evolving market.

The Group is actively engaged in various pilot projects and energy transition opportunities, such as facility modernisation, electrification, renewable energy integration and other capital enhancements to reduce emissions across the business and align with evolving market requirements. Our strategic approach and the breadth of our business portfolio enable our Group to seize opportunities arising from the transition and be resilient and flexible to different transition pathways.

Our Roadmap to Net Zero

Commitments and targets: the Group and business units



Uncertainties:

The trajectory of the shift towards a net zero economy remains highly fluid, varying across sectors and geographies due to factors such as policy shifts, market conditions, technological advancements, and societal expectations. The Group acknowledges that the successful delivery of our transition plan and targets depends on these dynamic assumptions and conditions, even though a majority of the jurisdictions where our business units operate in have established national net zero target. In the face of such uncertainties, which are shared globally in addressing climate change, we believe that continued efforts and proactive contingency planning based on informed assumptions will enable us to navigate the ever-changing climate landscape effectively.

The use of carbon credits:

As technologies continue to advance, there may be new viable solutions to reduce carbon emission across the portfolio. The Group actively monitors these trends and regularly reviews our low-carbon transition plan. For hard-to-abate and residual emissions, we will consider exploring alternatives, such as the procurement of credible carbon credits and renewable energy certificates, as a last resort.

6.1 Low-carbon Transition Plan

Our Decarbonisation Strategy

Business units contributing to transition levers across time horizons

Transition Levers	Contributing Business Units
Decarbonising Our Generation Portfolio	HK Electric
	HK Electric, EDL, Canadian Power & UK Renewables Energy
Modernising and Digitalising Electricity Networks	UKPN, SAPN, United Energy, VPN & Wellington Electricity
Promoting the Reduction & Recovery of Methane and Carbon Dioxide	EDL
	WWU, NGN, AGN, DBP & MGN
	Enviro NZ
	Northumbrian Water
Embracing the Hydrogen Economy	WWU, NGN, AGN, MGN & Phoenix Energy
Operating in a Resource-saving Manner	Green Island Cement
	ista & Reliance Home Comfort
Developing Cleaner Methods to Produce Products and Deliver Services	Alliance Construction Material
	AVR

Electricity Distribution | Gas Transmission & Distribution | Household Infrastructure | Electricity Generation

2030

Short-term Priorities (1–5 years): Reduce carbon footprint through near-term electric fleet transition and asset modernisation

2035

Medium-term Actions (5–10 years): Accelerate carbon reduction through phasing out of coal-fired generation and reducing reliance on fossil fuels

2050

Long-term Commitments (10–25 years): Progress towards net zero operations with renewable energy, green hydrogen, and other zero carbon solutions

- Coal-to-gas transition
- Phasing out coal-fired generation by 2035
- Exploring the potential applications of new technologies in renewables, hydrogen fuel, battery storage and importing zero-carbon energy
- Expanding renewable energy portfolio
- Reducing distribution line loss emissions by enabling an increased uptake of renewable energy into local electricity grids
- Establishing Distribution System Operator ("DSO") capability to increase control of customer owned energy resources for network and customer benefit
- Continuing to innovate and optimise network investments to support the energy transition
- Capturing waste coal mine gas for electricity generation
- Converting methane from landfills to renewable natural gas and electricity
- Reducing emissions through replacement of old pipelines with new polyethylene pipes
- Capturing landfill gas to generate electricity
- Reducing methane emissions by utilising biogas generated from sludge to produce gas and electricity
- Enabling 100% renewable and carbon neutral gas connection by 2050
- Using alternative fuels and raw materials to reduce reliance on fossil fuels
- Facilitating customers decarbonisation by introducing energy-efficient products and green services
- Replacement of truck fleet to latest EURO VI 5-axle concrete mixer trucks and promote the use of low carbon products
- Expanding carbon capture and utilisation capacity at the energy-from-waste facilities

Clean & Renewable Energy | Water Utilities & Services | Energy-from-waste | Waste Management | Construction Materials

6.1 Low-carbon Transition Plan

Main Contributions by Key Business Segments in 2025

Electricity Distribution

GHG Emissions: 453,368 tCO_2e

Attributable Revenue: 35%

Segment KPI

Transmission losses	Distribution losses	System Average Interruption Duration Index (from distribution)
1.20%	6.16%	0.67

UKPN	Enabled 4.4 GWh of flexibility in networks through new initiatives by DSO
SAPN	Invested A$2.1 million in the Market Active Solar Trial to enhance flexible exports to the network and wholesale energy market
VPN & United Energy	Hot Water Load Control trial to enable CO_2 savings and facilitate additional solar hosting capacity

Transportation

GHG Emissions: 5,175 tCO_2e

Attributable Revenue: 5%

Park'N Fly	EV charging services provided in car parks

Gas Transmission & Distribution

GHG Emissions: 668,006 tCO_2e

Attributable Revenue: 20%

Segment KPI

Gas leakage rate[1]

0.35%

AGN	Signed a formal agreement with Delorean Corporation to connect the first biomethane project into the existing South Australian gas networks, supplying up to 210TJ of biomethane generated from organic waste every year.
NGN	Achieved a maximum connected biomethane injection capacity of 18,257 standard cubic metres per hour from 19 sites operated by third parties, representing approximately 1.2% of the total network gas throughput to heat more than 59,000 homes in the UK.
WWU	Connecting 22 biomethane production sites to its network, enough to supply renewable gases to meet the demand of around 160,000 homes.
Phoenix Energy	99% of electricity purchased comes from renewable sources

Water Utilities & Services

GHG Emissions: 43,255 tCO_2e

Attributable Revenue: 9%

Northumbrian Water	Biomethane captured and exported from wastewater treatment, transforming operational waste to useful energy

Waste Management

GHG Emissions: 457,257 tCO_2e

Attributable Revenue: 6%

AVR	The CO_2 capture facility at Rozenburg is capable of capturing 440,000 tonnes of carbon dioxide annually, supplying local horticulture carbon dioxide for their daily operations.
Enviro NZ	Utilises landfill gas generated on site to produce electricity and evaporate landfill leachate

Electricity Generation/Clean & Renewable Energy

GHG Emissions: 3,480,062 tCO_2e

Attributable Revenue: 10%

Segment KPI

GHG emissions intensity of generation

0.50 $kgCO_2e/kWh$

HK Electric	Commissioned gas-fired generating unit L12 in 2024, and progressing to commissioning another gas-fired generating unit L13 in 2029.
EDL	Achieved a milestone of generating 25,000 hours of 100% renewable energy at the Coober Pedy Hybrid Renewable Power Station

Household Infrastructure

GHG Emissions: 7,435 tCO_2e

Attributable Revenue: 10%

ista	ista expanded their suite of energy management services, which includes Heiz-O-Meter, EcoTrend, ESG Navi and other heating and charging services for customers to manage and use energy more efficiently.
Reliance Home Comfort	Recycled 79% of commercial waste

Construction Materials

GHG Emissions: 1,679,809 tCO_2e

Attributable Revenue: 3%

Alliance Construction Materials	Solid waste extracted from plant year washout reached 0.00524 T/m^3 in 2025, less than the target threshold of 0.02T/m^3.
Green Island Cement	Sales of low carbon cementitious materials increased 12% compared with 2024, reaching 225,491 metric tonnes.

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

6.2 Sustainable and Responsible Investment

The future zero-carbon economy requires enormous investments in cutting-edge technologies and sustainable infrastructure. As a global infrastructure company, the Group's extensive experience in sustainable investments and operations positions us to realise value and capitalise on opportunities during this pivotal time. At the core of our strategy for sustainable value creation, the Group operates with a deep commitment to ESG principles, integrating them into the heart of our operations and investment decisions.

Embedding ESG considerations into our investment process

At the Group level, sustainability criteria are integrated into all new investment decisions to achieve competitive and strategic advantages. By assessing both financial and non-financial factors, the Group strives to lower risks, enhance shareholder returns, and create positive impacts for the environment and society.

Our rigorous, four-stage investment approach integrates ESG considerations, including climate-related factors, throughout the entire investment life cycle. This process is guided by robust governance:

- When making investment decisions, ESG factors are considered in accordance with investment mandates and sector-specific context;
- The Sustainability Committee reports directly to the Board, highlighting ESG impacts and ensuring alignment with the Group's long term strategy.

ESG factors in evaluating potential investments

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

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

Given the diverse nature of investment and acquisition opportunities, relevant ESG factors are duly evaluated. The list of factors is neither definitive nor exhaustive and is regularly reviewed and updated to ensure informed decision-making by management.

Implementing ESG in post-investment management

The Group considers ESG factors to be one of the key components of enhancing investment returns. In the post-investment management phase, our approach combines local expertise and accountability with our broader investment and operational experience to manage diverse assets across jurisdictions. Supported by the Group-level management team, the management of business units is responsible for addressing sustainability risks and opportunities throughout the asset operation process. This structure enables the implementation of sustainability initiatives, the sharing of best practices and the deployment of necessary remediation measures.

ESG Integration into our Investment Process

Investment Screening	Pre-investment Due Diligence	Investment Decision-making	Post-investment Management
Monitor sustainability and energy transition trends, and identify potential acquisition targets	Assess ESG risks and ensure compliance	Integrate ESG factors in business analysis for investment decisions	Enhance ESG performance through monitoring and engagement
Monitoring Industry Trends: Regularly monitoring ESG trends and regulations that may affect the infrastructure industry.	**Assessing ESG Risks:** Identifying any environmental impacts and regulations, social concerns, and governance issues that could affect the investment's performance.	**Integrating ESG into Business Analysis:** Assessing how ESG factors may affect business strategy and could impact the financial outcomes, including potential costs, savings, or revenue drivers.	**Reporting and Monitoring:** Regularly tracking ESG performance and reporting on progress against ESG objectives and metrics; incorporating ESG topics into the agendas of ongoing Committees under Board supervision for enhanced oversight and strategic integration.
Identifying Acquisition Targets: Identify assets or businesses that align with our investment mandate for long term and stable returns, while also considering ESG factors, including investments that the Group avoids or excludes.	**Evaluating Compliance:** Ensuring the potential investment adheres to relevant ESG-related laws, regulations, and standards.	**Weighing ESG Factors:** Giving appropriate consideration to material ESG issues in the investment appraisal and selection process.	**Active Engagement:** Working with the management of invested entities to improve their ESG performance, leveraging the ESG experience and best practices across business units to foster a culture of sustainability and responsibility.

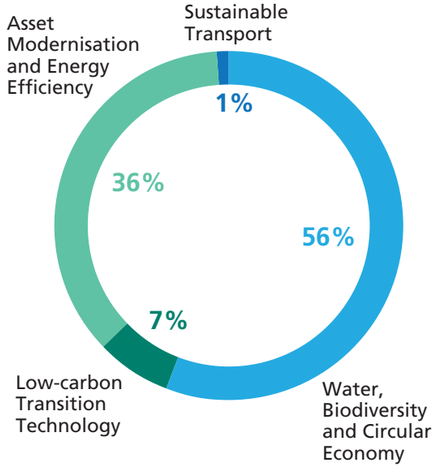
6.2 Sustainable and Responsible Investment

Mobilising capital to a net zero economy

In response to the pressing challenges of climate change, sustainable investments are a cornerstone of our strategic and economic planning. The Group is proactively investing capital and operating expenditures in projects across our business that improve efficiency, contribute to long-term environmental benefits, and align with global sustainability objectives.

In 2025, the Group and its business units allocated approximately HK$12.6 billion in capital and operating expenditures to comprehensive sustainability programmes. These expenditures were directed toward four key areas: low-carbon transition technology, asset modernisation and energy efficiency, sustainable transport, and water, biodiversity, and the circular economy. The targeted capital deployment demonstrates a coordinated effort across the Group and portfolio levels to implement our low-carbon transition plan and strengthen the climate resilience of our assets.

Total Spending on Sustainable Activities in 2025: HK$12.6 billion[1]



Low-carbon Transition Technology

Capex 85% | Opex 15%

Investments are aimed at combating climate change, renewable energy deployment, coal-to-gas transition, grid connectivity for green sources, carbon capture innovations, bioenergy development, and smart grid upgrades to optimise energy distribution.

Asset Modernisation and Energy Efficiency

Capex 95% | Opex 5%

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

Water, Biodiversity and Circular Economy

Capex 74% | Opex 26%

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

Sustainable Transport

Capex 57% | Opex 43%

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

Note:

1 Certain figures presented in this table reflects amount 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 not required to disclose. Climate related spending at the business unit level is disclosed in the relevant climate related disclosure reports or annual reports of those entities.

6.3 Climate-related Financial Disclosures

In 2025, we continued to advance our climate governance and disclosure practices, recognising the importance of providing transparent climate-related data and understanding the potential financial implications of climate risks and opportunities. As part of our ongoing progress, a handful of business units have undertaken standalone climate scenario assessments, generating valuable insights and building internal capabilities. These efforts form an important foundation as we move toward a more integrated, data-driven Group-level climate risk assessment framework. The results and findings from the standalone assessments have informed our methodologies, strengthened our data quality and enhanced cross-business alignment.

To enhance the Group's understanding of climate risks and opportunities at each business unit, as well as aligning to the latest sustainability disclosure trend, we have strengthened our engagement with business units and conducted detailed discussions on the topics of current and anticipated physical and transition risks, operational and asset vulnerabilities, as well as emerging opportunities. These engagements allow us to obtain better data quality, analysis, and formulate better strategic planning accordingly.

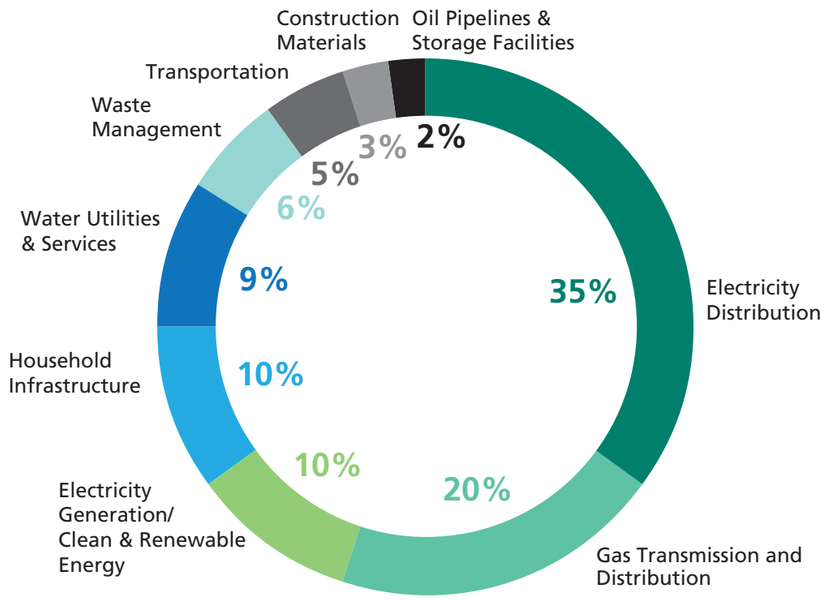
While we continue to strengthen climate-related data collection across the Group, we recognise that great uncertainties and limitations remain, particularly in relation to the anticipated financial impacts required under Part D of the HK Stock Exchange Climate Disclosure Framework. For example, many of our operations function within highly regulated markets, where future capital expenditure, allowable returns, tariff adjustments and cost-recovery mechanisms are subject to approval by local regulators or governments. As a result, it is of the logical concern that quantified potential financial implications at Group-level will not be finalised until regulatory processes are completed.

Furthermore, the financial impacts of climate-related risks and opportunities are influenced by market dynamics, policy developments, technology pathways and evolving climate scenarios, all of which vary significantly across jurisdictions. These uncertainties limit the reliability of long-range projections and restrict the extent of information that can be meaningfully disclosed at the current stage. Despite all, we remain committed to enhancing our data coverage and internal modelling capabilities to support more comprehensive disclosures over time as methodologies mature and regulatory clarity improves. The Group has provided estimated financial impacts in the following sections based on the best available information.

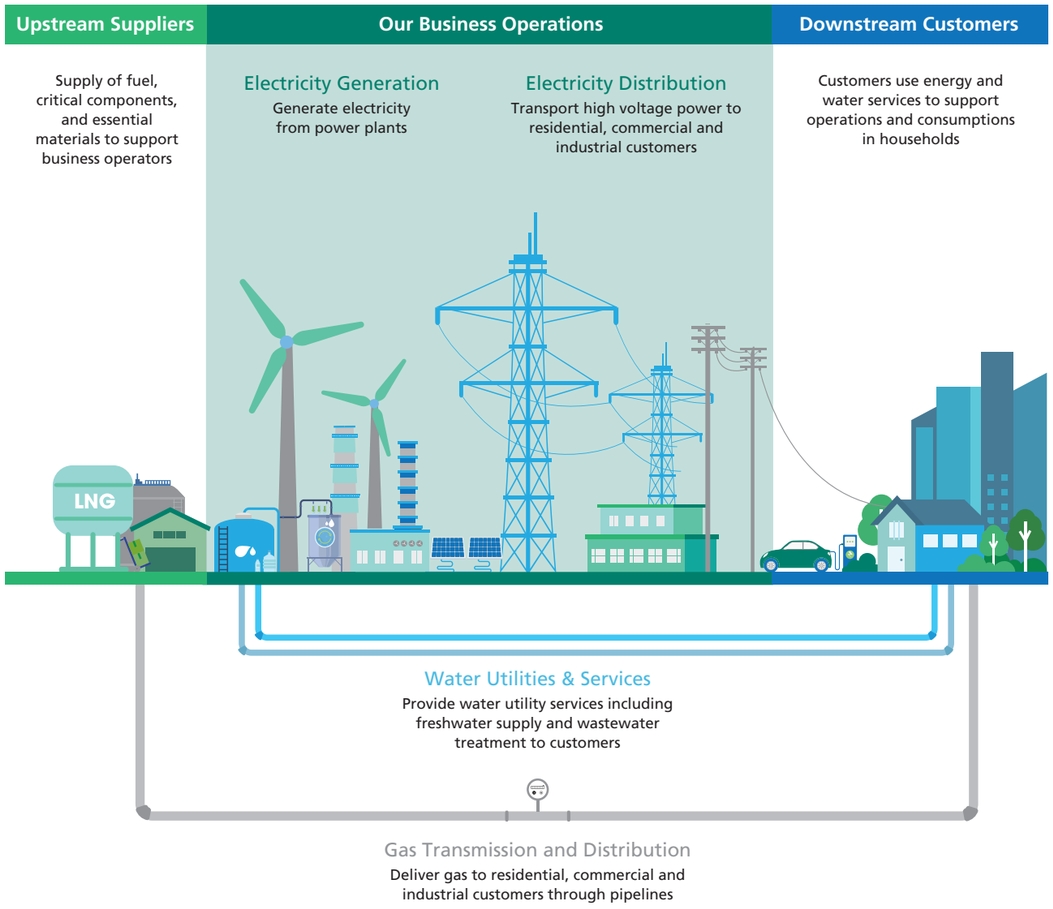
The Group has a diversified investment portfolio across multiple geographies and business segments. While the climate-related risks identified are broadly comparable across the Group, each business segment is exposed to a distinct risk profile, with differing time horizons, likelihoods, and potential severities. Our businesses are categorised into nine segments. As illustrated in the chart in page 60, the Electricity Distribution, Gas Transmission and Distribution, Electricity Generation/Clean & Renewable Energy, and Water Utilities and Services segments together account for approximately 74% of the Group's total attributable revenue. These segments therefore represent the most financially significant sources of potential climate-related risks and opportunities. By prioritising these core segments, the Group is able to focus resources and identify targeted actions to mitigate climate-related risks and capture opportunities, supporting long-term resilience, sustainable growth, and value creation.

6.3 Climate-related Financial Disclosures

Percentage of Attributable Revenue by Key Business Segment in 2025



The Group's operations are interconnected with a wide range of stakeholders across the business value chain, including upstream suppliers, downstream retailers, and end-customers. Understanding the impacts of climate-related risks and opportunities across the value chain is an integral component of the Group's risk management and strategic planning processes, enabling more effective stakeholder engagement, enhanced communication, and collaborative approaches to risk mitigation. Accordingly, the Group has mapped the value chains of its key business segments on page 61, to identify critical dependencies, potential vulnerabilities, and areas for coordinated action across the value chain.



The Group uses the information gathered from the scenario analysis to guide our strategy and decision-making. As the climate changes, constant evaluation and evolving strategy have led to new opportunities. This section includes our climate-related financial disclosures, categorised into four thematic areas: Governance, Strategy, Risk Management, and Metrics and Targets. Our commitment to strategic and responsible climate resiliencies reflected in these. The Group strives to continuously enhance and optimise our procedures to meet stakeholder expectations and conform to best practices and industry standards.

6.3 Climate-related Financial Disclosures

6.3.1 Governance

Climate change has long been recognised as a principal risk to our business. Climate-related risks and opportunities have firmly been one of the key topics in our corporate governance and have been included in our business planning and decision-making, enabling effective stewardship and execution of our business planning and decision-making. Governance of climate-related issues follows our overall ESG governance framework, as described in Section 5.2 Sustainability Governance. The Board and management provide oversight over the Group's climate change approach, risks and opportunities, as outlined in the Climate Governance Structure diagram.

Our board has the essential skills and knowledge to effectively oversee CKI's business strategy and resilience, which includes the assessment of climate-related risks and opportunities. The Remuneration Committee, in assessing remuneration proposals (including those of Executive Directors, management and other employees), has taken into account the progress of the Company's performance towards achieving short- and long-term climate-related sustainability metrics and targets as adopted by the Company from time to time and the Company's performance towards other matters, such as climate and environment, health and safety, against applicable metrics and targets as adopted by the Company from time to time.

In 2025, the Sustainability Committee convened two meetings, both of which focused on climate strategy, targets, and the management of climate-related risks and opportunities. Topics discussed included a review of the enhancements of the sustainability report on structural redesign, double materiality assessment and sectoral perspectives as well as enhancements to meet HKEX climate-related disclosure requirements that meets the recommendations from the Task Forces on Climate-related Financial Disclosures. The Sustainability Committee also reviewed the climate-related disclosure requirements that applied to the sustainability report to meet the UK mandatory climate-related financial disclosure requirements. In addition, the Sustainablility Committee reviewed the Group's progress in 2025 towards its sustainability and climate-related targets, alongside key sustainability-related issues, trends, and emerging best practices. The timing for the applicability of the climate-related disclosure reporting requirements to CKI is provided in Section 1 About this Report.

To enhance the Board's expertise in climate-related matters, we engage external advisors to provide training including developments on sustainability or climate-related risks and opportunities relevant to the Company. Additionally, we strengthen internal sustainability capabilities by organising initiatives such as internal conferences and knowledge-sharing sessions. Please refer to Section 5.2 Sustainability Governance for details.

CKI's Climate Governance Structure

The Board

- Defined clear authority and oversight mechanisms for assessing and managing climate-related risks and opportunities
- Takes into account the importance of climate change impacts when overseeing the Group's growth and adaptation strategies

Sustainability Committee

Reports to the Board
- Oversees the Group's climate-related business strategies and performance
- Oversees the development and progress of climate-related targets on an annual basis
- Provides guidance on the development and implementation of sustainability initiatives, encompassing climate governance, strategy, planning, and risk management

Audit Committee

Reports to the Board
- Assists the Board in monitoring climate-related risks
- Oversees the material climate-related risks
- Oversees the level and effectiveness of key controls in place to manage the climate-related risks

Top-down strategy ↓ | ↑ Bottom-up information flow

Sustainability Working Group

Executive management leadership in climate strategy and implementation
- Implements and tracks the Group's sustainability strategies, with the support of business units' management
- Assesses climate-related risks and opportunities and integrates the results into the broader annual enterprise risk assessment to ensure ESG-related risks including physical and transition climate risks are considered in the Group's strategic decision-making processes
- Provides regular updates to the Sustainability Committee to ensure a cohesive approach to the Group's sustainability and climate governance efforts

6.3 Climate-related Financial Disclosures

6.3.2 Strategy

Our commitment is in step with the worldwide urgency for decarbonisation, and we aspire to support the net zero carbon goals set by various jurisdictions in which the Group operates. Achieving this goal will require significant financial investment, a transformative approach to asset management, and supportive government policies and regulations. We are poised to contribute our operational and investment expertise to executing practical decarbonisation strategies that will prepare businesses for the future economy.

In guiding our business units through this transition, our sustainability objectives direct us to maintain a balance between our duty to generate enduring value for our investors and stakeholders and the responsible conduct of our business operations. Our strategy continues to emphasise investing in assets and businesses that promise stable and growing cash flows over time. We believe that with prudent management and oversight, which includes preparing them for a lower-carbon future, the value of these assets is likely to increase over time.

The Group has established a low-carbon transition plan to guide our business operations in reducing emissions in line with our GHG emission reduction targets. In 2025, we allocated approximately HK$12.6 billion towards sustainable and climate-related activities. For details, please refer to Section 6.1 Low-carbon Transition Plan and Section 6.2 Sustainable and Responsible Investment.

Our approach to scenario analysis

The Group adopts a proactive approach to identify and manage climate-related impacts, embedding climate resilience into our strategy and day-to-day operations. We conduct climate risk assessments, including scenario analysis, to highlight potential threats and opportunities for our business. To ensure a strong and well-informed process, we engage external advisors to support risk modelling and provide the underlying assumptions for our analysis.

Climate-related scenario analysis serves as a valuable tool to understand potential business performance under various future states, helping organisations to develop an understanding of the possible impacts of physical and transition risks and opportunities over time, and to shape strategic responses.

A scenario outlines a development pathway leading to a specific outcome, focusing on key elements and drivers of possible future scenarios rather than offering a comprehensive prediction. These scenarios are hypothetical constructs – they are neither forecasts nor predictions, nor are they sensitivity analyses. Consequently, scenario analysis is not meant to be seen as forecasting the expected future of the Group's operations or as an indicator of anticipated operational results. Investors should not rely on these scenarios as definitive representations of future performance or outcomes in making investment decisions, as these scenarios are intended to serve as exploratory tools within a broader strategic evaluation.

Climate Scenario Analysis Process

Determine scope and boundaries

We identified the businesses most critical to the Group in terms of financial contributions. The analysis led us to select nine business units, accounting for over 70% of the Group's Earnings Before Interest and Tax ("EBIT") at the time of the analysis performed. These selected business units include electricity and gas transmission and distribution businesses, water utilities and transportation[1] businesses, whose industries could be profoundly impacted by climate change.

Prioritise risks and opportunities

We adopted a structured approach to prioritise the list of most significant climate-related risks and opportunities for the selected business units by evaluating the likelihood and potential impact of climate-related events on their value chains. This review considered the business units' potential revenue and cost exposures, as well as their adaptability to climate-related impacts.

Select scenarios and parameters

The selection of scenarios includes a 4°C pathway (the "Business-as-usual Scenario") and a 1.5°C pathway (the "High-transition Scenario"). The Business-as-usual Scenario considers how the economy could look in the absence of new climate policies beyond those in place today. Meanwhile, the High-transition Scenario stimulates a potential future pathway for the economy assuming the successful introduction of climate policies.

Perform scenario analysis

Physical Risks	Transition Risks & Opportunities
Analysed the exposure to six extreme weather hazards over time, based on the region and segment, under the two climate scenarios.	Modelled the potential changes to various macroeconomic variables over time, based on the region and segment, under the two climate scenarios.

Assess business resilience

Physical Risks	Transition Risks & Opportunities
Considered the potential impacts of business interruptions and site damages from extreme weather hazards.	Considered the potential impacts of transition risks and opportunities due to changes to the macroeconomic variables.

Note:
1 UK Rails divestment was subsequently completed in January 2026.

6.3 Climate-related Financial Disclosures

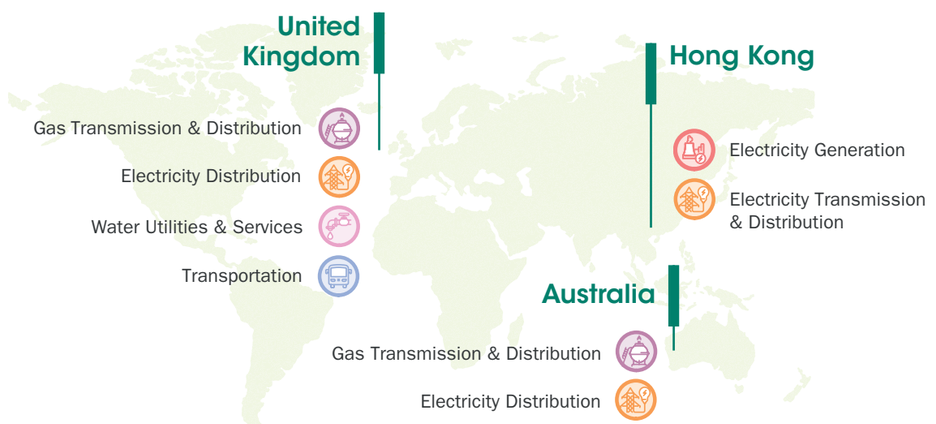
Scope, assumptions and time horizons

Our scenario analysis began by identifying the businesses which are the most critical to the Group in terms of financial contributions. This was achieved by considering the contribution of each business unit to the EBIT of the Group. We also took into account strategic importance to ensure comprehensive coverage of the majority of the financial value at risk, as well as a diverse range of business segments and geographical locations. Following the financial materiality review and strategic considerations, five business segments spanning three geographical regions were selected for the scenario analysis. These selected operations accounted for over 70% of the Group's EBIT at the time of the analysis.

To inform strategy, we used two scenarios to 2050 to assess the resilience of our businesses against inherent uncertainty. In line with the TCFD recommendations and the Paris Agreement's goal to hold global temperature increase to well below 2°C above pre-industrial levels and pursue efforts to limit it to 1.5°C above pre-industrial levels, we selected two climate scenarios to evaluate the resilience of our business strategy. The first is a high-emissions (or business-as-usual) pathway (4°C scenario), and the second is a stringent pathway striving to achieve a lower-carbon economy (1.5°C scenario). These scenarios provide a basis for assessing both physical and transition risks, consistent with the TCFD's requirement to consider an organisation's resilience under different climate-related scenarios, including those limiting warming to 2°C or lower. This approach supports the Group in understanding how key value drivers of our businesses may be impacted under different future states. CKI uses proprietary climate models underpinned by data sources from the IEA, Intergovernmental Panel on Climate Change ("IPCC"), and other organisations.

Using 2021 as the base year, our scenario analysis assessed the magnitude and potential impact of each item and how they may materialise over different time horizons: short-term (1-5 years), medium-term (5-15 years), and long-term (15-30 years). These time horizons are chosen to align with our internal actionable planning timeframes and to reflect the long-lived nature of our infrastructure assets.

Scope and boundaries selected for scenario analysis



Scenario Assumptions and Underlying Data Sources

	4°C Business-as-usual Scenario	1.5°C High-transition Scenario
Parameters assumptions		
Decarbonisation trends	Emissions continue to increase in line with the current business-as-usual pathway	Global decarbonisation trajectory in line with achieving the Paris Agreement which sets out a target to limit global warming to well below 2°C and pursue efforts to limit it to 1.5°C
Policy expectation	Current regulatory framework remains in place, with government or state intervention on climate change maintaining its current levels	Current regulatory framework would effectively continue with additional emission reduction measures implemented by the government to achieve the global 1.5°C target
Physical impacts	Likely increased severity and frequency of climate change-related weather events	Reduced likelihood of severe climate change-related weather events
GDP growth	GDP continues to grow in line with historical trends	Most economies continue to see GDP growth, but at a slower rate, as efforts to meet the global 1.5°C target led to a diversion of resources away from other productive activities
Electricity demand	Relatively consistent with current levels	Policy support for EVs and the substitution of gas is driving an increase in consumption, with this growth being partially offset by energy savings from improved energy efficiency and consumer investments in distributed energy systems
Gas demand (fossil fuel sources)	Relatively consistent with current levels	Relatively stable consumption in the short-term, but a sharp decline is anticipated beginning by 2030 due to the phase out of natural gas
Carbon pricing	No carbon pricing	Carbon prices remain low until 2030, after which the rapid implementation of climate policies leads to very high global carbon prices in all jurisdictions over the long-term
Fuel price	No further policy action and thus only moderate movements in fuel prices	Fuel prices will rise more drastically, largely driven by aggressive carbon policies
Labour price	Increase steadily in line with historical trends	Labour demand and prices are impacted by economic constraints
Climate models used and underlying data sources		
Physical	Proprietary physical risk model • Emission models with CMIP5 projection data are utilised to conduct asset stress testing under two distinct scenarios a higher emission, business-as-usual scenario consistent with the current – global trajectory (RCP8.5), and a lower emission trajectory (RCP2.6).	
Transition	Proprietary macroeconomic model • A global economic model which incorporates an analysis of the potential carbon emissions of economic activities and the potential consequential impact of constraining emissions from different activities on macroeconomics with data sources from market leading and industry approved providers, including IEA, International Institute for Applied Systems Analysis ("IIASA") shared socioeconomic pathway database, Model for the Assessment of Greenhouse Gas Induced Climate Change ("MAGICC"), Joint Research Centre ("JRC") Global Energy and Climate Outlook reports, and Global Trade Analysis Project databases. These aspects constitute an Integrated Assessment Model which draws upon climate science as established by the IPCC.	

6.3 Climate-related Financial Disclosures

Assessment outcomes

The material climate-related risks and opportunities were identified as shown in the table on the next page. These material risks and opportunities were then subject to different climate outcomes to determine their implications under different climate scenarios. The assessment results indicate their potential impacts on our financial planning, such as the impact of physical risks on our asset value over various time horizons. The assessment results do not consider mitigation strategies, such as decarbonisation plans, structural reinforcements, emergency response plans, and other relevant initiatives, in place at the business unit level and, as such, post-mitigation risk levels are generally likely to be lower.

Potential effects of physical risks

Climate change is expected to increase both the frequency and severity of extreme weather events, such as floods and forest fires (acute risks). It is also expected to result in more gradual shifts, such as extreme wind and extreme heat (chronic risks). These hazards could potentially cause significant business disruption and asset damage, leading to a loss of revenue.

To evaluate these physical risks, we mapped our assets to their respective primary business segments and regions. In partnership with an external physical risk specialist, we performed an analysis of our exposure to a range of perils over time under two climate scenarios. For each scenario and type of risk, we reported the anticipated financial effects from asset damage caused by our exposure to the physical impacts of climate change in a heatmap on page 70.

Potential effects of transition risks and opportunities

The development of new renewable or alternative energy sources, along with critical infrastructural support, is essential for the net zero transition and to meet escalating future energy demands. As a global infrastructure company, CKI is anticipated to progressively develop and implement comprehensive carbon reduction strategies and climate adaptation measures across both the Group and business unit levels. Inaction in this area could lead to rising operational costs, undermine business strategy effectiveness, and result in non-compliance with evolving regulations, among other potential risks.

However, the shift towards a more sustainable future will also unlock opportunities. Proactive management of transition risks and opportunities enhances the Group's capacity to foresee and adapt to imminent changes. There are chances to decrease operational costs for business units and enhance their responsiveness to evolving market demands. To assess these transition risks and opportunities, we project adjustments to key macroeconomic indicators under selected climate scenarios and analyse their effects on the financial performance of our strategically significant businesses over time.

In the context of assessing transition risks, the 4°C scenario serves as a 'business-as-usual' benchmark, representing a future where current trends in emissions continue without significant changes in policy or behaviour. However, the core focus of our transition risk assessment is on the 1.5°C scenario. This scenario is more ambitious and reflects the goals outlined in the Paris Agreement to limit global temperature rise. While current global policies evolve and may not fully align with these commitments, the 1.5°C scenario provides a benchmark for evaluating the potential risks and opportunities associated with a transition to a lower-carbon economy and aligns with the long-term objective of limiting global warming.

For details of the potential effects of physical risks and transition risks and opportunities, please refer to the heatmaps on the subsequent pages.

Material Climate-related Risks and Opportunities

Type	Climate factor	Description
Physical risks		
Acute/Chronic	Coastal inundation	Sea water flooding due to high tides, wind, low air pressure and waves caused by hurricanes and typhoons can damage coastal land, infrastructure, and buildings.
Acute	Surface water flooding	Surface water flooding can damage buildings or infrastructure assets. Increased frequency of extreme rainfall also leads to overland flooding.
Acute	Riverine flooding	Riverine flooding can damage low-lying buildings or infrastructure assets. Changes in precipitation in a catchment also cause a river to exceed its capacity, inundating nearby areas.
Chronic	Extreme wind	Changes in wind regimes, sea surface temperature and wind speeds. High-wind conditions may exceed a building's design specifications.
Acute/Chronic	Extreme heat	Business operations may be disrupted due to heat waves or equipment malfunctioning when their design temperature is exceeded.
Acute	Forest fire	A destructive fire that spreads via trees and forest. Flames and heat from burning vegetation can damage buildings and infrastructure.
Transition risks		
Market/Technology	Changing Demand for Electricity from the Grid	Reducing electricity consumption in an aggressively transitioning world and introducing solar panels as a local electricity source will reduce demand for electricity from the grid. This may be offset by other factors, such as the transition away from gas as a fuel source.
Market/Regulation/ Reputation	Changing Demand for Gas	Limiting global temperature increases to 1.5°C requires a significant reduction in gas consumption as an energy source as an interim measure. The above is likely to be driven by changing social attitudes, economic activities, and governmental policies, reducing demand due to surge in gas prices, and introducing other zero-carbon gases, e.g., biomethane and hydrogen.
Market	Increasing in Operational Expense	Operational expenses, e.g., fossil fuel and labour costs, may change due to resource scarcity, changes in market needs, carbon price implications, and revamp in the fuel mix and technological innovation.
Policy and Legal	Introduction of Carbon Taxes	Carbon tax mechanisms are often introduced to the market due to heightened carbon emission objectives. This mechanism will likely be instigated in markets where carbon markets do not currently exist, which could impact all organisations with a significant quantity of Scope 1 emissions.
Market	Increasing Prices of Raw Materials	Supply-side disruptions could significantly impact raw material costs, which drive up supply chain costs for each business unit. The increase in prices of raw materials may have a flow on effect on the costs of procurement activities.
Transition opportunity		
Market/Technology	Increasing Demand for Zero-Carbon Energy	Fossil fuel will be significantly offset by the increasing demand for energy from renewable energy sources in electricity generation. Increased demand for green gas sources like green hydrogen and new technologies to meet growing low-carbon distribution networks and demand for EV infrastructure will also present new business opportunities.

6.3 Climate-related Financial Disclosures

Potential Financial Effects of Physical Risks

Potential effects on business model

Coastal and riverine flooding is a material risk to UK-based assets. Such flooding could cause physical damage, leading to significant repair costs or insurance claims to restore operations. Other assessed risks did not show material levels of risk. It should be noted that the modelling for extreme wind does not explicitly account for cyclonic winds, which could also disrupt operations and damage assets, considering the historic windstorms that have occurred in the UK.

Electricity distribution and water utilities & services are particularly vulnerable to flooding. Rising sea levels, overflowing rivers, and accumulated rainfall could lead to severe water ingress into critical electrical infrastructure and ground-mounted transformers. This water ingress could cause equipment damage and result in loss of power supply to customers.

Australian-based assets have risk exposure to coastal and riverine flooding, extreme heat, and forest fires, all of which can interrupt business operations. Physical damage from these events may require significant repair costs or insurance claims to resume operations.

Electricity distribution is vulnerable to forest fires compared to other segments. In contrast, gas infrastructure, being predominantly underground, has greater resilience to climate risks and is less affected by external factors.

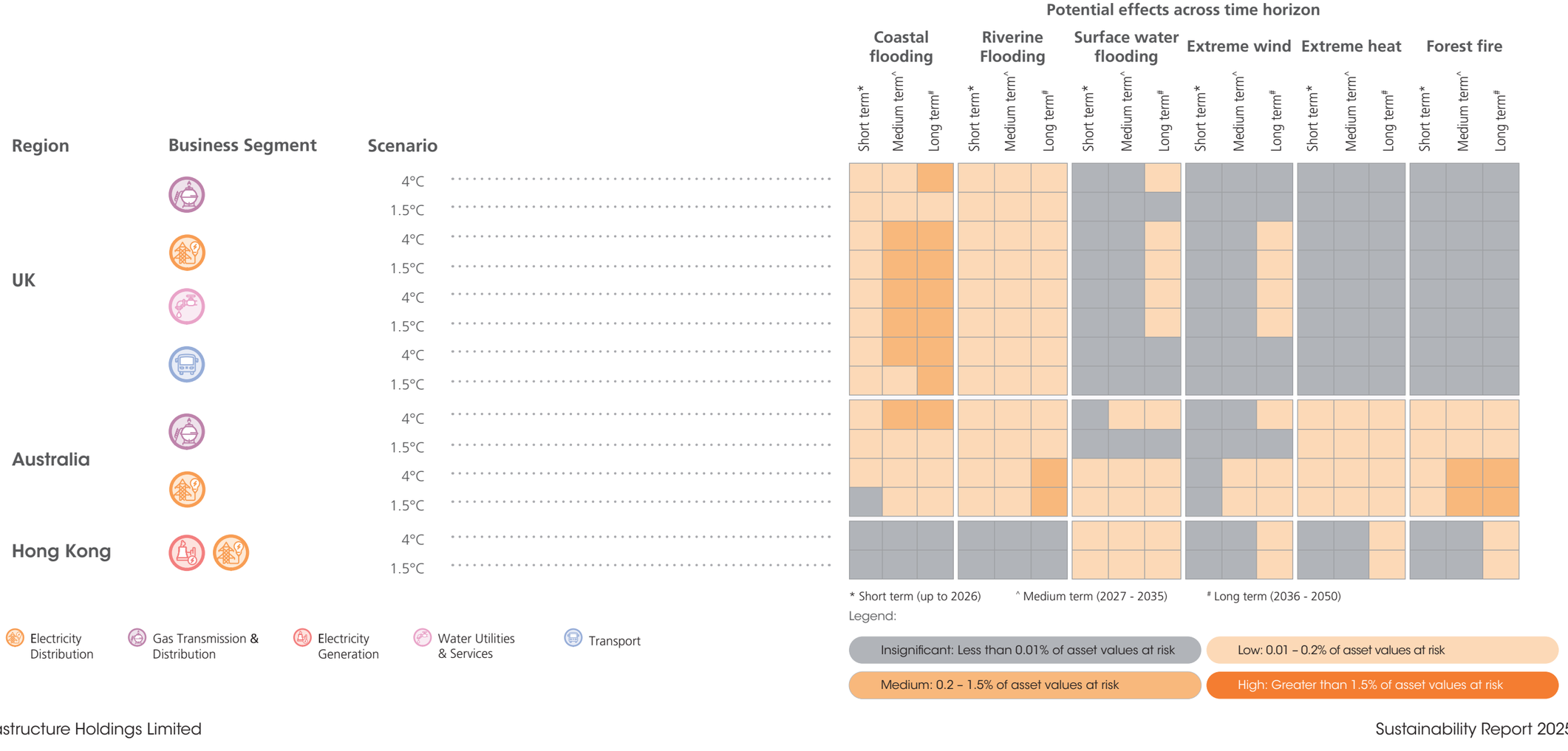
Potential effects on value chain

The increasing frequency and intensity of climate-related events pose significant challenges to the value chain. Severe weather could lead to supply chain disruptions, financial losses, and heightened customer complaints. Delays in restoring service could further diminish customer satisfaction, highlighting the need for resilience in operations. The risks associated with climate events could also lead to higher maintenance costs and increased insurance premiums, further straining operational budgets.

Local communities could suffer from climate-related impacts, which may strain relationships between energy utilities and stakeholders. Such strains could complicate efforts to secure public support for projects and damage our utilities' reputation if communities feel overlooked during crises. Furthermore, climate stress could accelerate the deterioration of physical assets, like power plants and transmission lines, leading to increased maintenance costs and reduced reliability.

Finally, a lack of proactive measures to address climate risks could erode trust among stakeholders, including investors, regulators, and customers. If stakeholders perceive that our operations are unprepared for climate challenges, it could result in decreased investment, regulatory scrutiny, and lower customer loyalty. Addressing these physical climate risks is crucial for our operations to maintain the integrity of their value chain and ensure long-term business resilience.

Potential effects across time horizon



6.3 Climate-related Financial Disclosures

Potential Financial Effects of Transition Risks and Opportunities

Risk/ Opportunity	Business Segment	Region	Scenario	Short term (up to 2026)	Medium term (2027-2035)	Long term (2036-2050)	Key Observation	Potential effects of transition risk/ opportunity on business model	Potential effects of transition risk/opportunity on value chain
Changing Demand for Electricity from Grid	Electricity Distribution	UK	4°C				The 1.5°C scenario sees a higher growth in revenue/permitted returns due to investment in new infrastructure to support the increasing demand for green electricity.	• Revenue growth due to increasing electricity demand from the grid and higher capital investments permitted under the regulatory frameworks.	• High costs of digital technologies may create inequalities and vulnerabilities for some customers • Shifts in consumer behaviour toward sustainable energy consumption can alter demand patterns • Green electricity growth requires infrastructure investment • Potential for lower costs and greater consumer control • Opportunities for innovation and technology advances
			1.5°C						
		Australia	4°C						
			1.5°C						
	Electricity Distribution, Gas Transmission & Distribution	Hong Kong	4°C						
			1.5°C						
Changing Demand for Natural Gas	Gas Transmission & Distribution	UK	4°C				This is a key risk for the business units which generate revenue from gas distribution as the results indicate a sharp decline in demand for natural gas under a 1.5°C scenario.	• Revenue impact due to operational changes such as downsizing capacity or altering the operation of existing facilities	• Customers transitioning from natural gas to electricity due to increased EV adoption and reduced use of gas for heating, hot water, and cooking • Switching from gas to electricity may result in higher energy costs • Increasing public and political pressure to adopt sustainable practices
			1.5°C						
		Australia	4°C						
			1.5°C						
Increasing Fuel Costs	Electricity Generation, Gas Transmission & Distribution	Hong Kong	4°C				Fluctuations in fuel prices significantly affect the business units that consume high volumes of gas and electricity. For the electricity generation and transmission business in Hong Kong, despite a similar upward trend in total fuel costs, as the prices for coal, gas, and oil are anticipated to rise more rapidly under the 1.5°C scenario, these costs are expected to taper off after 2035 with the phase out of coal and the introduction of renewable power.	• Increases in operating expenses[1]	• Increasing energy costs for customers • Potential supply chain disruption • Growing investment in alternative energy
			1.5°C						
	Water Utilities & Services	UK	4°C						
			1.5°C						

Electricity Distribution | Gas Transmission & Distribution | Electricity Generation | Water Utilities & Services | Transportation

Legend:

Increasing risk — Insignificant risk — Increasing opportunity

Note:

1 The results present the potential changes in operating expenses. For our regulated businesses, the regulatory regimes allow these rising costs to be recovered over time, which helps to maintain financial stability by aligning revenue with increased operating expenses.

6.3 Climate-related Financial Disclosures

Risk/ Opportunity	Business Segment	Region	Scenario	Short term (up to 2026)	Medium term (2027-2035)	Long term (2036-2050)	Key Observation	Potential effects of transition risk/ opportunity on business model	Potential effects of transition risk/ opportunity on value chain
Increasing Labour Costs	Electricity Distribution, Gas Transmission & Distribution, Electricity Generation, Water Utilities & Services, Transportation	UK	4°C				Given the diversity of labour market behaviour across regions, it is likely that economies will experience differing trajectories of rising labour costs. In Australia and Hong Kong, labour costs may be seen to increase gradually under the 4°C scenario. This projected change is based on historical labour cost trends, which may persist if economies do not experience the moderating effects of capital being diverted towards decarbonisation. Meanwhile, scenario analysis for the UK businesses indicates that there would be faster growth in labour demand under the 1.5°C scenario, which would drive labour costs upwards more rapidly.	• Increases in operating expenses[2]	• Growing investment in automation, potentially reducing the demand for labour • Improving operational efficiency to mitigate the impact of higher labour costs
			1.5°C						
		Australia	4°C						
			1.5°C						
		Hong Kong	4°C						
			1.5°C						
Introduction of Carbon Taxes[1]	Electricity Distribution, Gas Transmission & Distribution	UK	4°C						
			1.5°C						
		Australia	4°C						
			1.5°C						
	Electricity Generation, Water Utilities & Services	Hong Kong	4°C						
			1.5°C						
	Transportation	UK	4°C						
			1.5°C						
Increasing Prices of Raw Materials	Electricity Generation, Water Utilities & Services	Hong Kong	4°C				In a 1.5°C scenario, it is anticipated that most jurisdictions will implement carbon pricing before 2030 to meet their NDC commitments, thereby posing a material risk in the medium to long-term.	• Increases in operating expenses[2]	• Increasing energy costs passed on to customers • Greater investment in clean and sustainable technologies to reduce carbon emissions
			1.5°C						
	Transportation	UK	4°C				Costs for materials are likely to rise due to higher energy expenses in their production, impacts are expected to emerge in the longer term.	• Increases in operating expenses[2]	• Higher overall production expenses
			1.5°C						

Electricity Distribution | Gas Transmission & Distribution | Electricity Generation | Water Utilities & Services | Transportation

Legend:

Increasing risk — Increasing opportunity

Insignificant risk

Notes:

1 It is assumed there is no carbon pricing mechanism under the 4°C scenario.

2 The results present the potential changes in operating expenses. For our regulated businesses, the regulatory regimes allow these rising costs to be recovered over time, which helps to maintain financial stability by aligning revenue with increased operating expenses.

6.3 Climate-related Financial Disclosures

Current and Anticipated Effects of Physical Risks on Business Model and Value Chain[1]

1. Flooding: Coastal Inundation, Surface Water Flooding, Riverine Flooding

Business segments affected:

Business regions affected: UK, Australia, Hong Kong
Timeframe: Short | Medium | Long
Maximum Potential Impact: Insignificant[2]

Description: Climate change is expected to increase both the frequency and severity of flooding events. Our assets located in coastal areas may be exposed to coastal inundation risks arising from rising sea levels, high tides, and storm surges associated with extreme weather events such as hurricanes and typhoons. In addition, climate change may alter precipitation patterns, leading to more frequent, intense and prolonged rainfall. These extreme weather conditions may exceed the capacity of local drainage systems, resulting in surface water flooding. Low-lying assets situated near river systems may also be exposed to riverine flooding, as extreme rainfall at river upstream could temporarily exceed the channel capacity, causing river overflow and inundation of surrounding areas.

Impacts	Mitigation Actions
Current Impacts: Flooding has the potential to disrupt business operations and services across our assets in the UK, Australia and Hong Kong. Physical damage to our assets can lead to interruptions to operations and services to customers. While our gas transmission and distribution infrastructure is relatively resilient to flooding due to its predominantly underground installation, certain assets within the electricity distribution and water utilities and services business, such as substations and other above-ground components, may be susceptible to flood-related damage. This could result in service outages as well as increased costs on repair, maintenance, and system restoration. **Anticipated Impacts:** According to the climate risk scenario analysis results, the risks of all types of flooding (Coastal, Surface Water, Riverine) are anticipated to increase in short, medium and long term in the 4°C scenario, as increasing global temperature lead to higher sea level, stronger tropical storms, as well as more intense and prolonged rainfalls. This may result in more severe asset damage and loss for our operations. Increasing capital expenditure is expected in order to implement flood mitigation measures aimed at reducing exposure and enhancing asset resilience. Ongoing operating expenses will also be required for continuous network monitoring and inspection, as well as addressing flood-related vulnerabilities, particularly as flood risks intensify over time.	Across the Group, proactive measures are in place to mitigate current and anticipated impacts resulting from flooding. This includes capital investment in flood defences, floodgates, asset elevation and waterproofing, and re-routing assets away from high-risk areas. During project planning and design phase, critical infrastructures are avoided at flooding-prone areas to reduce operational risk. In addition, routine inspections and maintenance works are conducted to protect asset health and integrity. Our businesses regularly engage with regulators to align climate preparedness and learn from industry's best practices. To strengthen network resilience, UKPN has implemented flood mitigation measures in line with ENA Engineering Technical Report 138, including flood defenses, waterproofing, drainage improvements and asset elevation. A total capital expenditure of £6.38 million has been deployed between 2020 and 2024, with a further £2.45 million allocated in 2025, alongside ongoing operating expenditure for maintenance and dewatering of subsurface substations to protect asset value and support continuity of supply. To strengthen resilience, HK Electric allocated capital between 2020 and 2024 to install demountable floodgates at flood-prone facilities, including plant and equipment rooms. In 2025, approximately HK$2,010 million was invested in generation assets at LPS and HK$1,802 million in transmission and distribution systems to enhance reliability and resilience against extreme weather. Further capital was committed to extend flood mitigation measures, including additional floodgate installations at critical locations at LPS Extension, supporting asset protection and continuity of electricity supply.

2. Extreme Heat

Business segments affected:

Business regions affected: Australia, Hong Kong
Timeframe: Short | Medium | Long
Maximum Potential Impact: Insignificant[2]

Description: Global mean temperature is forecasted to rise from the effect of global warming and shifting regional climates, leading to more frequent extreme temperature. Extreme heat is a physical climate risk to the Group by pushing network assets beyond design limits, increasing fault rates and reducing carrying capacity during periods of high demand. Our Australia businesses are more exposed to this climate risk due to increasingly frequent high temperatures during summer.

Impacts	Mitigation Actions
Current Impact: Under extreme heat conditions, equipment at our assets may operate in conditions beyond design limits, which increases machinery wearing risks and reduces service reliability, leading to potential interruptions in our business operations. As our Australia's businesses mainly consist of electricity distribution networks and gas networks, extreme heat could affect working hours and productivity of our employees and contractors along the network lines, causing service disruption and undesirable customer experience. **Anticipated Impact:** Climate scenario analysis indicates that more frequent and prolonged high-temperature days are likely to occur in long term. Increasing risk exposure to extreme heat may result in accelerated asset degradation and likelihood of faults and failures, particularly during periods of peak cooling demand. Assessments from our electricity network companies reflect an expected increase in demand during summer due to increased use of air conditioning. This would put additional pressure on electricity networks, leading to more frequent service disruption, deteriorating customer experience, increasing capital expenditure for repairment and potential revenue loss from service outage.	At Group level, extreme heat risks are mitigated through targeted capital investments and upgrades to add back-up generation and improve ventilation and facility cooling at key facilities. In parallel, the Group has strengthened operational preparedness through enhanced monitoring, forward planning, and rapid response protocols to manage extreme heat working days. These measures improve asset resilience and employee health and safety during periods of extreme heat. VPN has implemented a range of measures to reduce the likelihood and impact of network supply disruptions caused by extreme heat and heatwaves. These measures include ensuring vegetation is managed to minimise network faults and bushfire. Robust network asset maintenance policies and procedures are also in place to maintain asset integrity and resilience under extreme conditions. VPN's assessment shows increasing risk of extreme heat, together with other risks, could potentially increase costs by A$150,000 to A$500,000 for fault restoration and emergency response.

Notes:
1 Certain figures presented in this table reflects amount 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 not required to disclose. Climate related spending at the business unit level is disclosed in the relevant climate related disclosure reports or annual reports of those entities.
2 Please refer to the heatmap on page 71.

6.3 Climate-related Financial Disclosures

3. Wildfire

Business segments affected:

Business regions affected: Australia, Hong Kong
Timeframe: Short | Medium | Long
Maximum Potential Impact: Insignificant[1]

Description: Wildfire risk is prominent in areas where the weather is seasonally hot and dry. It is frequently observed in Australia, where shrubs and forests are extensive and weather in summer can be extremely hot and dry. Wildfires can spread quickly through vegetation, damaging assets and infrastructure if businesses are unprepared and mitigation measures are not immediately deployed. Our electricity and gas networks companies face wildfire almost on an annual basis, and are proactively working to reduce the risks and impacts brought by the climate event to protect people, assets, and ensure reliable service delivery.

Impacts	Mitigation Actions
Current Impact: Our above-ground assets such as overhead lines and substations have higher exposure to wildfire risks. In the case of wildfire, downstream customers may experience service interruptions or outages. In addition, our assets are highly exposed to damage from wildfire, resulting in additional costs for asset maintenance and replacement. Across business segments, the gas transmission and distribution operations are less impacted by wildfire risk as the majority of network assets are located underground. **Anticipated Impacts:** With climate change, wildfires are expected to become more frequent, intense, and affect more extensive areas of land. Worsening wildfire risks may lead to increasing insurance premiums, potential liabilities and compensation claims, as well as higher capital expenditure on service restoration and asset recovery.	The Group recognises wildfire as a risk that could damage infrastructure and disrupt supply. Mitigation actions include enhanced vegetation management, targeted asset reinforcement at underground lines and equipment with higher flash-point materials, and contingency planning to ensure rapid response. Ongoing risk assessments are conducted using latest technologies such as GIS mapping, drones and helicopters to identify overgrown vegetation. In addition, stakeholder engagement are regularly conducted to support prioritisation and continuous improvement. These measures collectively strengthen the Group's resilience and reduce potential financial and operational impacts. Wildfire is a growing risk to our electricity network businesses in Australia, including SAPN, VPN and United Energy. Electrical infrastructure has the potential to start fires if damaged or impacted by vegetation. To reduce risk of fire starts and maintain reliable electricity supply, all of our Australian electricity distribution networks implement rigorous and proactive bushfire risk management which includes vegetation and asset management programs. In 2025, SAPN trimmed vegetation over 71,000 spans of powerline to reduce wildfire risks. In addition, according to VPN's assessment, vegetation management costs could increase A$5.5 million if additional 10% of vegetation volumes would need to be trimmed. This reflects the growing expenditure of mitigation action against increasing wildfire risks forecasted for the future.

Current and Anticipated Effects of Transition Risks and Opportunities on Business Model and Value Chain[2]

1. Policy and Regulation

Business segments affected:

Business regions affected: UK, Australia, Hong Kong
Timeframe: Short | Medium | Long
Potential Risk/Opportunity: Low | Medium | High

Description: Across the jurisdictions in which the Group operates, evolving climate-related policies and regulations present transition risks and opportunities that vary by business segment. Policies promoting electrification are expected to increase demand for our Group's electricity generation business and electricity distribution networks, while restrictions on new gas connections may constrain future growth for our gas transmission and distribution businesses. Carbon pricing mechanisms, including carbon taxes and emissions trading schemes, may affect the cost structures and competitiveness of the Group's electricity generation operations. In parallel, government subsidies and incentive schemes may create additional growth opportunities for the Group's clean energy business units. Collectively, these policy and regulatory developments are actively considered in the Group's strategic planning and decision-making processes.

Risks	Mitigation Actions
1. Policies on Gas Use Progressive policies on electrification and restrictions on gas connections could impact gas demand for our gas transmission and distribution business, affecting revenue growth and increasing business uncertainty for the future. In Australia, certain state government has restricted new gas connections to residential areas. The current financial impact has been assessed to be insignificant. Over the medium to long term, increase in policies limiting gas consumption or new gas connections may result in gradual decline in gas demand. Impact on future revenues is expected to be largely mitigated under existing regulatory frameworks, where cost pass-through and recovery mechanisms are in place. Under a 1.5°C transition scenario, in which governments implement policies to fully phase out the use of natural gas, revenues from the Group's gas transmission and distribution businesses would be affected in medium to long term.	1. Policies on Gas Use Our gas transmission and distribution business engages with regulators regularly to reflect industry voices and ensure alignment with government policies. For policies regarding future role of gas, meetings with government are held and detailed consultation submissions are made to address industry concerns and societal needs. In addition, our gas transmission and distribution business actively seek for project opportunities in renewable and carbon-neutral gas. These projects connect sites that generate hydrogen or biomethane to our network, allowing customers to join us in the energy transition journey. Currently, AGIG has established multiple Hydrogen parks in Australia, providing a total capacity of 1.425 MW of renewable hydrogen to more than 4,000 households. In the UK, NGN and WWU have injected a combined amount of over 2.5 TWh of biomethane into their networks, allowing 219,000 homes to be benefitted with low-carbon fuel supply. WWU invests over £3 million per week in gas infrastructure, with climate policies to date having minimal impact on these levels. As part of its Sustainability Strategy 2023, WWU committed at least £13 million to innovation for the energy system transition during 2021–26, with over £7 million invested to date in 2025 (NIA and SIF). Future government policy on gas networks remains uncertain, and WWU's GD3 business plan reflects planning for a range of outcomes, including the role of low-carbon gases.

Notes:
1 Please refer to the heatmap on page 71.
2 Certain figures presented in this table reflects amount 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 not required to disclose. Climate related spending at the business unit level is disclosed in the relevant climate related disclosure reports or annual reports of those entities.

6.3 Climate-related Financial Disclosures

1. Policy and Regulation

2. Introduction of Carbon Taxes

Under the 1.5°C climate scenario, most jurisdictions around the world are expected to implement carbon taxes in medium to long term to facilitate decarbonisation. Our Group's businesses are likely to be affected if carbon taxes are implemented. In particular, our electricity generation segment will be the most affected with the highest share of GHG emissions accounted for in our Group.

Current financial impact is negligible as profit contribution from our emission intensive businesses to the Group is low, and many business units currently are not impacted materially by local carbon tax policies. In medium to long term, operating expenses of our businesses are expected to increase if carbon taxes are widely introduced. The effects will be largely mitigated due to cost pass-through and recovery mechanisms under the existing regulatory framework. In addition, our business units have implemented long term decarbonisation plans that reduce the impact of carbon taxes once announced.

2. Introduction of Carbon Taxes

The potential implementation of carbon taxes across various jurisdictions our Group operates in presents an emerging risk to our business. In order to reduce our business exposure to carbon costs in the future, the Group has established a low-carbon transition plan to guide decarbonisation efforts within our businesses. Our Group pledged to pursue net zero by 2050 and a 50% reduction in Scope 1 and 2 GHG emissions by 2035, using 2020 as the baseline. In addition, the Group targets to completely phase out coal-fired generation by 2035 by accelerating coal-to-gas transition in our electricity generation business. To achieve these targets, six transition levers have been created to facilitate transition efforts in various areas, including clean electricity, biogas, energy efficiency, carbon recovery and capture. This ensures our business units align with the Group's strategy and contribute to the Group's overall decarbonisation progress. A number of our business units have established advanced targets for decarbonisation. For example, SAPN and UKPN have anticipated to reach net zero by 2035 and 2040 respectively. This reflects the ambitious commitments and a candid strategy to reduce exposure to carbon costs in the future.

1. Policy and Regulation

Opportunities

1. Policies on Electrification

Policies on promoting electrification, including tax credits and subsidies on replacing gas heaters with heat pumps, would increase electricity demand, bringing sales upside and expansion opportunities to our electricity generation and distribution networks. In 2025, VPN reported over A$50 million of capital expenditure in relation to customer electrification projects. The additional capital expenditure will contribute to the growing Regulated Asset Base, leading to higher revenue in the future.

2. Regulatory Funding and Subsidies on Climate Transition

Funding and subsidies are tools that government and regulators use to drive development of technologies or service improvements in the industry. This includes innovation funds, asset resilience funds, and allowances supporting net-zero energy projects. The fundings and subsidies provide additional resources for our businesses to improve services and facilities for better and more resilient performances in the long term.

Business Actions and Alignment

1. Policies on Electrification

Favouring policies such as electrification and incentives for renewable energy incentivise our investments in sustainable and renewable projects, which we view have good synergies with established businesses such as electricity generation and electricity distribution networks.

In addition, our electricity distribution businesses invest in innovation and facilitation projects to support regional and national energy transition. SAPN, UKPN, VPN and United Energy have established Distribution System Operators (DSO) capabilities to enhance grid flexibility, enable increased connections of renewable energy, support system reliability, and deliver services more efficiently. These initiatives have contributed to improved customer outcomes and incremental growth in electricity demand, supporting the long-term resilience and value creation of our electricity distribution networks.

To support electrification and low carbon transition in Australia, United Energy targets to reach 800MW total installed capacity of renewable energy generation on its networks by 2026. Starting from a baseline of 314MW in 2019, the business has increased renewable energy installed capacity to 915MW in 2025, exceeding the target set for 2026. In addition, the business has spent more than A$24 million from 2020 to 2025 on network innovation and technologies, facilitating electrification in the region.

In 2025, HK Electric invested approximately HK$2,010 million in generation assets at Lamma Power Station, including a new gas-fired unit L13, system upgrades and OCGT re-provision, supporting the coal-to-gas transition and resilience against extreme weather. A further HK$1,802 million was allocated to transmission and distribution systems, smart meters, and advanced meter infrastructure to enhance network resilience and improve energy efficiency for customers.

2. Regulatory Funding and Subsidies on Climate Transition

Our regulated businesses are proactively driving transition projects that are also supported by the government and regulators. These initiatives are designed to enhance operational efficiency and performance while delivering cleaner, more reliable, and affordable services for customers. For example, the Network Innovation Allowance granted to NGN by OFGEM has increased to £11.9 million GBP, supporting the development of biomethane projects within the network. At SAPN, the first innovation fund of A$20 million was approved by the Australian Energy Regulator (AER) in 2025 to facilitate customer innovation, asset management and operations innovation.

6.3 Climate-related Financial Disclosures

2. Market & Technology

Business segments affected:

Business regions affected: UK, Australia, Hong Kong

Timeframe:

Short	Medium	Long

Potential Risk/Opportunity:

Low	Medium	High

Description: The long-term resilience of the Group's business is influenced by a range of market dynamics and the pace of technological development. While gas has historically played a central role in household energy use, electricity has become increasingly important over recent decades, driven by the adoption of electric heating, electric cooking appliances, and electric vehicles. This structural shift in energy consumption is expected to have a gradual impact on both the Group's electricity and gas businesses over time. In parallel, supply chain constraints associated with the global energy transition and increased competition for materials and equipment may affect the availability and cost of inputs across the value chain. These constraints have the potential to create challenges for project delivery for our businesses. Technological advancement also plays a critical role. The adoption of renewable and low carbon technologies, including hydrogen, biogas, and distributed solar generation, are dependent on cost competitiveness and technical feasibility. The Group actively monitors the market and technology risks and opportunities and incorporates them into strategic planning and investment decision making.

Risks	Mitigation Actions
1. Changing Consumer Behaviour and Technology Barriers Rapid shifts in market behaviour, including increased electrification and growing adoption of electric vehicles, present planning and operational challenges for the Group's electricity distribution networks. Increasing demand for renewable energy connections and the associated rise in bidirectional power flows have introduced technical constraints to our networks, which traditionally operate as a Distribution Network Operator (DNO). Risks of reduced network performance, local network congestion would arise if network upgrades and maintenance failed to keep pace with market changes, eventually leading to increased asset replacement and operating costs. SAPN estimated capital expenditure of A$172 million in the future if no immediate actions were taken to support market demand changes and resolve technological challenges.	1. Changing Consumer Behaviour and Technology Barriers Our electricity distribution networks are transitioning their role from a traditional DNO to a DSO. This involves developing tools, systems, and capabilities to coordinate customer-owned generation, storage, and flexible demand in real time. Through DSO, our electricity distribution networks are able to obtain better data and information on the grid performance, bringing more flexibility and more effective management of two-way energy flows on the network, ultimately reducing costs for our customers as well as bringing operational efficiency in our networks in the long term. SAPN has estimated capital investment of approximately A$113 million over 2025-2030, bringing better demand flexibility, network visibility, and asset longevity for market demand expansion for the future.
2. Supply Chain Constraints Maintaining a stable and resilient supply chain is critical to the Group's operations, particularly for most of our business units where timely asset upgrades and maintenance in response to evolving market conditions are essential to maintain reliability and good customer service. Tightening market supply and climate-related delays for critical components, including conductors, high voltage equipment, and renewable generation assets such as solar panels, inverters, and battery storage systems, may result in project delays, adversely affecting network performance and resilience, and increasing project costs. In the renewable energy segment, such disruptions may also limit the Group's ability to capture market opportunities and slow progress towards energy transition objectives.	2. Supply Chain Constraints Our business units carefully select suppliers that can demonstrate capability and capacity to consistently deliver goods and services on-time. Detailed procurement process is in place to ensure key supplier criteria are thoroughly assessed. To reduce exposure to unforeseen climate-related disruptions, supplier contracts and agreements also incorporate provisions for force majeure events and insurance coverage for goods and materials in transit and during construction. In addition, the Group's business units adopt prudent inventory management practices by maintaining adequate levels of critical inventory and spare parts, helping to mitigate the potential impacts of climate-related component shortages or supply delays and support continuity of operations.

2. Market & Technology

Opportunities	Business Actions and Alignment
1. Increasing Demand for Electricity Electrification and increasing favor towards electricity use in households creates tailwinds for our electricity businesses. Rising electricity demand supports growth opportunities for our electricity generation businesses, with the potential of increasing electricity sales and delivering revenue upside over the medium to long term. These trends also reinforce the importance of investment in modern, resilient, and flexible electricity infrastructure. Our electricity distribution businesses identify opportunities in this transition through improved grid management, flexibility and facilitation of distributed energy generation connections, creating shared value for our business, customers and other stakeholders.	1. Increasing Demand for Electricity The Group is proactive in capturing opportunities presented in the electricity market space. In 2024, the Group acquired UK Renewables Energy, and our business unit UKPN acquired Powerlink Renewable Assets, both of which are electricity generation assets from renewables. In parallel, the Group's electricity distribution networks continue to facilitate renewable energy connections. VPN in 2025 recorded 3.15 GW of renewable energy connections to the network, an 80% increase compared to 2019 baseline. Through transitioning from DNO to DSO, our electricity distribution networks are unlocking grid flexibility and efficiency. In 2025, UKPN's DSO delivered £232 million of benefit, representing a 17% increase year on year. The business also accelerated 10 renewables connections through innovative solutions brought by DSO. Collectively, these innovative solutions and technologies enable our businesses to capture timely market opportunities and create shared value for our customers.
2. Technology Advancements for Renewable Energy The investment feasibility of renewable energy projects is influenced by both technological viability and underlying project economics. While the cost of solar has reduced in recent years, driving strong growth in solar connections across the Group's electricity distribution networks, other renewable energy technologies continue to require further cost reductions and greater technological maturity. For example, the commercial scalability of hydrogen projects remains dependent on lower electrolyser costs and improved energy conversion efficiencies. Our investment in N-GEN — a business dedicated to developing new technologies for low carbon hydrogen production — has made important progress towards improving application of hydrogen production in the UK. The Bradford Low Carbon Hydrogen, a 35MW hydrogen plant with N-GEN participating as a joint venture partner, has received funding from the Government. This reflects the continued recognition and support N-GEN receives within the industry and from public authorities. In 2025, the Group invested HK$68 million in the fund and expects to make further investments to support ongoing hydrogen development initiatives. In the biomethane sector, a modest proportion of facilities still use flaring to treat the hydrocarbon gas produced, as it is typically more straightforward, cost effective, and does not require additional upfront investment when compared to converting it into biomethane. Technological advancements in biomethane production are therefore crucial to address design challenges, improve conversion efficiencies and enhance overall project economics. This would strengthen the commercial case for biomethane projects and provide greater incentives for stakeholders to capture and inject methane waste into gas networks, supporting emissions reduction and more efficient use of low carbon energy resources.	2. Technology Advancements for Renewable Energy Apart from the efforts made from our electricity distribution networks to enhance renewable energy connections, our gas transmission and distribution networks proactively collaborate with industry partners to explore solutions to facilitate biomethane projects. These efforts include research into emerging technologies with academic and industry institutions, as well as collaboration across the value chain to improve project economics and technological viability. In 2025, WWU partnered with HydroStar and the University of Southampton to enhance biomethane production. The project evaluates the injection of hydrogen during the biomethane production process to improve methane conversion efficiency and yielding. The improvements are expected to generate better cost savings and strengthen profitability metrics for biomethane production. Meanwhile, AGIG also established the first biomethane project in partnership with Delorean Corporation, allowing 210 TJ of biomethane generated from organic waste to be injected into the gas network annually. The project represents a significant opportunity to utilise biomethane as a tool to reduce emissions across Australia's economy and supports national net zero objectives. In addition to industry partnerships, the Group continues to identify and pursue strategic investment opportunities in biogas projects. In 2025, EDL acquired GWE Energy, one of the most advanced anaerobic digestion facilities in the UK. The facility can produce up to 750 cubic metres of biomethane per hour and generates enough renewable electricity to supply approximately 8,000 homes, with its renewable biomethane able to power another 6,000 households. The acquisition demonstrates our Group's commitment to supporting energy transition and advancing low carbon solutions across the industry.

6.3 Climate-related Financial Disclosures

Climate resilience of our strategy

The potential impacts of climate-related risks and opportunities on our strategy are analysed to ensure resilience and adaptability amid evolving environmental, regulatory, and market dynamics.

Building resilience to physical risks

Our physical risk assessment has identified business locations that may be vulnerable to particular hazards. Overall, the potential financial impact at a 1.5°C scenario presents a lower risk than that at a 4°C scenario. This reflects the associated weather impacts and extreme weather events associated with a warming world. In response, business units have established comprehensive emergency response plans that feature evacuation procedures, prompt communication with emergency services, and the provision of medical assistance. To guarantee readiness and efficacy, these protocols are reinforced by consistent testing of emergency equipment, regular drills, and annual training for the emergency response teams. In addition to these preparedness measures, actions have been taken to bolster the resilience of our infrastructure against climate-related risks. Our business units have implemented resilience measures to physical risks. For details, please refer to Section 8.3 Climate Resilience and Adaptation.

While we continue to address these localised risks at individual assets, the geographic spread of our portfolio acts as a buffer, reducing the overall potential impact of these physical risks. Additionally, the varying vulnerability of our assets, influenced by both their category and unique characteristics, means that the diverse nature of our portfolio further aids in risk mitigation. We also factor in existing mitigation and adaptation strategies in our analysis.

We pay close attention to the structural resilience of assets under varying weather conditions. Our maintenance and capital investment strategies are designed to enhance asset integrity in the face of climatic shifts. Moreover, we proactively incorporate considerations for future environmental resilience into our standards for designing, constructing, and upgrading assets. Business continuity strategies are in place across our business units to lessen the impact of extreme weather events.

Building resilience to transition risks and capitalising on opportunities

By assessing the transition impact under the 1.5°C scenario, we are recognising the growing consensus that drastic and immediate action is essential. This focus allows us to prepare for the stringent policy measures, technological advancements, and shifts in investor and consumer expectations that are expected to accompany efforts to limit warming to this level. It also places us in a better position to adapt to the low-carbon transition and to anticipate the financial and strategic implications of the evolving regulatory and market landscapes that are likely to emerge from global efforts to meet this target.

Opportunities for transition within the segments we invest in are abundant, particularly in the electricity distribution segment, which is crucial for meeting the growing demand for electricity spurred by the ongoing shift towards electrification. The success of electrification hinges on the existence of robust infrastructure, necessitating the expansion and modernisation of distribution grids.

Meanwhile, the transition away from higher-carbon fuels could affect the electricity generation segment due to potentially reduced demand for fossil fuels and the impact of escalating carbon pricing. Coal-fired generation within the Group, which represents approximately 15% of the Group's installed capacity on an equity basis in 2025, is subject to heightened business and transition risks arising from the global energy transition and governments' net-zero commitments. Our Group focuses on mitigating the risk through coal-to-gas transition, utilising natural gas as an interim solution for baseline electricity generation and as a substitute for coal. Simultaneously, the Group identifies renewable energy as a transition opportunity within the electricity segment. Through prudent investments in these assets, the Group has expanded our portfolio of renewable energy projects. Renewable energy generation accounts for 13% of our overall installed capacity on an equity basis in 2025, illustrating our commitment to driving energy transition within our business.

Our gas transmission and distribution businesses have indirect exposure to natural gas, as their roles are predominantly connecting and transporting gas from upstream gas producers or transmission pipelines to the customers. These assets have high potential to be refitted for hydrogen and biogas in a lower-carbon economy. We are engaging with our business units in this segment on decarbonisation strategies, as well as exploring new markets, including hydrogen, for their products and services. We believe that decarbonisation and repurposing efforts will mitigate the potential long-term transition risks of our businesses in this segment.

Other segments in which we invest, such as water utilities and services, have limited risks associated with the transition, with the nature of risks being generally indirect. These indirect impacts might stem from macroeconomic shifts such as changes in GDP growth or energy pricing, which differ by country based on their readiness for transition. For example, countries better prepared for transition may witness favourable impacts on economic growth, which could translate into expansion opportunities for businesses in those regions. Companies may thrive in this transition if they are able to adapt their operations and business model to become low-carbon and serve low-carbon industries.

While all climate-related risks and opportunities identified in scenario analysis are expected to remain valid and have low risk of material adjustments in the next annual reporting period, we acknowledge the uncertainties and limitations inherent in such approaches, including the selection of assumptions and methodologies, as well as the complexity and interdependencies of the energy transition. We remain committed to periodically updating our scenario analyses to ensure alignment with our strategy and evolving business needs.

The trajectory of the transition to a net zero economy remains uncertain and will vary by segment and geography. To support our businesses in navigating this shift, we promote decarbonisation strategies such as carbon capture, facility modernisation, electrification, renewable energy integration, and other capital enhancements. Our diverse portfolio, coupled with our strategic approach, positions us to remain resilient amidst various transition pathways while capitalising on emerging opportunities in the transition to a low-carbon future.

6.3.3 Risk Management

The Group has put in place an Enterprise Risk Management ("ERM") framework to identify, assess, manage, monitor and control current and emerging risks, including climate-related risks. This process permeates all levels within the Group, ensuring a comprehensive risk assessment that aligns with our commitment to sustainability and value preservation. Each identified risk is meticulously assessed, considering both its potential impact and the likelihood of occurrence, allowing us to prioritise our mitigation efforts effectively. Recognising that climate-related regulatory requirements evolve, the Group considers existing and emerging regulatory requirements related to climate change in the process of identifying and assessing climate-related risks.

This year, we have established more formal guidelines to support the integration of material sustainability-related risks and opportunities, including climate-related risks and opportunities, into the existing ERM framework. The new process to identify and evaluate climate-related opportunities enables the Group to integrate these considerations into strategic planning and investment decisions.

For details of the Group's risk management and internal controls, as well as the Risk Management Policy, please refer to the Corporate Governance Report in the Annual Report 2025. Together with the Risk Factors section in the Annual Report, our disclosures outline the prioritised climate-related risks and other types of risks.

6.3 Climate-related Financial Disclosures

In line with our risk management framework and process, designated risk owners are tasked with the critical responsibility of developing and overseeing the implementation of appropriate mitigation and adaptation strategies for each identified risk. These strategies are not static; they are subject to ongoing scrutiny and adjustment to ensure they remain effective and relevant in an ever-evolving risk landscape.

To secure our assets against climate risk, we have prepared a complete suite of strategies including proactive management along with reactive policies and systems. At the forefront, the Group is committed to mitigating climate risk by ensuring our progress towards reaching our pledged emission reduction targets. Along the journey, we demand our business units' efforts to match or outperform the Group's decarbonisation targets. Strengthening our existing infrastructure as well as investing in our future assets are also important. The Group works continuously with our underlying businesses to support the assets' integrity and resilience against future climate risks. In addition, awareness campaigns and programmes including asset inspection programmes are conducted regularly to refresh employees' understanding of climate risks and ensure our assets are properly maintained.

Climate risks vary across different geographical regions. With our extensive business footprint across the globe, we also work with our business units to evaluate and mitigate climate-related risks at the local level. Utilising the latest technologies, improved analytics and predictive tools are used to quantify risks, providing useful information for our businesses to enhance planning capabilities and make early interventions if needed. Advanced local risks assessments are conducted to produce a comprehensive picture of climate risks within a vicinity. At the industry level, our businesses proactively forge internal and external working groups on climate change resilience to improve monitoring, facilitate innovation, and ensure prudent standards are upheld within the industry.

Adaptation measures are equally important for robust risk management against climate-related risks. The Group works closely with our business units to design appropriate and adequate mitigation measures. We also emphasise the importance of customer support. In the case of climate events or emergencies, response team members from businesses would be dispatched to support our customers in need.

The effectiveness of our risk controls is continuously monitored and evaluated, with findings reported to ensure transparency and accountability. Our review process not only ensures the robustness of individual controls but also fosters a consistent and standardised approach to risk categorisation and management across the Group.

This structured and dynamic approach to climate risk management is integral to our operations. It allows us to anticipate and adapt to the challenges posed by climate change, thereby ensuring that our business remains resilient and that we contribute positively to the broader climate objectives that society demands.

6.3.4 Metrics and Targets

Upholding the principles of transparency, the Group discloses GHG-related metrics, including Scope 1, 2, and 3 emissions. Details can be found in Section 8.2 GHG Emissions.

As we look towards the future, we reaffirm our commitment to phasing out coal from our generation business by 2035 and reducing our Scope 1 and 2 emissions by 50% by 2035 from our 2020 baseline, as detailed in Section 6.1 Low-carbon Transition Plan. To achieve these targets, we are investing in renewable energy sources, enhancing our energy efficiency, and developing new business models that prioritise sustainability. In alignment with these efforts, the Company's performance towards achieving both short- and long-term climate-related metrics and targets is taken into account in our remuneration policy, reinforcing accountability and driving progress toward our climate-related commitments.

Our progress thus far fuels our optimism and determination to meet the challenges ahead, and we remain devoted to delivering energy solutions that are not only reliable and affordable but also environmentally sound. Our emissions performance and targets are outlined in Section 6.1 Low-carbon Transition Plan, while the progress of our low-carbon transition efforts is detailed in Section 8.1 Decarbonisation, Hydrogen Economy, and Energy Transition. Our commitment to a sustainable future is further reinforced by concerted efforts to allocate financial resources. In 2025, the Group and its business units directed approximately HK$12.6 billion in capital and operating expenditures toward sustainability programmes, with a focus on the low-carbon transition. Further details are available in Section 6.2 Sustainable and Responsible Investment.

Due to the nature of our businesses, most of which operate under regulated frameworks, and our proactive strategy to manage climate-related risks and opportunities, the Group's financial performance and cash flow remain well protected. Our regulated asset base, long-term concession structures, and prudent capital planning provide a stable foundation that helps buffer against potential climate-driven volatility.

The Group recognises that internal carbon pricing can be a tool to support the transition to a low carbon economy. Some business units have begun adopting carbon pricing to inform decision making where appropriate, and the Group has used carbon price as a parameter in its climate scenario analysis. Given the Group's diversified portfolio of predominantly regulated utility businesses, capital investment decisions and returns are largely governed by established regulatory frameworks, with carbon costs already addressed through regulations, policies and external carbon pricing mechanisms like carbon tax. As a result, the application of an additional internal carbon price would have limited benefit on investment or operational decisions, hence it is not currently applied in the Group's decision-making processes. The Group therefore manages climate-related risks through asset specific decarbonisation strategies, regulatory engagement, scenario analysis, and disciplined capital allocation. The Group will continue to monitor regulatory developments and market practices and will keep its approach under review, including the potential future application of internal carbon pricing where it is considered relevant and decision useful.

The Group's steadfast commitment to sustainability drives our efforts to innovate and adapt in the transition toward a low-carbon economy, shaping a resilient and sustainable future.

7

Responsible Business

Responsible operation is one of the Group's core commitment to long-term success and our stakeholders. Key operation principles and practices are established and closely monitored to ensure robustness, efficiency, and readiness to meet the evolving needs of the communities and industry segments we serve.

Material Topics

7.1 Integrated Governance Structure
7.2 Business Ethics and Anti-corruption
7.3 Cybersecurity, Asset Integrity and Crisis Management
7.4 Privacy and Data Security
7.5 Service Excellence
7.6 Supply Chain Management
7.7 Innovation and Digitalisation

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

7.1 Integrated Governance Structure

The Group's long-term sustainability is driven by our vision, values, and strategy, all supported by a strong corporate governance framework throughout the Group and our business units.

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures of the Group. The Company acknowledges that a good corporate governance framework is essential for effective management, a healthy corporate culture, business growth and shareholder value enhancement. The corporate governance principles of the Company emphasise a quality Board, sound internal controls, and transparency and accountability to all shareholders.

This section should be read in conjunction with the Corporate Governance Report in the 2025 Annual Report, which serves as the primary source of information on the Group's corporate governance framework and practices. Details on sustainability governance and climate governance can be found in Section 5.2 Sustainability Governance and Section 6.3 Climate-related Financial Disclosures, respectively, of this report.

The Board

Accountable to the shareholders under the leadership of the Chairman, the Board leads, directs and supervises the Company's affairs to enable the long-term success of the Company. The Board is responsible for shaping and monitoring the corporate culture, setting long-term strategic objectives, policies and directions of the Company with appropriate focus on values creation and risk management. The Board evaluates the Group's operating, financial and sustainability performance and oversees the executive management of the Company with the support of various standing committees, and ensures the Company maintains effective communication with shareholders and appropriate engagement with other key stakeholders.

The Executive Committee comprises six Executive Directors and six other key personnel of the Company. The Executive Committee is chaired by the Chairman of the Board and meets regularly to discuss and make decisions on matters relating to the management and operations of the Company, and to assess and make recommendations to the Board on acquisitions or disposals of, or investments in, businesses or projects. The Chairman determines the Group's broad strategic direction in consultation with the Board and provides high level oversight of management. The Co-Managing Directors, with the support of the Executive Directors, are responsible for the strategic planning of different business functions and the day-to-day management and operations of the Group.

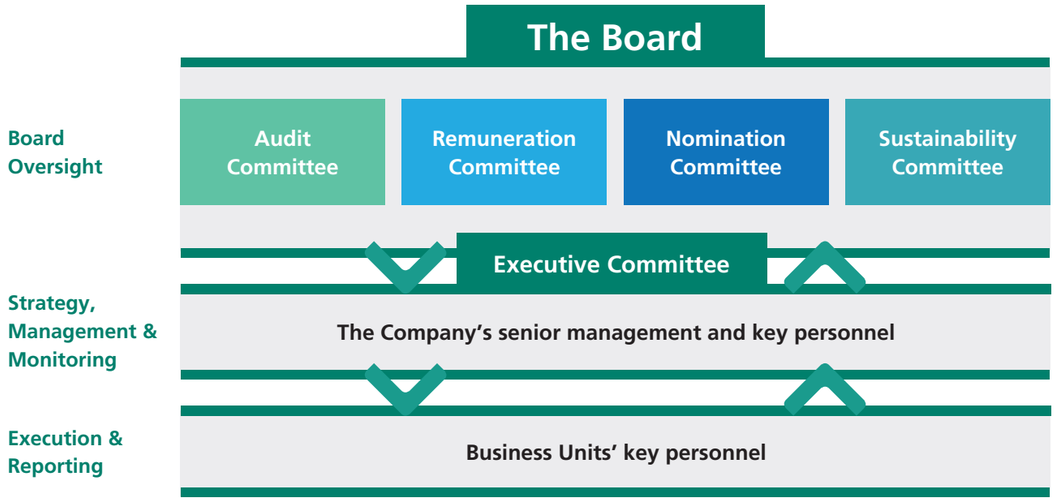
Board Composition

As of 31st December, 2025 and as at the date of this Report, six out of 16 members of the Board are Independent Non-executive Directors accounting for approximately 37.5% of the Board. Separation of the roles of the Chairman and the Co-Managing Directors ensure there is a balance of power and authority.

Independence is reinforced through our committee structure. The Audit Committee, the Nomination Committee, the Remuneration Committee and the Sustainability Committee (with effect from 1st November, 2025) are chaired by Independent Non-executive Directors. The Audit Committee comprises Independent Non-executive Directors only. Independent Non-executive Directors comprise a majority of each of the Nomination Committee and the Remuneration Committee. A majority of the Directors sitting on the Sustainability Committee are Independent Non-executive Directors. The independence of the Independent Non-executive Directors is assessed according to the relevant requirements under the Rules Governing the Listing of Securities on the HK Stock Exchange.

The Company recognises that a balanced composition secures strong independence on the Board and the Board Committees. Pursuant to the Company's Board Diversity Policy and Director Nomination Policy, the Board, through the Nomination Committee, reviews and assesses the profile of a candidate for directorship with a view to achieving a balance of skill sets, experience, expertise and diversity of perspectives appropriate for the strategies of the Company. In January 2026, one additional female Independent Non-executive Director was appointed to the Board. There are currently five out of 16 board members are female, representing about 31.25% of the Board. The Board is of the view that gender should not be the only driving factor in considering a candidate for the Board. The Company will follow the Board Diversity Policy and the Director Nomination Policy to take into account various factors to identify suitable candidates for appointment to the Board, and may adjust the proportion of female directors over time as and when appropriate. Notwithstanding the foregoing, gender diversity may be less relevant to the Group's infrastructure business due to the nature of business.

CKI's Integrated Governance Structure



Independent Non-executive Directors

37.5% Six out of 16 Directors are Independent Non-executive Directors

Female Directors

31.25% Five out of 16 Directors are female

The Directors' biographical information and the relationships among the Directors are set out on pages 66 to 73 of the Company's Annual Report 2025 and on the website of the Company.

Risk Management and Internal Control

The Board has overall responsibility for ensuring that effective risk management and internal control systems are in place, supported by appropriate policies and procedures. The systems are reviewed twice yearly to ensure they are operating as intended and remain fit for purpose.

Risk management is embedded into all business functions and decision-making processes, ensuring a balanced approach to risk and opportunity, which is crucial for the Group's growth and sustainability. This ongoing process is applied across all levels of the organisation. The Group has put in place an ERM framework, which is consistent with the Committee of Sponsoring Organisations of the Treadway Commission framework, to identify, assess, manage, monitor, and control current and emerging risks including ESG and climate-related risks.

7.1 Integrated Governance Structure

The Group adopts a "Top-down and bottom-up" approach to managing risk exposures, with input from major business units and reviews and discussions by key personnel and the Board, through the Audit Committee.

Risks identified by business units through this approach are consolidated into the Group Risk Register where they are considered significant at Group level. The Register, validated by the Deputy Chairman and Co-Managing Director, and the Chief Financial Officer and General Manager, forms part of the Risk Management Report, which the Audit Committee reviews and approves every six months. Acting on behalf of the Board, the Audit Committee ensures that significant risks are appropriately identified and managed.

A description of the Group's risk factors which could affect the Group's financial condition or results of operations to differ materially from expected or historical results is outlined on pages 198 to 208 of the Company's Annual Report 2025.

7.2 Business Ethics and Anti-corruption

The Group is committed to maintaining the highest standards of integrity, honesty and transparency in all our business dealings. In addition to strong risk management and internal control systems, the Group has adopted and regularly reviews our Group level policies to set clear expectations and guidance on governance and sustainability matters, while business units implement procedures tailored to their operating contexts.

35,597 hours

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

The Group adopts a "zero tolerance" approach to bribery, corruption, and fraud of any kind. A suite of Corporate Governance Policies is in place and available to employees, including:

- Anti-Fraud and Anti-Bribery Policy
- Anti-Money Laundering Policy
- Employee Code of Conduct
- Whistleblowing Policy-Procedures For Reporting Possible Improprieties

The above policies provide guidance for the employees' attention and adherence for promotion and support of the anti-corruption laws and regulations. In addition to the specific requirements included in the contracts with suppliers for compliance with local laws and regulations, the Supplier Code of Conduct requests that the appointed suppliers maintain the ethical standards which align with the compliance requirements and practices as provided therein.

Through inviting regulators, legal professionals and other experts to internal seminars and workshops, our employees receive regular updates to the latest development of the legal and regulatory requirements in relation to anti-corruption and other legal compliance issues. To uphold accountability, the Group strives to maintain a strong corporate governance framework and internal control systems with the support from internal and external auditors, as well as other professional advisors.

The Group is committed to full compliance with all applicable laws, rules and regulations. Our key regulatory obligations include:

- HK Listing Rules
- Codes on Takeovers and Mergers and Share Buy backs
- Securities and Futures Ordinance
- Companies Ordinance
- Companies Act of Bermuda
- Relevant UK Listing Rules following the Company's secondary listing on the main market of the UK Stock Exchange in August 2024
- UK Financial Conduct Authority climate-related disclosure requirements
- Other applicable local and international legal and regulatory requirements

During the year of 2025, the Board is not aware of any legal or regulatory non-compliance by the Directors or employees of the Group which might have significant impact on the Group.

7.2 Business Ethics and Anti-corruption

Our Policies

The Company has created a set of policies for our internal and external stakeholders to promote fair competition and maintain ethical business standards. These policies define our commitment to integrity and transparency, ensuring that employees, suppliers, and business partners operate within a framework that aligns with our ethical standards.

The Employee Code of Conduct (the "Code") serves as the foundation, setting clear expectations for professional and ethical behaviour across the organisation. Our governance policies and others ethics and compliance-related policies are as follows:

Our Governance Policies

Employee Code of Conduct: The Code provides guidance on professional integrity and ethical behaviour, covering areas including conflicts of interest, fair dealing, personal data protection, political contributions and the reporting of illegal or unethical behaviour. While it is mandatory for all employees to comply with the Code, the Group also encourage our non-controlled affiliates to adopt similar standards.

Supplier Code of Conduct: Suppliers are expected to uphold ethical standards consistent with our compliance requirements and practices. Key requirements include:

- Anti-corruption policy on suppliers: Suppliers are expected to implement anti-corruption policies and programmes, and to verify that such policies and programmes are complied with. The Supplier Code of Conduct also encourages business partners and suppliers to develop their own anti-corruption policies and systems to promote and disseminate their codes of conduct within their operations.

- Protecting the rights of all employees: The Group urges business partners and suppliers to protect employee rights and dignity. Key initiatives include a harassment-free and safe workplace, prohibit forced and child labour, guarantee fair wages and working hours, establish clear disciplinary practices, and support employees' rights to association and collective bargaining.

- Operating responsibly: The Group encourages its business partners and suppliers to mitigate climate change risks and their environmental impacts, as well as to adhere to the Group's Environmental Policy simultaneously.

Anti-Fraud and Anti-Bribery Policy: This policy articulates the Group's zero-tolerance approach to bribery and corruption, assisting employees identify situations that could lead to unethical business practices or the perception of misconduct. It addresses key areas such as kickbacks, political and charitable contributions and sponsorships, facilitation payments, and guidelines on gifts and hospitality. Aligning with this policy, the Group generally avoids making donation to political associations or individual politicians.

Other Relevant Policies

The Group has established a suite of policies to support robust governance and ethical business practices. These policies include:

Information Security Policy: Protects the security of the Company's data and information systems.

Media, Public Engagement and Donation Policy: Sets guidelines for public interactions and corporate donations.

Policy on Appointment of Third-Party Representatives: Sets out due diligence, selection and oversight requirements for external representatives.

Policy on Handling Confidential Information, Information Disclosure, and Securities Dealing: Provides guidelines on managing sensitive information.

Whistleblowing Policy – Procedures for Reporting Possible Improprieties: Offers secure channels for reporting any suspected unethical or illegal conduct.

Communication and Training

Each employee must complete mandatory training on the Code upon joining the Group, and is held accountable for adhering to its principles. Furthermore, role-specific training sessions that are tailored to the duties of individual employees are regularly organised, with an emphasis on anti-fraud and anti-corruption subjects.

To further reinforce our commitment to combating corruption, individual business units within the Group have introduced tailored educational initiatives. For example, in June 2025, HK Electric's Internal Audit Department, in collaboration with HK Electric's Legal & Company Secretarial Department, launched a mandatory online training programme titled "Integrity in the Workplace: Say 'No' to Corruption and Fraudulent Activities." This programme was designed to enhance employees' awareness and understanding of anti-corruption practices. The initiative delivered positive outcomes, with all participants successfully completing the training and passing the assessment.

On-going Assessment

To prevent corruption across both the Group and individual business units, the Group continuously review and enhance our business practices and internal controls. Regular risk-based audits are conducted to prioritise key risk areas and ensure strong process controls are in place.

At the Group level, biannual anti-bribery and corruption control assessments are conducted to evaluate the effectiveness of measures for managing bribery risk. Within individual business units, each operating company performs regular risk-based audits to ensure attention remains on key areas of vulnerability. For instance, Phoenix Energy conducts an Anti-bribery Risk Assessment every 3 years to review and update risk assessments in related governance area. United Energy and VPN also undertake bribery and corruption risk assessment every 6 months as part of a risk profiling exercise. These audits assess the design and operating effectiveness of processes and controls while identifying and resolving any deficiencies that could lead to fraud or corruption.

Due Diligence

The Group conducts thorough screening and evaluation of third parties before entering into contracts or agreements. Procurement and tendering follow defined procedures to ensure fairness and transparency. The appointment of third-party representatives requires approval by the relevant functional or department head of the business unit, in line with the guidelines and procedures concerned. For further details, please refer to the Policy on Appointment of Third-Party Representatives.

Whistleblower Programmes

The Group is committed to upholding high standards of ethical conduct and compliance. All directors, employees, and relevant stakeholders are encouraged to report any suspected breaches of the Code or other Group policies. Escalation channels have been established to facilitate the reporting of concerns regarding improper conduct or business practices, with the option for individuals to report anonymously. Regular trainings are provided to ensure our employees are fully informed regarding the use of escalation channel. All reported cases are handled confidentially, and those who report issues are protected from retaliation, such as unfair dismissal, victimisation, or unjust disciplinary measures. Any confirmed violations are documented, investigated, and communicated to the Board through the Audit Committee, with disciplinary actions, including potential termination, applied as if substantiated violations have been found.

Alongside Group-level procedures, each business unit customises its internal escalation processes to suit its specific operational needs.

7.2 Business Ethics and Anti-corruption

Actions by Business Units

SAPN's Anti-Corruption and Code of Conduct Training for New Employees

As part of the commitment to ethical practices, SAPN provides Anti-Corruption and Code of Conduct training to all new employees. The 30-minute online module covered key topics such as Respect and Fair Treatment, Conflict of Interest, Corporate Hospitality and Gifts, and the consequences of breaching the Code of Conduct. After the training, relevant records are stored in the business' Learning Management System to ensure compliance and accountability.

Regulatory Compliance

The Group recognises the importance of regulatory compliance and has established respective preventive, monitoring and control measures to ensure compliance with relevant laws and regulations relating to conflict of interest, bribery, extortion, fraud and money laundering in respective industries. The Group is not aware of any material breach of laws and regulations relating to conflict of interest, bribery, extortion, fraud and money laundering that would have a significant impact on the Group during the Reporting Period.

7.3 Cybersecurity, Asset Integrity, and Crisis Management

As growing cyber threats and interconnected systems increase the risk of disruption to critical utility services, effective management of cybersecurity, asset integrity, and crisis response is crucial to our infrastructure operations. While asset integrity is vital for reliable operations, strong crisis management and contingency plans are key to maintaining business continuity during unexpected events.

The Group is committed to safeguarding operations, ensuring public safety, and building resilience against emerging threats. By taking proactive measures and focusing on preparedness, our Group aims to strengthen stakeholder trust and provide reliable services to our customers.

Cybersecurity Management

The Group strives to protect critical corporate information and data through industry leading cybersecurity practices. An Information Security Policy sets the principles for confidentiality, integrity and availability across all operations. Leaders from business units are also responsible for implementing and maintaining protocols that guard systems and data from unauthorised access and attacks. Key measures include:

- Internet security and anti-virus software on workstations to defend against malware;
- Firewalls to control external access to company networks;
- Encryption of sensitive business and personal data to enhance data protection; and
- Regular operating system updates to address security vulnerabilities.

A dedicated Information Security Lead has been appointed to lead efforts in promoting strong security culture, monitors emerging internal and external threats and keeps senior management informed about developments and their implications.

To manage cybersecurity risks effectively, the Audit Committee performs regular reviews, which include:

- Updating the cybersecurity policy periodically to address evolving threats;
- Strengthening cyber protection measures across the organisation's infrastructure;
- Conducting penetration tests to identify and resolve system vulnerabilities; and
- Undertaking internal and external audits to evaluate and improve application systems.

The Group has implemented a series of measures to protect corporate information assets and enhance our ability to resist cyber threats, thereby reducing risks and effectively responding to potential attacks.

Asset Integrity

Infrastructure assets form the backbone of the regions in which the Group operates, supporting essential services and contributing to the well-being of local communities. Managing a broad and diverse portfolio of critical infrastructure requires a strategic, long-term, and multi-disciplinary approach to preserve asset integrity and mitigate associated risks. This is vital not only for maintaining reliable and efficient operations, but also for upholding public safety and meeting regulatory obligations.

7.3 Cybersecurity, Asset Integrity, and Crisis Management

Adopting Global Standards	Raising Awareness and Building Resilience	Commitment to Cybersecurity Excellence
The majority of the Group's business units have adopted ISO 27001 or equivalent internationally recognised information security standards. The framework provides a systematic approach to safeguarding information assets and supports the Group in strengthening governance and risk management across key functions. The Group also works closely with external partners to enhance its cybersecurity risk management by: • Performing external audits to assess risks and identify gaps. • Developing and implementing additional measures to address weaknesses.	Cybersecurity awareness forms a key component of the Group's information security strategy. All new employees are required to complete mandatory cybersecurity awareness training as part of the onboarding process, ensuring they understand core security principles from the outset. This is complemented by regular refresher programmes for existing staff to reinforce best practices and maintain vigilance. These initiatives collectively strengthen organisational awareness among employees and contractors, supporting the Group's ongoing commitment to protecting information assets and upholding a robust cybersecurity culture.	The Group remains committed to adopting best-in-class cybersecurity practices to safeguard customer privacy and protect critical business data. To strengthen our defensive capabilities, selected business units conduct independent third-party vulnerability assessments and simulated cyber-attack exercises. These measures form part of a comprehensive, proactive approach to risk mitigation, enabling the Group to identify potential weaknesses and remain vigilant amid evolving cybersecurity threats and emerging industry trends.

Crisis Management

The Group is steadfast in its preparedness for a wide range of scenarios, including system disruptions, cyberattacks, severe weather, natural disasters and other unforeseen events. Our business units have established comprehensive business continuity plans and incident response procedures in cases that recovering critical digital operations and services are needed. These plans are tested and reviewed annually to ensure effectiveness and relevance to emerging risks. Typical measures in the contingency plan include detailed runbooks for attack scenarios, backup systems to restore services, multiple cloud locations for data storage and offsite backups for physical disasters. Business units are encouraged to monitor and update their plans regularly to ensure appropriate measures are in place in the event of crises.

The Group also recognises the importance of protocols to physical crisis in order to respond quickly and reduce the impact to people and assets. Our business units have developed crisis protocols that prioritise the safety of employees and stakeholders, minimise operational disruption and maintain the reliability and integrity of our infrastructure.

Actions by Business Units

SAPN Launches Cyber Security Strategy 2025–2030

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. The strategy identifies 10 key risks in the business, including environmental compromise, critical systems failure, supply-chain failure, and weak cyber culture. To address these risks, 12 targeted initiatives have been developed. Each initiative has been linked to one or more risk areas, with detailed actions and roadmaps outlined to illustrate the initiative roll out over the five-year period.

HK Electric – Cyber Awareness and Phishing Prevention Training

HK Electric has implemented a comprehensive Cyber Awareness Training programme to strengthen employees' awareness to cyber threats. Key measures in 2025 include quarterly phishing drills, where simulated phishing emails are sent to employees with internet email accounts to assess their awareness. Employees who fall for these simulations are required to attend mandatory phishing awareness training and complete a quiz to improve their ability to identify phishing attempts. Additionally, cybersecurity training is provided during employee induction to ensure newcomers understand the importance of cyber awareness. The programme has delivered strong results with deception rates from the phishing drills remained at low level throughout 2025.

IT Infrastructure and Cybersecurity Audit at Wellington Electricity

In 2025, Wellington Electricity engaged third party service provider to conduct an independent audit of the business' IT infrastructure and Information Security Management Systems. The audit includes external penetration testing and compliance checking with the Group's cybersecurity policy. The audit concluded positive observations on Wellington Electricity's IT and cybersecurity infrastructure, with most servers scoring A or A+ in TLS ratings. Risks identified in the audit have been acknowledged by the business and remedial actions have been completed by the end of 2025.

7.4 Privacy and Data Security

Protecting customer privacy is a top priority for the Group. We are committed to safeguarding personal and customer data through strong internal policies and compliance guidelines. By implementing strong procedures, we ensure the responsible use and protection of sensitive information across all operations.

Our Policies

To protect sensitive information including personal and customer data, the Group has established the Information Security Policy and the Policy on Handling of Confidential Information, Information Disclosure, and Securities Dealing. These frameworks ensure that data privacy and confidentiality are strictly maintained. Employees are required to maintain the confidentiality of proprietary information and use customer data only for legitimate business purposes.

We recognise the potential risks associated with generative artificial intelligence ("GenAI"), such as breaches of confidentiality, privacy violations, and intellectual property issues, the Group has established a GenAI Use Policy. This policy allows only IT-approved GenAI tools for work purposes and prohibits inputting confidential or personal data into these tools. Additionally, it emphasises risk management through training, regular reviews, and reporting mechanisms, ensuring responsible use of GenAI while protecting the Group's reputation and data integrity.

Our Measures

We foster a culture of privacy and accountability through ongoing education. Regular training builds awareness of data protection duties and equips employees to handle sensitive information securely.

The Group undertake privacy impact assessments, including customer privacy assessments where relevant, to identify risks and implement appropriate safeguards. Findings inform updates to processes, controls and guidance.

Engagement with customers is an important part of our approach. We provide clear information about how data is handled and invite feedback through surveys and other channels. Insights from this dialogue help us refine our practices, strengthen transparency and reinforce trust in our management of personal and customer data.

Actions by Business Units

Phoenix Energy – Personal Data Register to protect consumer data

Phoenix Energy has implemented a Personal Data Register to strengthen consumer data protection and ensure compliance with data privacy requirements. All staffs who manage personal data are required to submit their list of all types of personal data to the Data Protection Manager, who consolidates all lists of information into the Personal Data Register. In order to process new personal data, employees are required to advise the Data Protection Manager for further instructions. To protect consumer data, Data Protection Managers can only process personal data by providing the following: what it is used for, reason for processing, storage location, method of destruction and data retention periods. This approach helps prevent unnecessary data processing and ensures that personal data is retained only as long as needed. To safeguard against cyber threats, the Personal Data Register is securely stored on an internal drive, backed up in an external location by the IT team and hard copies are retained by the Data Protection Manager and the Director of Business Services.

Northumbrian Water – Regular Training on Protecting Sensitive Information

As part of Northumbrian Water's commitment to responsible business practices and sustainability, the business have embedded robust measures, including a comprehensive training and awareness programme for all employees, to safeguard customer data and uphold privacy standards.

Mandatory data protection training along with annual refresher courses are delivered to all employees via e-learning platforms. In addition, bespoke training sessions are provided to colleagues in higher-risk roles, including Customer Directorate, Human Resources, Data Analytics, and designated Data Champions to address specific responsibilities and risks associated with handling sensitive information.

To ensure accountability and transparency, all training activities are tracked and logged via the Human Resources system, enabling the business to monitor compliance and identify areas for improvement. Data Champions also play a pivotal role by disseminating monthly newsletters across teams. These communications share updates on best practices, regulatory changes, and practical guidance, fostering a culture of vigilance and continuous improvement.

7.5 Service Excellence

With a diverse customer base, our customers are central to our success. Understanding their needs and expectations helps us build lasting relationships, improve service quality and consistently meet or exceed our service goals.

Customer satisfaction remains our top priority, and we collaborate closely with our customers to grasp their preferences. The Group values every interaction and focus on the processes that shape the customer experience. Being transparent and honest in our communications foster trust and mutual respect. While customer needs are being carefully considered when providing services, a variety of communication channels are readily available so customers can find information easily and request assistance when needed.

Complaints Handling

The Group has established a structured approach to resolve customer concerns, ensuring that feedback is managed in a consistent, fair, and timely manner. Each business unit has named individuals who are responsible for managing feedback to ensure accountability and responsiveness. Complaint channels and contact information are clearly displayed on our websites to make it simple for customers to reach us. This reflects our commitment to transparency and continual improvement.

Response to Customer Inquiries

The Group is dedicated to responding to enquiries promptly and consistently, ensuring our customers have the information they need to make informed decisions. Dedicated customer service teams in each business unit have received comprehensive training to provide accurate and up to date information and address customer inquiries proficiently.

Providing Updates on Health, Safety and Environmental ("HSE")

The Group prioritises the safety and well-being of customers by keeping them informed about health, safety and environmental risks related to our services. Emergency plans and reporting hotlines are in place to enhance responsiveness in the case of a health and safety incident. These practices are regularly reviewed to ensure their reliability, effectiveness, and demonstrate our commitment to maintaining a safe and secure environment at all times.

Customer Satisfaction

The Group focuses on delivering exceptional customer service by continually tracking and measuring customer satisfaction. This includes using tools such as surveys, feedback forms, and performance metrics to assess our service quality and identify areas for improvement.

By regularly collecting and analysing customer feedback, the Group strives to align our services with customers' needs and expectations. Our performances are often benchmarked against industry standards to identify best practices and initiatives that would further enhance customer experience and achieve high satisfaction levels.

2025 Awards and Recognition

UKPN

Named **Utility of the Year** in the Utility Week Awards 2025

1st in the UK Customer Satisfaction Index (Utility & Joint Sector) by the Institute of Customer Service

Northumbrian Water

United Kingdom's **Best Water Company for Customer Service**

Customer Initiative of the Year and **Water Efficiency Project of the Year** at the Water Industry Awards 2025

AGIG

Runner-up for the 2025 **SAP Best Tech Awards for Customer Experience Innovation**

SAPN

Awarded the **Premier's Award for Productivity Improvement (Energy)** for the Market Active Solar Project

HK Electric

Awarded the **Public Service of the Year 2025** at the 23rd International APCSC Customer Relationship Excellence Awards

Electricity Distribution

83.3%

Customer Satisfaction Score in 2025 (Consolidated, 100% as basis)

0.67

Group's System Average Interruption Duration Index (from distribution) in 2025

Water Utilities & Services

> 80

Northumbrian Water
Customer Satisfaction Score during 2023–2025 (100 as basis)

Household Infrastructure

85
(Sales)

75
(Service)

Reliance Home Comfort
Net Promoter Score in 2025, *Highest in the last 3 years*

7.5 Service Excellence

Actions by Business Units

Business Unit	Customer Service Target	Status
HK Electric	Maintain better than 99.999% supply reliability rating.	Achieved
UKPN	Expand the scope and reach of our Priority Services Register, delivering an overall 30% increase in registrations from the end of RIIO-ED1 in those categories that are most impacted by our service by the end of RIIO-ED2 with a target of 3 million households and 600,000 businesses registered.	Achieved – Over 3.1 million customers registered on Priority Services Register by 2025.
WWU	Target to achieve score of 9.2 in CSAT.	Achieved – 9.2/10 reported in 2025.
NGN	5,000 customers referred to Priority Services Register.	Achieved – Over 11,700 customers referred.
VPN	Outperform System Average Interruption Duration Index ("SAIDI") target of 124 minutes by 2026 for Powercor.	Achieved – 122.4 minutes for the year ending June 2025.
	Outperform System Average Interruption Duration Index ("SAIDI") target of 24.7 minutes by 2026 for CitiPower.	Achieved – 23.1 minutes for the year ending June 2025.
United Energy	Outperform System Average Interruption Duration Index ("SAIDI") target of 50.7 minutes by 2026.	Achieved – 35.2 minutes in 2025.

UKPN – Strengthening East London's Grid for More Reliable Services

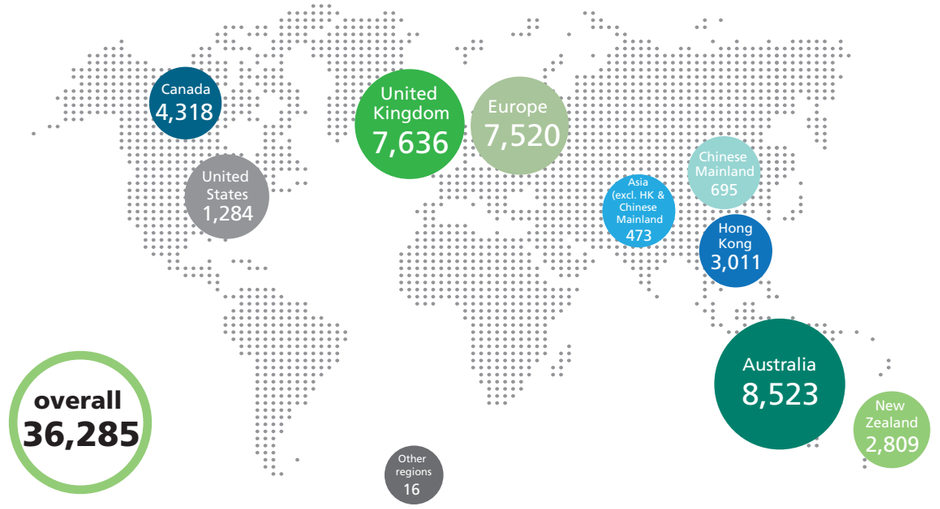
UKPN has recently completed a infrastructure upgrade in Ilford, East London, installing 15.8 km of new cross-linked polyethylene underground electricity cables – a distance equivalent to 150 football pitches. This £7.9 million investment, part of the company's wider £800 million 2025 capital programme, involved replacing three 33 kV circuits between Perth Road and Redbridge, significantly improving the resilience and reliability of local power supply. By deploying environmentally friendly cable materials, the project not only enhances energy security for approximately 8.5 million customers across London, the South East, and the East, but also supports the integration of low-carbon technologies into the grid.

7.6 Supply Chain Management

Across our global supply base, the Group uses our influence to raise standards and embed responsible practice throughout over 30,000 suppliers. Leveraging our extensive industry knowledge, the Group actively encourages our suppliers to align with our commitment to sustainability, ethical conduct, and responsible operations. Suppliers are required to uphold the Group's core commitments, including respect for human rights, fair working conditions, occupational health and safety ("OHS"), non-discrimination, business ethics, and environmental stewardship. These principles are integral to fostering a responsible and ethical supply chain.

The Group prioritises collaboration with stakeholders throughout the supply chain to ensure resilience and sustainability. By fostering responsible practices and strengthening partnerships, we aim to ensure the seamless delivery of essential services while adapting to the changing dynamics of globalisation. Our focus remains on innovating and improving our methods to meet the demands of an ever-evolving environment.

Number of suppliers by geographical region in 2025



7.6 Supply Chain Management

Supplier Code of Conduct and Policies

The Group's Supplier Code of Conduct provides the foundation for our approach. The code underscores our dedication to fostering sustainable practices and enhancing performance for the benefit of stakeholders and the communities we serve. It applies to all business units, products and service providers and reflects internationally recognised standards, including the United Nations Declaration on Human Rights and the International Labour Organization Core Conventions. By working with suppliers who share our values, the Group seeks to address current challenges while contributing to a sustainable and equitable future.

To reinforce our expectations, the Group maintains policies that guide practice and set clear standards for business units and suppliers:

- **Upholding Human Rights**: Our Human Rights Policy underscores the importance of respecting and promoting human rights as a core value of the Group. This policy establishes our expectation that all business units and suppliers shall adhere to the principles outlined in the policy. Additionally, we encourage our suppliers to adopt similar human rights policies within their own organisations to ensure a shared commitment to ethical practices.
- **Prohibiting Modern Slavery and Human Trafficking**: The Group is committed to ensuring its contractors and supply chain are free from modern slavery and human trafficking. Our Modern Slavery and Human Trafficking Statement mandates transparency in the practices of business units and suppliers, requiring them to establish clear strategies for addressing and preventing these issues. This commitment reinforces our dedication to maintaining high ethical standards in all business relationships.
- **Environmental Stewardship**: Recognising the environmental impact of our value chain and investments, our Environmental Policy highlights the Group's responsibility to promote sustainable practices. This policy encourages suppliers to raise awareness of the direct and indirect environmental issues, adopt eco-friendly practices, and consider professional environmental standards in their operations. Through this policy, we aim to influence positive environmental performance across the value chain.

Supplier ESG Screening

The Group understands that supplier screening is essential to building an effective and ethical supply chain. We monitor, evaluate and, where appropriate, audit suppliers to confirm they meet expectations for quality, reliability and responsible practice. Our reviews consider sustainability performance, legal and regulatory compliance and adherence to our Supplier Code of Conduct. Each of our business unit tailors its screening methods to local operating conditions so that processes remain relevant and effective.

Supplier Assessment and Development

The Group takes a rigorous approach to supplier oversight, managing risk and improving performance across our supply chain. We manage supply chain risks and improve performance through regular monitoring, assessments and audits ensure that our suppliers' operations adhere to the principles outlined in our Supplier Code of Conduct and align with the Group's core values and high standard. This helps ensure supplier operations are consistent with our Code and the Group's values and standards.

Environmental and social considerations are integral to supplier selection and ongoing evaluation. Responsibility for supplier oversight sits with executive management within business units, aligning ESG priorities across functions and guiding operations towards sustainability goals.

Our business units use a range of tools to achieve robust oversight, with most suppliers participating in these assessments. We work collaboratively with suppliers to address identified risks, agree improvement plans and promote responsible practices. Monitoring approaches are adapted to local context to ensure effectiveness. The focus on transparency, accountability and continual improvement strengthens the supply chain and reinforces our commitment to ethical business.

Strengthening Supplier Relationships

To build strong and effective partnerships, the Group emphasises regular communications and provides support to enhance our suppliers' sustainability performance. In addition to ensuring compliance with our Supplier Code of Conduct, regular meetings are held with suppliers to collect feedback, tackle challenges, and develop collaborative solutions. This ongoing dialogue not only strengthens our relationships but also encourages suppliers to actively engage in achieving our shared sustainability goals.

7.6 Supply Chain Management

Actions by Business Units

Business Unit	Supply Chain Target	Status
UKPN	Work with suppliers to reduce Scope 3 emissions by 25% by 2028, compared to a 2018/19 baseline.	Achieved – 29.4% reduction in supplier-specific Scope 3 carbon intensity achieved in 2024/25 vs. 2018/19 baseline.
Phoenix Energy	Engaging with our supply chain to further improve the quantification of our Scope 3 indirect emissions associated with purchased goods and services.	On track – 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.	On track, Percentage of suppliers (by value) meeting our Supplier Charter – 99% of respondents in the benchmark of 65% of spend; 63% of total number of suppliers.
Northumbrian Water	Committed to supporting our local economies by maintaining spending at least 60p in every £ with suppliers in our region.	Achieved – Reported spending of 60.9p per £ in 2025.
NGN	Minimum 85% supply chain compliance with Supplier Code of Conduct by 2031.	Achieved

Enhancing Supplier Engagement and Compliance at United Energy and VPN

Through the latest implemented software platform "Felix", United Energy and VPN aim to streamline the process for supplier prequalification, tendering, and contract management. The platform collects critical information and performances of the potential supplier, including Health, Safety & Environment, Sustainability, Modern Slavery, and IT Security, in order to deliver a set of data for the procurement team's assessment. To maintain suppliers' qualification and compliance, the Procurement Governance Team conducts regular compliance reporting of supplier prequalification and requalification status, ensuring that information and status of all registered suppliers are up-to-date.

The platform was initially introduced to target strategic and critical suppliers. The initial roll-out was a success, with benefits including a consolidated approach to the source to contract process, as well as improved visibility and compliance to contract data and documentation. United Energy and VPN extended the platform to all suppliers in 2025 in order to integrate the overall procurement process in the business. By embedding sustainability and ethical considerations into supplier engagement, United Energy and VPN are driving responsible business practices and supporting long-term resilience across their supply chain.

Reliance Home Comfort – Supplier of the Year

Reliance Home Comfort has been recognised as Supplier of the Year by the Niagara Home Builders' Association for the second consecutive time. The award reflects Reliance Home Comfort's consistent delivery of high-quality HVAC, plumbing, and home comfort solutions, as well as its strong partnerships with builders in the Niagara region. By combining reliable service with a broad product offering, Reliance Home Comfort has reinforced its reputation as a trusted partner in the homebuilding industry and strengthened its competitive edge.

WWU – Supplier Assessment and Charter Compliance

In the pursuit of a responsible and sustainable supply chain, the supplier assessment remains a core focus. One of WWU's key initiatives is the Supply Chain Charter, which aims to have 100% of their suppliers acknowledge their awareness of our Supplier Charter, either during onboarding, through risk assessments or at contract renewal. The process of tracking and encouraging supplier engagement with our charter has been structured to progressively increase compliance and understanding among WWU's supply base.

Supplier engagement with the Charter increased over the past three years. In 2023, 954 suppliers were surveyed, yielding 319 responses and 236 acknowledgments. Engagement increased in 2024 to 884 suppliers, achieving a 91% response rate and 78% acknowledgment. In 2025, the record reached 1,062 suppliers.

This structured approach of WWU's supplier assessment has enabled them to build a more accountable and sustainable supply chain, fostering stronger partnerships and aligning supplier practices with WWU's core values and sustainability objectives.

Year	Number of suppliers questioned	Number of responses	Number of suppliers acknowledging Charter
2023	954 (98% of spend)	319 (95% of spend)	236 (81% of spend)
2024	884 (91% of spend)	442 (85% of spend)	278 (78% of spend)
2025	1,062 (97% of spend)	318 (65% of spend)	311 (65% of spend)

Supply Chain	2022–23	2023–24	2024–25
Percentage of suppliers (by value meeting licensee's supplier code)	76%	78%	63%
Percentage of suppliers (by value) that have their own sustainability metrics or KPIs	71%	71%	61%

7.7 Innovation and Digitalisation

Rapid technological advancements and decarbonisation trends are reshaping industries and creating new imperatives for adaptation. The Group is dedicated to promoting innovation, creativity, and agility as we pursue technological solutions that advance our decarbonisation objectives. Our business units demonstrate this commitment by delivering products and services that address the changing and diverse needs of our customers.

Our business units in various industries have proactively deployed resources to facilitate innovation. In the electricity distribution segment, UKPN, SAPN, VPN and United Energy have developed Distribution Operator System capabilities to better utilise the use of network capacity, enable flexible connections and support the growing connection of distributed renewable generation. Our gas transmission and distribution networks in Australia and the United Kingdom have also conducted a variety of experiments and trials on residential and commercial application of biogas and hydrogen. These efforts in developing intelligent energy solutions through innovation and digitalisation have been crucial to the Group's current and future success of decarbonisation and delivering excellent products and services for customers.

In our electricity distribution business, we are utilising the latest technologies, such as drones, and industry-leading practices, including using helicopters and Light Detection and Ranging ("LiDAR") technology for asset inspection. This ensures asset integrity and service reliability for our customers. For example, SAPN and VPN have implemented these advancements effectively.

Actions by Business Units

The Group's electricity operations are leveraging technology to modernise energy systems, enhancing their reliability and improving the overall customer experience.

NGN and WWU partners on Groundbreaking Study for Clean Hydrogen Solutions

NGN, in collaboration with WWU have partnered with DNV and Equilibrion, a leading strategic nuclear consultancy, to conduct a pioneering study focused on the role of nuclear-enabled hydrogen in meeting the UK's net-zero energy goals.

Hydrogen from emission-free sources is widely considered as a clean alternative to natural gas. Under the UK Low-Carbon Hydrogen standard, hydrogen produced from heat and electricity from nuclear reactors is recognised as a clean energy. The study aims to create a deployment roadmap of nuclear-enabled hydrogen for capacity introduction to meet user demand, estimate production rates, conduct geographical analysis on new-build infrastructure, research customer demand and conduct a techno-economic analysis.

By innovating the gas sector through nuclear-enabled hydrogen, the project aims to reduce consumer costs, attract investment, fostering job creation, and support sustainable industrial growth, while helping the UK reach its 2050 net-zero targets. This endeavour underscores NGN and WWU commitment to innovation and collaboration in driving the low-carbon transition within the energy ecosystem.

UKPN – Leading the way in modernising the electricity infrastructure

As one of the first UK companies to adopt innovative pole-support technology, UKPN is replacing traditional wooden poles with durable steel supports across its overhead line network. This proactive programme addresses deterioration issues of the aging wooden poles, and offers a more efficient and sustainable alternative to full pole replacements, ensuring long-term reliability and reducing environmental impact.

In addition, UKPN has installed the UK's first smart electricity substation in Maidstone, Kent. Equipped with artificial intelligence and machine learning capabilities, the smart substation is able to analyse power flows in advanced ways to redirect energy in the network, freeing up additional capacity and allowing more distributed generators to connect to the network. Under the current trial, five more smart substations are set to be installed throughout the South East of England, reinforcing our commitment to accelerate renewable energy integration and achieving decarbonisation goals.

Together, these initiatives demonstrate UKPN's dedication to advance technological innovation and deliver low-carbon energy solutions for millions of customers.

United Energy – Aerial Inspections for Network Safety

United Energy has deployed a fleet of three helicopters in Melbourne's east, south-east, and the Mornington Peninsula as part of its annual bushfire mitigation and vegetation management programme. Flying over the surveying area, these helicopters are equipped with LiDAR systems to scan the distance between tree branches and powerlines. The data is sent to United Energy teams to create 3D models of the area, providing analysis on the size of vegetation to be trimmed to maintain safe clearances and reduce fire risk.

The annual inspection carried out by helicopters spans across more than 13,000 km of electricity network across the business. Compared with traditional surveying, aerial survey provides better tracking of vegetation growth and more precise identification of areas that require intervention. This programme reflects United Energy's commitment to leveraging innovative technology and integrated land management practices to enhance grid resilience and protect communities from bushfire threats.

8 Environmental Stewardship

The Group is committed to combatting and adapting to climate change through transformative initiatives focused on decarbonisation, climate resilience, and environmental management. By leveraging technology and innovation, we aim to reduce our environmental impact, enhance our stewardship of natural resources, and show our profound respect for the planet.

Material Topics

8.1 Decarbonisation, Hydrogen Economy, and Energy Transition
8.2 GHG Emissions
8.3 Climate Resilience and Adaptation
8.4 Resources Management
8.5 Biodiversity and Nature

8.0 Overview

Environmental Management

The Group recognises that the natural environment as a vital partner in our long term success and its wellbeing is closely linked to our own. Efforts are put in to minimise the impacts of our operations and create positive outcomes for the communities we serve. Our objective is to contribute to the long-term health and sustainability of the planet while delivering reliable services.

The Group's Environmental Policy serves as the foundation for shaping our strategy and guiding our business approaches to environmental stewardship. Below are the key strategic priorities highlighted in the policy:

Climate Change action

- Integrate climate change risks into the Group's risk management process.
- Establish long-term targets to reduce GHG emissions and implement systems to monitor the Group's carbon footprint.
- Incorporate climate change considerations into business strategies.

Water management

- Track, monitor and reduce water consumption while ensuring responsible management to address risks from water scarcity.
- Enhance water stewardship and security through proactive management practices.

Waste management

- Reduce waste generation, manage effluent effectively and encourage reuse and recycle in daily operations.
- Advocate the use of sustainable materials and adopt technologies to streamline production and enhance process circularity.

Air Quality

- Track, monitor and reduce emissions of ozone depleting substances and other air pollutants across the Group's operations.

Biodiversity

- Operate with a life-cycle approach to land and habitat stewardship.
- Minimise disturbance and mitigate impact on natural landscapes, avoiding areas with high biodiversity value.

Environmental Management System

Our EMS have been fully enforced to ensure compliance with environmental regulations, mitigate the risk of adverse impacts on nature, and foster a culture of environmental accountability. This comprehensive framework allows for systematic monitoring and evaluation of our environmental performance, enabling us to effectively identify and address areas for improvement.

In 2025, 88% of our attributable revenue was covered by ISO 14001 or equivalent EMS certifications. Furthermore, 87% of attributable revenue underwent external environmental and/or energy audits during the year, underscoring our strong focus on enhancing environmental performance.

Regulatory Compliance

The Group has established mechanisms to hold individuals accountable, ensuring that operations across all business units comply with relevant laws and regulations. Management remains up to date on the latest regulatory requirements and provides necessary training to staff. Additionally, resources are allocated to establish effective monitoring and detection systems to ensure compliance.

During the Reporting Period, we were not aware of any non-compliance with laws and regulations that had a significant impact on the Group relating to air and GHG emissions, discharges into water and land, and the generation of hazardous and non-hazardous wastes.

8.1 Decarbonisation, Hydrogen Economy, and Energy Transition

The infrastructure industry plays a crucial role in combating climate change, serving both as a contributor to GHG emissions and as a key enabler of sustainable solutions. At CKI, we are committed to leading this transition through proactive engagement in decarbonisation initiatives, aligning with regulatory frameworks, and supporting governmental commitments to net zero. Our strategy is driven by our defined targets: phasing out coal-fired generation by 2035, reducing Scope 1 and 2 GHG emissions by 50% by 2035 from 2020 levels, and achieving net zero emissions by 2050.

To meet these ambitious targets, the Group has developed a comprehensive framework that integrates sustainability into every aspect of our operations. Central to this approach are six strategic transition levers, key areas designed to monitor and drive emissions reductions across our diverse business units. These levers form the foundation of our low-carbon transition plan, ensuring that target interventions are implemented and measurable progress are being achieved.

The levers are designed as practical, actionable pathways that reflect the needs of each business segment. By aligning our operational strengths with global climate ambitions, a structured roadmap across short, medium and long-term have been created to ensure each business unit meets defined milestones, contributing to the Group's overall decarbonisation journey.

An overview of the low carbon transition plan is provided in Section 6.1 Low carbon Transition Plan. This section will explore each transition lever in detail, highlighting our progress and the initiatives undertaken across our business units. These efforts reflect our commitment to a low-carbon future and our determination to make a significant impact in the fight against climate change.

Transition levers

01 Decarbonising Our Generation Portfolio:
Phasing out coal and prioritising renewable energy sources

02 Modernising and Digitalising Electricity Networks:
Enhancing grid efficiency and reliability

03 Promoting the Reduction & Recovery of Methane and Carbon Dioxide:
Targeting emissions at their source

04 Embracing the Hydrogen Economy:
Supporting the development and adoption of hydrogen as a clean energy source

05 Operating in a Resource-saving Manner:
Minimising waste and optimising processes

06 Developing Cleaner Methods to Produce Products and Deliver Services:
Innovating across the value chain to minimise environmental impact

8.1 Decarbonisation, Hydrogen Economy, and Energy Transition

Decarbonising Our Generation Portfolio

Electrification is a key enabler of decarbonisation across transport, industry and buildings, unlocking wider possibilities for reducing society-wide GHG emissions. However, decarbonising our electricity generation will be imperative to fully harness the benefits of electrification. Our strategy emphasises the transition from high-carbon energy sources, like coal, to lower-carbon alternatives, including natural gas and renewable energy.

The Group is committed to accelerating the energy transition within our generation portfolio. We have set targets to phase out coal by 2035 and reduce Scope 1 and Scope 2 emissions by 50 percent by 2035 against a 2020 baseline. We continue to invest in renewable capacity, work closely with our major business segments and scale initiatives that advance our decarbonisation objectives.

Expanding renewable energy Portfolio

Renewable energy generation accounted for 13% of the mix in 2025 on an equity basis. In 2024, the Group acquired UK Renewables Energy, and our business unit UKPN acquired Powerlink Renewable Assets, contributing to significant increase in our renewable energy installed capacity compared to 2023. These acquisitions reflect the Group's commitment to investing in clean energy transition, reducing reliance on fossil fuels and advancing the energy transition.

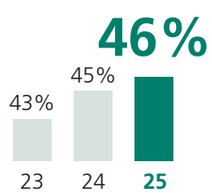
Advancing Coal-to-gas transition

In recent years, our installed capacity mix saw a gradual shift from coal to gas. On an equity basis, our coal-fired generation accounted for 15% of the mix while gas-fired installed capacity accounted for 58%. This progress reflects our ongoing implementation of our coal-to-gas transition strategy. In Hong Kong, HK Electric continues to increase the use of natural gas in its generation mix, with gas-fired electricity accounting for 69% of total output in 2025, up from 56% in 2023. The offshore LNG terminal, developed jointly with another energy utility, has enhanced long-term natural gas supply stability, supporting Hong Kong's energy transition for electricity generation.

Progress Highlights

0.50 $kgCO_2e/kWh$
GHG Emissions Intensity of Generation

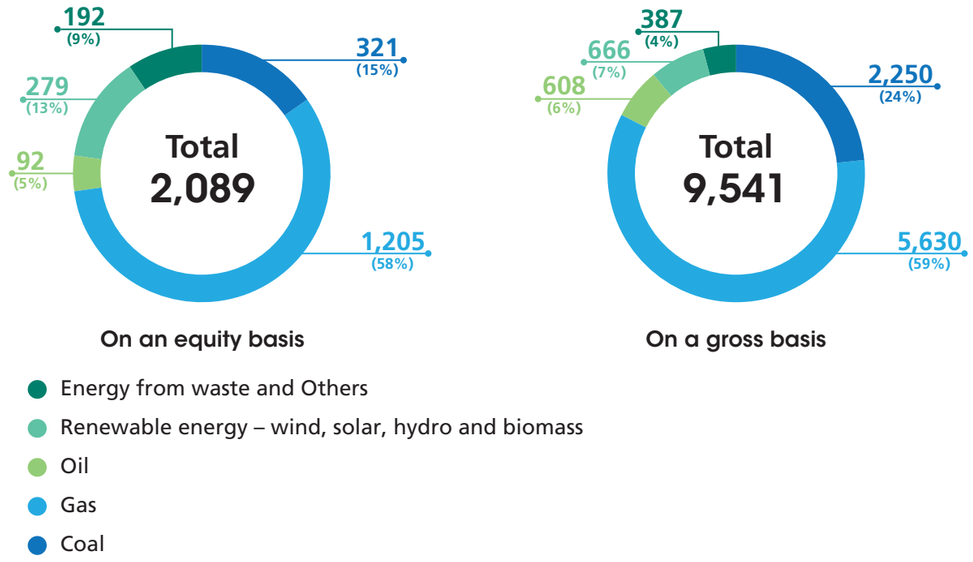
666 MW
Renewable Energy Generation Capacity
(On a gross basis)



Generation Efficiency (Consolidated)

82%
Weighted Average Availability Factor of Plants

Installed Capacity Mix (MW), 2025



8.1 Decarbonisation, Hydrogen Economy, and Energy Transition

Actions by Business Units

Advancing Coal-to-gas transition

HK Electric

As a key step to achieve phasing out coal-fired generation by 2035, HK Electric successfully commissioned its new gas-fired generating unit L12 in March 2024, completing their 2019-2023 Development Plan. The unit represents a significant advancement in HK Electric's environmental strategy, and effectively halving carbon emissions compared to existing coal-fired generating units at LPS.

The implementation of L12 marks a substantial shift in HK Electric's generation portfolio, increasing gas-fired generation from 56% in 2023 to 69% in 2025. Meanwhile, another gas-fired generating unit, L13, is being constructed and is scheduled for commissioning in 2029.

The strategic infrastructure investment demonstrates HK Electric's commitment to accelerating the clean energy transition, whilst maintaining reliable electricity generation for its customers.

Expanding renewable energy portfolio

Canadian Power

In 2021, Canadian Power acquired its first renewable energy project in Canada. The project comprises two wind power facilities located in the Okanagan region of British Columbia, featuring a total of 10 turbines. Together, the wind farms have a combined generation capacity of 30 MW, delivering stable output of clean electricity sufficient to power approximately 9,000 homes annually.

EDL

EDL continues to demonstrate leadership in distributed renewable energy generation across Australia, the UK, and the United States, supported by a robust pipeline of projects that drive decarbonisation and energy resilience. In 2025, the Coober Pedy Hybrid Renewable Power Station in South Australia achieved a milestone of generating 25,000 hours of 100% renewable energy. Commissioned in 2017, this facility has transformed energy access for the remote mining community of Coober Pedy – previously considered too isolated for connection to a transmission network. The hybrid system has delivered significant operational benefits, including a substantial reduction in generation-related outages and a 64% reduction in diesel consumption and associated GHG emissions, underscoring the reliability and sustainability of renewable solutions for off-grid regions.

These projects exemplify EDL's commitment to innovation and environmental responsibility. By integrating advanced technologies and expanding renewable energy assets, EDL is actively supporting global decarbonisation goals while delivering reliable, low-carbon energy solutions to communities.

UK Renewables Energy and Powerlink Renewable Assets

In 2024, the Group acquired two renewable energy assets in the United Kingdom. UK Renewables Energy, established after the acquisition, includes 32 wind farms across England, Scotland, and Wales, with a total installed capacity of 175 MW.

Additionally, the Group acquired Powerlink Renewable Assets through UKPN, which operates a 69 MW portfolio comprising 65 solar photovoltaic assets, 4 onshore wind farms, and 1 hydropower plant. The Group will continue to identify and pursue green investment opportunities and will prudently position ourselves in the growing demand for clean and renewable energy sources when appropriate and if aligns strategically.

8.1 Decarbonisation, Hydrogen Economy, and Energy Transition

Modernising and Digitalising Electricity Networks

Facilitated by the transition to net zero, power networks are in key positions to transform and meet the demands of the changing industry landscape. While the adoption of clean energy is crucial for decarbonisation, it also presents challenges for power grids, such as increasing electricity demand and the integration of distributed energy resources, including variable renewables, batteries, and electric vehicles ("EVs"). Addressing the need for additional capacity and flexibility is essential for enhancing network efficiency and reliability.

By adopting advanced digital technologies, we optimise network performance and enable more connections in our servicing areas, creating a larger, more adaptable and robust network infrastructure. These enhancements not only improve grid resilience and reliability, but also enable cost-effective infrastructure upgrades, ultimately delivering superior service quality and sustainability for all stakeholders.

Enhancing the flexibility of electricity network capacity

Our power networks business has expanded their roles to DSO, reflecting the effort to ensuring evolving power demands are met by sufficient network capacity. This transition facilitates the integration of distributed energy resources and enhances demand response management, which helps to reduce peak loads and improve overall grid stability and efficiency.

Improving electricity distribution efficiency

GHG emissions associated with electricity losses in distribution represent a significant share of emissions from our electricity distribution activities. To reduce electricity losses, innovative equipment and practices have been implemented within our Group. For example, our Australian electricity distribution businesses, VPN and United Energy, are working across the industry to effectively integrate renewables and low-carbon electricity into the distribution network. Meanwhile, our UK business, UKPN, is replacing transformers with Ecodesign specification units, effectively reducing line losses in its networks.

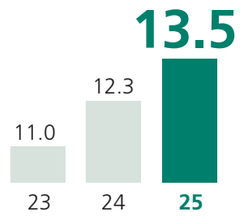
Investing in network technologies

To support the energy transition, our distribution companies are investing in modern technologies. We utilise sensors and smart meters to gather operational data and apply advanced analytics and artificial intelligence to optimise performance.

Business units deploy smart grid solutions where feasible. For instance, Wellington Electricity in New Zealand keeps electricity prices low by using demand response tools to manage the network, helping to avoid costly generation capacity increases. In parallel, SAPN in Australia is investing in its Data Governance and Analytics Uplift Programme by upgrading its core analytics and reporting systems and utilising artificial intelligence to significantly improve data science capabilities. These innovations not only deliver more reliable and cost-effective services to our customers, but also enhance operational efficiency and minimise energy waste across the network.

Progress Highlights

Over
390,000 km
Electricity Network Length



Capacity of Connections to Distributed Renewable Energy Generation (GW)

Use of Smart Meters

100%
Of **HK Electric**'s customers covered by smart meters installation by the end of 2025

100%
Of **VPN** and **United Energy's** electric load is serviced by smart meters

Network Losses

Our electricity transmission & distribution losses have continued to lower in 2025

1.20%
Transmission Loss

6.16%
Distribution Loss

8.1 Decarbonisation, Hydrogen Economy, and Energy Transition

Actions by Business Units

Enhancing the flexibility of electricity network capacity

UKPN – Driving Flexibility in Electricity Networks

UKPN Distribution System Operator's Day-Ahead Flexibility Market has boosted local and national flexibility coordination, allowing more electricity market stakeholders to participate in more flexible electricity markets. Collaborating with the National Energy System Operator ("NESO"), auction results for the market are announced before participants decide their availability for NESO day-ahead auctions, allowing the participants align their electricity exports with their wider commercial processes. In addition, Day-Ahead Flexibility Market enables more forms of distributed energy resources, including electric vehicles, heat pumps and batteries to participate in the distribution, transmission and wholesale market.

Since late 2024, UKPN has also been 'co-optimising' its use of day-ahead flexibility with long-term contracts, choosing the cheaper option across these markets to drive the best outcome for bill-payers. From April 2024 to April 2025, the platform has enabled 4.4 GWh of flexibility, equivalent to powering over 15,500 homes for a month. More than 40 flexibility zones are open and the network has run more than 150 flexibility competitions within the year. Feedback from participants has been positive, with 75% confirming that auction timings align well with their commercial processes, fostering inclusivity and market engagement. The Day-Ahead Flexibility Market represents a major step from our business toward a smarter, more sustainable energy system – one that empowers customers, optimizes resources, and reduces carbon emissions.

SAPN – Unlocking Smarter Solar Integration

The Market Active Solar Trial aimed to demonstrate how flexible exports offers can work alongside retailer solar management offers to integrate rooftop solar efficiently with both the network and wholesale energy market. The trial tested customers' experience, understanding, and acceptance of market and network-driven solar curtailment, and the level of incentive required to unlock sufficient value for customers.

Led by SAPN and supported by the Australian Renewable Energy Agency ("ARENA"), the project represented a total investment of approximately A$2.1 million. Two partner retailers, AGL and Engie tested different models to ensure that the network operated with the best design.

The 12-month trial was delivered in South Australia from late 2024–2025, with strong potential for expansion from 2026 onwards to include additional retailers and Distribution Network Service Providers ("DNSPs"). Early results from the trial are promising, with customers deeply engaging with communication materials provided and no customer churn. The project team also organised four insights sessions and completed one Lesson Learnt Report to foster collaboration and transparency.

Investing in network technologies

VPN – Hot Water Load Control

VPN is leading innovation in demand management through its Hot Water Load Control ("HWLC") Trial, leveraging smart metering technology to dynamically coordinate and schedule controlled hot water loads. The trial aims to align hot water heating with periods of low network demand and high solar generation, reducing strain on the grid while maximizing the use of renewable energy.

The HWLC Trial seeks to assess the benefits of hot water demand shift from night to daytime, explore adjustments to customer agreements to incentivise participation, and understand the impact of demand flexibility on electricity bills and customer amenity. This initiative represents a critical step toward integrating flexible demand into future energy systems.

In 2025, VPN successfully transitioned more than 10,000 VPN customers to daytime electric hot water heating. Building on this progress, the 2026 trial aims to expand the shift across VPN and United Energy networks. So far, the initiative has delivered 229 tonnes of CO_2 savings and enabled additional solar hosting capacity equivalent to 1,000 new solar PV systems, demonstrating the operational benefits achieved through these technology changes.

8.1 Decarbonisation, Hydrogen Economy, and Energy Transition

Promoting the Reduction & Recovery of Methane and Carbon Dioxide

Methane is a potent greenhouse gas is mostly produced from the agriculture, energy and waste sectors, including leaks from natural gas pipelines and coal mines, as well as landfill and wastewater operations. Rapid reduction of methane is among the most effective ways to slow climate change in the near term.

Natural gas supports a wide range of residential and commercial needs, from heating to cooking. Our gas transmission and distribution businesses facilitates the use of this energy by transporting gas from production to end user. The Group is committed to reducing methane leakage across these networks to improve efficiency and lower emissions. We also capture methane from waste sources and blend it into existing pipelines, helping the society harness the useful energy source while reducing greenhouse gas emissions from waste. In parallel, carbon capture remains an important pillar of our strategy, with selective business units advancing carbon abatement projects to deliver meaningful reductions in emissions.

Reducing gas leakage from gas networks

Our transmission and distribution operations implement proactive, targeted programmes to detect and repair leaks, strengthen monitoring and improve network reliability. Key initiatives include:

- Replacing ageing metallic pipelines with durable, lower leakage plastic alternatives.
- Using advanced pressure management to minimise leaks and reduce the need for venting.
- Applying approved additives and maintenance techniques where appropriate to support leak prevention in the gas.

Recovering and utilising methane from waste

Our business units are progressing a diverse portfolio of renewable gas projects to capture low-carbon gases and blend them into existing distribution systems to replace natural gas. Examples include:

- Landfill gas: EDL collects and processes methane generated in landfills to generate electricity and produce renewable natural gas which is injected into the gas network as a substitute for natural gas.
- Biomethane: NGN and WWU have been partnering with biomethane production facilities to introduce green biomethane into the gas network. Phoenix Energy is working with the government and industry stakeholders to evaluate the injection of biomethane from agricultural waste into the local gas networks.
- Biogas from sludge: Northumbrian Water captures the biogas produced during the wastewater treatment process and sends it into the gas network, effectively recycling energy and reducing environmental impacts of wastewater operations.

Beyond its renewable gas projects, EDL captures waste coal mine methane, a byproduct of coal mining, and converts it into electricity, contributing to the recovery and utilisation of methane.

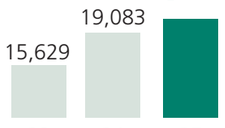
Capturing carbon and generating carbon credits

Our businesses actively explore ways to capture carbon dioxide emissions from projects through advanced technologies and strategic partnerships. For example, AVR has been capturing carbon dioxide in their operations since 2019 and supplying the captured gas to the greenhouse horticulture and industry sectors for their use. Our commitment to sustainability goes further than just carbon capture. For example, EDL generates carbon credits through green projects and is one of the largest producers of Australian Carbon Credit Units.

Progress Highlights

Over
115,000 km
Gas Transmission and Distribution Pipeline Length

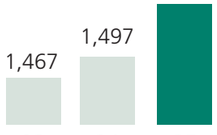
20,553



Renewable Gas Production (kg)
↑8% vs 2024

0.35%
Gas Leakage Rate

1,572



Biomethane injected (GWh)
↑5% vs 2024

Actions by Business Units

Reducing gas leakage from gas networks

AGIG

AGIG is dedicated to enhancing the reliability and sustainability of the distribution networks through its Mains Replacement Programme. Since 2003, a total of 1,500 km of mains have been replaced from the old cast iron material to polyethylene material, which is more reliable, produces less emissions, and are hydrogen-ready for the future.

NGN

Gas leakage makes up approximately 90% of NGN's carbon footprint. To address this, NGN is investing approximately £100 million of capital expenditure annually to replace metallic pipes located within 30m of a property with modern plastic pipes, improving safety and significantly reducing leakage. The 30-year programme extends until 2032. Additionally, in order to manage gas pressure and minimise strain on pipes, NGN actively manages gas system pressures and adds Monoethylene Glycol to saturate and seal potentially leaky metallic pipe joints. NGN has committed to a target set with the regulator, OFGEM, to reduce gas leakage by 24% between 2021 and 2026. By 2025 NGN has reduced annual gas leakage to 228 GWh, a 7% reduction year-over-year and 23% reduction compared to baseline. The business is set to achieve the 24% reduction target by 2026.

8.1 Decarbonisation, Hydrogen Economy, and Energy Transition

Blending biogenic gas into gas distribution networks

NGN

As of March 2025, NGN has achieved a maximum connected biomethane injection capacity of 18,257 standard cubic metres per hour from 19 sites operated by third parties. Over the 2024/25 period, this renewable gas supply represented approximately 1.2% of the total network gas throughput, sufficient to heat more than 59,000 homes in the UK. This demonstrates our commitment to decarbonising energy and supporting the transition to a low-carbon future.

WWU

WWU connects 22 biomethane production sites to its network, with capacity to supply enough green gas to meet the demand of around 160,000 homes. To support further roll out, the company is trialling a Smart Pressure Control system with Utonomy One technology. This system optimises network pressure, enabling efficient biomethane use and maximising renewable gas benefits.

AGIG

AGIG signed a formal agreement with Delorean Corporation to connect the first biomethane project into the existing South Australian gas networks. The connection will supply up to 210TJ of biomethane generated from organic waste to the gas network each year. With the first biomethane project underway, the move signifies AGIG's commitment to deliver secure, reliable and affordable low carbon energy to their customers, and drive the low carbon energy transition in the country.

Phoenix Energy

Northern Ireland, a region historically reliant on fuel oil for heating, is continuing its conversion programme to natural gas and is leading the transition towards more sustainable energy solutions.

Biomethane, a carbon-neutral alternative to natural gas, can be produced from sustainable feedstocks such as silage, slurry and food waste, feedstocks that have rich availability in Northern Ireland. Phoenix Energy, alongside other industry participants in Northern Ireland, are proactively shaping the development of a NI Executive Biomethane Policy that will support the availability of green gas solutions and the more effective management of waste and nutrients regionally.

Recovering and utilising methane from waste

EDL

EDL is pleased to mark three successful years of operations at the Tessman Road Renewable Natural Gas ("RNG") facility in San Antonio, Texas. Since launching in 2022, the site has consistently transformed methane-rich landfill gas into RNG, helping power the local VIA Metropolitan Transit fleet of CNG buses. While in full capacity, the RNG facility is capable of generating sufficient RNG to replace the use of seven million gallons of diesel each year, helping reduce greenhouse gas emissions. The project exemplifies our mission to turn waste into value, supporting both climate action and sustainable public transport.

Enviro NZ

Enviro NZ captures landfill gas and utilises it in various ways. At the Hampton Downs landfill, landfill gas is converted into electricity to meet on-site needs, with surplus power available for export. Meanwhile, at the Bonny Glen landfill, the captured gas is utilised to evaporate landfill leachate.

Northumbrian Water

Northumbrian Water is leading the way in methane recovery and utilisation with its "Gas to Grid" plants at Bran Sands Sewage Treatment Works and Howdon Sewage Treatment Works. These facilities process 100% of the sewage sludge generated in the region through advanced anaerobic digestion, converting the resulting renewable biogas into biomethane for export to the grid.

Expanding carbon capture and utilisation capacity at energy-from-waste facilities

AGIG

AGIG is investigating the potential for onshore Carbon Capture and Storage (CCS) infrastructure to unlock decarbonisation on industry in the Western Australia Pilbara region. The Pilbara CCS study commenced in 2025. If the Pilbara CCS project eventuates, grant funding of A$15 million from the Western Australian Government will be used to support capital works.

AVR

AVR is advancing decarbonisation with a CO_2 capture facility at Rozenburg, set to capture 440,000 tonnes annually. Half of the captured CO_2 will support local horticulture, while the rest will be stored in North Sea gas fields via an external partnership.

8.1 Decarbonisation, Hydrogen Economy, and Energy Transition

Embracing the Hydrogen Economy

Natural gas plays a crucial role in industries where reducing emissions through electrification is challenging. In heavy industries, it provides the large amounts of energy needed to reach extremely high temperatures for producing raw materials in industrial processes. In residential and commercial settings, natural gas serves as a key energy source for everyday needs.

While natural gas will continue to fulfil society's energy demands, the Group acknowledges the potential of hydrogen as a viable alternative to natural gas in the transition to a net-zero economy. We are actively incorporating hydrogen into our operations, utilising existing gas infrastructure to develop low-carbon gas networks and reduce emissions from transportation.

Our objective is to build hydrogen ready networks that allow customers to transition in an orderly way. Gas transmission and distribution businesses have developed roadmaps and commenced projects to blend green hydrogen into existing systems. Currently, in certain renewable gas projects, we are able to blend up to 10% (by volume) of green hydrogen into the network.

Actions by Business Units

Blending green hydrogen into gas networks

AGIG

AGIG has set a target of renewable and carbon neutral gas production (by AGIG or third parties) connected to its distribution networks, equivalent to 10% the volume in these networks by 2030. To achieve this, AGIG is implementing a multifaceted approach of policy, engagement, regulation and projects. Key updates in 2025 include:

- HyP Gladstone was officially launched by the Queensland Government and AGIG, after first blend occurred in 2024.
- HyP SA received conditional approval to increase hydrogen blending from 10% to 15%, subject to formal close-out of the Hazard and Operability study.
- 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.
- The Federal Government established the Hydrogen Production Tax Incentive through the Future Made in Australia (Production Tax Credits and Other Measures) Bill.
- The New South Wales Government announced a Renewable Gas Target of 15% industrial renewable gas use by 2035, supported by funding through the Renewable Fuel Scheme.
- The Energy and Climate Change Ministerial Council committed to exploring a nationally consistent approach to renewable gas targets with consultation expected to occur in 2026; and
- Following consultation in late 2024, the Victorian Government reaffirmed its commitment to establishing a Renewable Gas Target.

WWU

WWU, in partnership with SGN, led a feasibility study exploring the potential for hydrogen to power and decarbonise UK data centres. Supported by engineering partners Apollo and Stantec, the project assessed the technical and strategic viability of using both hydrogen blends and 100% hydrogen for primary and back-up power generation. By reviewing different data centre archetypes, evaluating available technologies such as solid oxide fuel cells and hydrogen-ready engines, and assessing the capacity of the existing gas network, the study provided new insights into the role hydrogen could play in enhancing energy resilience, managing costs, and reducing emissions for future data centre developments. The findings will help inform the sector's pathway towards the UK's net-zero and clean-energy goals.

NGN

NGN is partnering with National Gas and Cadent Gas on the East Coast Hydrogen programme, to assess how repurposed and new-built gas pipelines can deliver clean hydrogen at scale, to enable decarbonisation in key industrial clusters across England's North East. Supported by £96 million of Ofgem regulatory funding, three Front-End Engineering Design ("FEED") studies will complete planning and environmental assessments, engineering and stakeholder consultation during 2025–2027. These works will develop designs for the scheme, a route to obtaining necessary consents and a development cost estimate to enable further detailed assessment. By connecting production and storage with end users, East Coast Hydrogen aims to deliver hydrogen-ready networks over the next decade, driving economic growth as well as industrial decarbonisation.

8.1 Decarbonisation, Hydrogen Economy, and Energy Transition

Operating in a Resource-saving Manner

Responsible stewardship of finite natural resources is fundamental to long-term sustainability. Using energy, water, and raw materials efficiently reduces pollution and greenhouse gas emissions, helps protect ecosystems and biodiversity, and strengthens business resilience by improving productivity and lowering operating costs.

The Group takes a structured, data-led approach to resource management that blends innovation, operational excellence, and colleague engagement to maximise efficiency and minimise environmental impact. Continuous monitoring, smart analytics, and targeted interventions enable us to reduce consumption and improve energy intensity across our operations.

At the business unit level, we prioritise strategic investment in high-efficiency technologies and processes, adopt formal energy management systems, and embed best practice to drive ongoing improvement. Where feasible, we support electrification and the use of renewable energy. Our programme also extends to responsible water use, waste prevention, and circular economy principles, underpinned by training, clear targets and regular performance review.

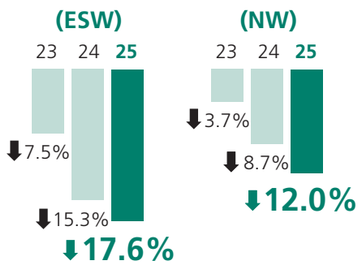
Enhancing resource and energy efficiency in our operations

The Group is committed to improving energy efficiency and reducing greenhouse gas emissions across our operations by embedding sustainable practices. Our efforts focus on material sources of Scope 1 and 2 emissions and are designed to deliver both environmental benefits and operational savings. To lower operational emissions, the Group works with our business units to replace internal combustion engine vehicles with EVs. Most of our business units have either started or are about to begin their fleet replacement programme.

In addition, our business units have implemented upgrade programmes for their buildings and facilities, including refurbishments that enhance energy efficiency and the installation of renewable energy systems where feasible. Collectively, these initiatives improve energy performance, lower operating costs and reduce our environmental footprint.

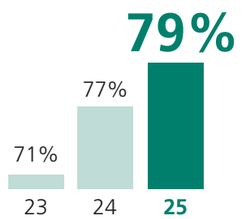
Progress Highlights

Water Utilities & Services



Northumbrian Water
Water Leakage, measured on a 3 year average, Leakage has consistently declined over the past 4 years

Household Infrastructure



Reliance Home Comfort Recycling Rate
⬆from 77% in 2024

Actions by Business Units

Using alternative fuels and raw materials to reduce reliance on fossil fuels

Green Island Cement

Green Island Cement is actively reducing coal consumption in its kiln operations by adopting alternative fuels. In recent years, the business has gradually established a stable supply of Rubber-derived Fuel, Wood-derived Fuel, Plastic-derived Fuel, and Polyurethane Residue, replacing up to 25% of total fuel in the precalciner.

Since 2024, Green Island Cement has also observed that oyster shells produced from local oyster consumption often end up in landfill. This led to the strategic partnership between Great Eagle Group and Harbour Plaza Group, both Hong Kong brands owning chains of hotels, and GIC to launch the Oyster Shell Upcycling Pilot Programme. The partnership seeks to recycle discarded oyster shells and use as alternative raw material for sustainable cement production. The program has been recently extended to other hotels and restaurants, and an electric truck was brought for the logistic to reduce the road-side emission. By 2025, 53 tonnes of oyster shells have been successfully converted into sustainable cement products.

By integrating these materials, Green Island Cement shows their unwavering commitment to reducing its reliance on fossil fuels and promoting a more sustainable and environmentally friendly production process.

8.1 Decarbonisation, Hydrogen Economy, and Energy Transition

Resource-saving in our operations

NGN

Since 2018, NGN has taken significant steps to decarbonise its operational energy use, beginning with the proactive purchase of 100% certified renewable electricity sourced from wind power for approximately 90% of electricity consumption under NGN's direct purchasing control. Building on this foundation, from 2021/22 onward NGN has ensured that 100% of electricity consumed across all premises is certified zero-carbon electricity, reflecting a comprehensive commitment to clean energy integration across the organisation. Furthermore, during 2024/25 NGN installed rooftop solar photovoltaics ("PV") with a total generation capacity of 388 kW peak across eight office and depot locations.

Solar panels at NGN's depot in Burradon, Newcastle upon Tyne.

Starting from April 2025, NGN transitioned to procuring 100% certified biomethane for use at its premises and infrastructure sites. This represents a shift away from using standard natural gas, reducing emissions in daily operations.

UKPN

In 2025, UKPN introduced two initiatives to accelerate EV infrastructure: the ChargePoint Navigator, an online tool helping local authorities identify optimal chargepoint locations and improve LEVI funding applications, and the Insider's Guide, a practical resource offering step-by-step advice on planning, permitting, and network connection to speed up EV charging hub deployment. Together, these initiatives support the expansion of EV charging networks and the transition to electric mobility.

WWU

WWU launched Project GREEN to embed net zero thinking into everyday operations by trialling low- and zero-emission technologies across tools, generators, welfare units and machinery. Operational teams tested equipment alternatives powered by solar, hydrogen, batteries and Hydrotreated Vegetable Oil ("HVO"), achieving lower emissions along with reduced noise, vibration and improved site mobility.

A key success was the Boss Deep Green Sustainable Welfare Unit, which uses solar panels, a 10 kW lithium-ion battery and HVO backup to deliver near-silent operation and up to 90% emissions reductions. The project also introduced an innovative gas "decanting" method during mains decommissioning, safely transferring gas from medium pressure system to low pressure system, instead of venting or flaring it. This change has yielded emission reduction of more than 45,000 kg CO_2e.

Project GREEN has demonstrated the potential to reduce our environmental footprint, inform future operational practices and support our long-term net zero ambitions, including potential initiatives under RIIO-GD3.

Driving Electric Vehicle ("EV") Replacement and Fleet Decarbonisation

During the year, the Group continued to advance the decarbonisation of its vehicle fleet by accelerating the replacement of internal combustion engine vehicles with EVs and other low-carbon alternatives. These efforts form part of our broader transition strategy to reduce Scope 1 emissions, improve energy efficiency in operations and support the development of cleaner transport solutions across our businesses.

Progress and targets have been set at the business unit level to reflect operational needs and local market readiness. HK Electric increased the proportion of EVs in its corporate fleet, achieving 55% EV penetration in 2024, ahead of target schedule. ista has committed to converting its entire fleet to 100% EVs by 2030, while Phoenix Energy is progressing a longer-term transition by shifting its commercial fleet towards green fuels by 2035. Collectively, these initiatives demonstrate a structured and phased approach to fleet transformation, balancing near-term electrification with longer-term solutions where full electrification is not yet feasible.

8.1 Decarbonisation, Hydrogen Economy, and Energy Transition

Developing Cleaner Ways to Produce Products & Deliver Services

Reaching net zero requires continual improvements in operational efficiency and circularity. A key focus is the use of alternative fuels and materials in our operations. In the construction materials segment, we optimise the mix and volumes used, increase the use of alternative inputs, and recycle waste generated during production. This reduces reliance on conventional fossil fuels and lowers the environmental impact of our products and services. As a result, products and services are delivered with lower environmental impact.

We complement this with resource-efficiency initiatives that reduce energy and material intensity. By re-purposing waste and keeping materials in use for longer, we reduce our environmental footprint while delivering operational savings.

Enabling resource savings in the value chain

Beyond our own footprint, we are developing low-carbon products and services that help customers reduce their emissions. For example, ista offers energy management solutions that provide users with monthly energy consumption information, empowering them to make informed decisions about their daily energy usage. Similarly, Reliance Home Comfort, our residential household infrastructure business in Canada, facilitates customers' green transitions by introducing products with higher thermal efficiency and lower energy consumption. By enhancing products and service offerings, customers are able to lower emissions and achieve decarbonisation goals.

Green transport services for Customers

Electric mobility is another area where we support customers to cut emissions. We offer EV-related products and services that improve resource efficiency and reduce environmental impact. In 2024, ista completed the acquisition of Chargemaker GmbH, which owns around 2,000 EV charging point in Germany. This move reflects ista's vision to offer customers a broader range of services related to climate-friendly solutions in the future. HK Electric has also been supporting the HKSAR Government's green transportation initiatives by providing EV charging solutions service for both residential and commercial customers. We aim to empower our customers to embrace sustainable mobility and accelerate progress toward a low-carbon future.

Progress Highlights

Construction Materials

0.238 tonnes CO_2e/m^3 concrete
Concrete Production GHG Emissions Intensity
⬇11% vs 2024

661 kg CO_2e per tonne of cementitious product
Cement Production Carbon Intensity

225,491 metric tonnes
Sales of Lower Carbon Cementitious Materials[1]
(including GGBS, PFA, etc.)
⬆12% vs 2024

Household Infrastructure

⬇9.8% in 2025
Heating Energy Emissions per **ista** user, vs 2018 base year

Note:
1 Low carbon cementitious materials include Ground Granulated Blast-furnace Slag ("GGBS") and Pulverised Fuel Ash ("PFA") that can be added to concrete to reduce its embodied carbon. PFA is a byproduct of pulverised coal combustion in electricity generation, while GGBS is a byproduct of the iron and steel-making process.

8.1 Decarbonisation, Hydrogen Economy, and Energy Transition

Actions by Business Units

Facilitating customers decarbonisation by introducing energy-efficient products and green services

ista

The ista "Heiz-O-Meter" Heating-O-Meter helps tenants understand their heating behaviour by tracking general consumption trends, providing users with reliable insights into energy consumption in the apartment. This enhanced transparency supports the heating transition by encouraging individuals to save energy and reduce CO_2 emissions.

Additionally, ista offers EcoTrend, a service that delivers monthly consumption information to residents via app or email, compliant with the new Heating Cost Ordinance and the EU's Energy Efficiency Directive. EcoTrend allows residents to monitor their heating energy, hot water usage, and cost trends, empowering them to make informed energy-saving decisions.

Other solutions offered by ista:

- ESG-Navi: The service ESG-Navi is a data platform that enables customers to monitor and analyse consumption, emissions and costs reliably, quickly and efficiently on a portfolio or building level, and to use the data in accordance with the usual reporting standards, e.g. CSRD.
- EV-Charging: The transport sector plays a key role in climate protection in the EU. The transformation to emission-free mobility is a decisive factor if the CO_2 targets are to be achieved. To make the switch to EVs as easy and convenient as possible, ista is installing charging stations for EVs in commercial and residential buildings in various European countries, such as UK, France and Germany.
- Intelligent heating control system: The system easily integrates into most existing heating architectures, proactively regulates heating output to meet the actual heating demand of the building. This leads to significant energy savings for users.
- Digital heating bills: ista offers customers the option to view their heating bills on the digital web portal. This saves valuable paper and logistics resources.

HK Electric

To help reduce carbon emissions, improve roadside air quality and contribute to Hong Kong's transition into a low-carbon and smart city, HK Electric has continued to promote the wider adoption of electric vehicles through the company's Smart Power EV Charging Solution service ("SPECS"). It provides a one-stop service to assist customers in implementing EV charging solutions, and delivers technical support for EV charging-enabling infrastructure projects in car parks of private residential buildings under the Government's EV-charging at Home Subsidy Scheme ("EHSS").

Since the roll-out of EHSS in October 2020, HK Electric has assessed the power supply capacity and provided technical support to around 470 buildings. To date, more than 150 EHSS projects have been completed, covering 17,700 parking spaces.

Adopting cleaner service delivery methods

UKPN

UKPN uses generators to supply customers during unplanned faults and also during planned works. In 2025, 240,000 GBP have been invested for 9 new hybrid generators. Generators are custom designed with Aquafuel, as there are no off the shelf options. With a battery, the generator can run silently, emission-free, and without fuel. These generators require less frequent refueling and maintenance than diesel models, reducing fuel use, deliveries, and waste oil disposal.

8.2 GHG Emissions

The Group recognises the risks and impacts of GHG emissions associated with our operations. Guided by our Environmental Policy, we address these challenges across all business activities. The Group has established short-, medium-, and long-term targets to reduce GHG emissions and implemented robust processes to measure and monitor our carbon footprint.

Our GHG emissions profile

In 2025, CKI's Scope 1 and 2 emissions decreased by 4.9% compared to last year. The decrease in emissions was predominantly result of decreased output from our gas-fired generation plants and reduced production activities from the construction materials business. We continue to enhance our Scope 3 emissions reporting, with Category 1, 3 and 13 being the material sources of emissions in 2025. The reported Scope 3 emissions cover the Group's most significant businesses, those that contribute to a total of 87% of our attributable revenue.

In 2022, CKI pledged to achieve net zero by 2050, supported by an interim target of reducing 50% of Scope 1 and 2 GHG emissions by 2035, using 2020 as the baseline. In 2025, CKI achieved a reduction of 19.8% in Scope 1 and 2 emissions compared to the 2020 baseline. We remain on track to achieve our Group-level decarbonisation targets by 2035 and 2050. Our result demonstrates the effectiveness of the Group's low-carbon transition plan in decarbonising its generation portfolio, addressing methane emissions in gas operations, and producing cleaner products in the construction materials segment.

Further information on the Group's low carbon transition plan can be found in Section 6.1 Low carbon Transition Plan, with progress against the transition levers set out in Section 8.1 Decarbonisation, Hydrogen Economy and Energy Transition. GHG emissions are calculated in line with the Greenhouse Gas Protocol. Methodological details are provided in Section 11.2 GHG Calculation Methodology.

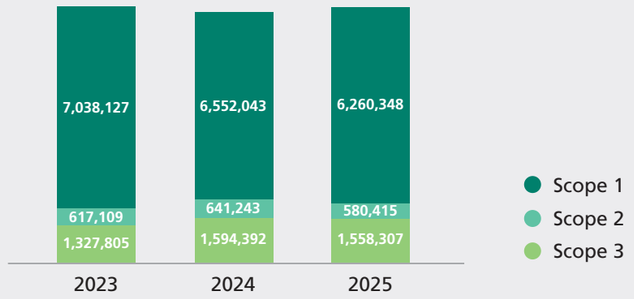
Decarbonisation across business segments

The Group proactively manages our carbon footprint across geographies, coordinating with the sustainability functions of various business units to implement initiatives and meet decarbonisation targets. Where possible, our business units have established GHG emissions reduction targets and commitments that align with their respective business segment contexts and unique capabilities. Some of these targets have been validated by the SBTi. Business units actively monitor their progress toward these targets and report to the Group at least twice a year.

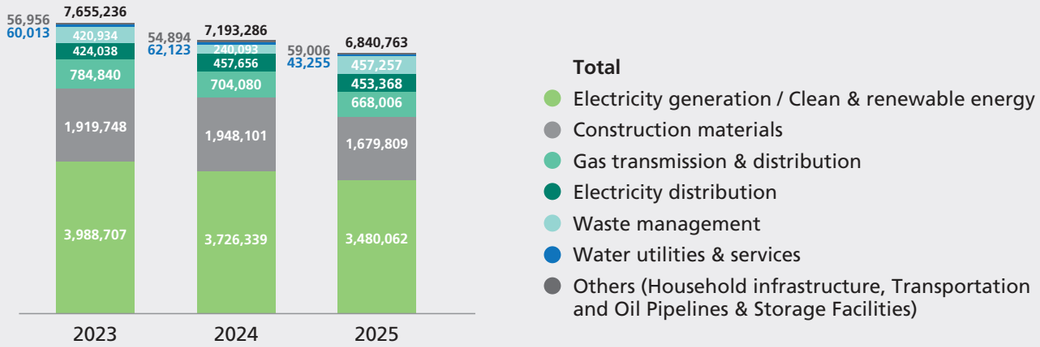
The Group recognises the environmental impact from SF_6, a potent greenhouse gas commonly used in electricity networks equipment. Our business units in the electricity distribution segment, including UKPN, SAPN, and VPN are adopting innovative strategies to reduce its use. UKPN introduced the UK's first "clean air" Gas Insulated Switchgear system at 132,000 volts with zero global warming potential. Meanwhile, SAPN has been trialling pure air technology and phasing out SF_6-insulated assets via a life-cycle management plan. VPN is evaluating non-SF_6 alternatives considering future regulatory requirements in relevant jurisdictions, future-proofing its network and supporting a more sustainable electric grid.

Progress Highlights

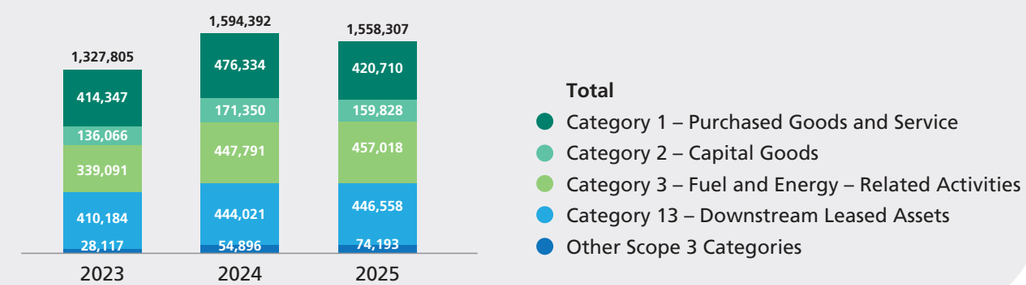
Total GHG emissions by Scope (tCO_2e), 2023–25



Scope 1 & 2 Emissions by Business Segment (tCO_2e), 2023–25



Scope 3 Emissions Distribution by Category (tCO_2e), 2023–25



8.3 Climate Resilience and Adaption

The physical impacts of climate change present material risks to our operations. We are committed to protecting our assets and, above all, our people from increasingly unpredictable weather. Guided by our Environmental Policy and informed by international good practice, we develop and implement strategies that strengthen resilience and support continuity of service.

In 2024, the Group continued to monitor climate-related risks and review adaptation actions to enhance preparedness for extreme weather events. Key measures included tracking short- and long-term weather patterns, leveraging climate projections, implementing crisis management and business continuity plans, and strengthening infrastructure resilience across operations. Building on this foundation, in 2025 the Group advanced its climate resilience approach by further embedding adaptation measures into business unit strategies and enhancing overall readiness. The year also marked the start of a more structured assessment of current and anticipated financial impacts arising from climate-related risks and opportunities, with selected initiatives from pioneering business units disclosed to demonstrate early progress.

For details of the resilience assessment, please refer to Section 6.3 Climate-related Financial Disclosures.

Actions by Business Units

We recognise the operational risks posed by climate change and are strengthening resilience through proactive adaptation. In line with our Environmental Policy, we:

- Undertake climate scenario analyses to understand potential impacts.
- Apply targeted risk management and asset management strategies.
- Invest in infrastructure upgrades and protective measures to safeguard assets, operations and our workforce from extreme weather events.

This programme of work is reviewed regularly to ensure it remains effective as conditions evolve.

UKPN

UKPN leverages the UK Climate Projections high-emissions scenario RCP8.5 to assess climate risks, projecting a 4.3°C rise by 2081–2100. This involved addressing eight prioritised hazards and 16 priority asset-related risks, that include initiatives such as enhanced automation and remote controls, such as dynamic rating management, fault anticipation devices and predictive tools and modelling to forecast how assets are used during short-term weather changes as well as the future state of vegetation growth.

Case Study – HK Electric

Enhancing Power System Resilience to Withstand Extreme Weather

With more frequent extreme weather events brought on by climate change, HK Electric has implemented robust measures to strengthen its power network, ensuring a stable electricity supply until 2100. These enhancements include fortified LPS infrastructure and advanced anti-flooding measures at substations.

Making reference to the reports of the IPCC and the city's hydrological and astronomical data and forecasts, key upgrades include constructing or extending flood walls to +6.0 metres Principal Datum ("PD") for substations at coastal areas and establishing new design guidelines for primary substations built after June 2022 to ensure they are capable of withstanding flood levels of +7.0 metres PD. Protective features such as automatic water pumps, flood barriers, and multi-stage alarm systems have also been installed across over 280 facilities in vulnerable locations.

At LPS, new critical generating units have adopted an elevated foundation design of +7.0 metres PD, with additional breakwaters and demountable floodgates safeguarding against storm surges and overtopping waves. Enhanced surveillance and rapid response protocols ensure operational reliability during adverse weather.

HK Electric has emphasised the importance of pre-emptive measures since the 1990s and responded to the intensified threats sampled in recent years with upgraded strategies, improved emergency equipment, and regular drills for readiness.

The company's efforts extend to supporting the government's carbon reduction goals, with a commitment to achieving net zero electricity generation by 2050. Combining climate resilience and sustainability, HK Electric aims to maintain its 99.999% reliability rating while contributing to Hong Kong's economic and social stability.

8.4 Resources Management

As a global infrastructure company, the Group is dedicated to embedding sustainable practices and strengthening stakeholder confidence through responsible resource management. By applying circular economy principles across our operations, we seek to reduce reliance on limited natural resources and lower greenhouse gas emissions.

Our Environmental Policy sets clear expectations for the responsible management of water, waste and air quality, which are priority issues for our stakeholders. We draw on external expertise and adopt innovative methods such as waste mapping to identify opportunities to improve processes and performance. Our approach is outlined in the following subsections:

- **Conserving water resources**: Initiatives to enhance water management by reducing water footprint and enhancing water use efficiency.
- **Promoting circular economy**: Strategies to minimise waste and enhance resource circularity.
- **Ensuring air quality**: Measures to reduce emissions and maintain clean air standards.

These efforts reflect our holistic commitment to sustainable resource management and our role in contributing to a more resilient and sustainable future.

Conserving Water Resources

A consistent and reliable water supply is essential for our operations. With increasing water scarcity and the growing uncertainty of availability due to climate change, water-related risks have become a key concern for businesses globally. The Group manages this finite resource responsibly, identifying and addressing risks linked to water scarcity. Guided by our Environmental Policy, water consumption is monitored to identify opportunities for efficiency, strengthen water stewardship, and enhance overall water security.

Our water management efforts focus on four key areas:

- **Reducing water use:** Water conservation is a top priority for the Group's water management efforts. Sustainable practices are embedded across all operations to ensure long-term resource stability. Each business unit implements targeted strategies to reduce water consumption, collectively advancing our commitment to preserving this essential resource.
- **Enhancing water use efficiency:** Efficient water use is a cornerstone of our environmental strategy. Our business units are turning this vision into action through practical and impactful measures, ensuring responsible and sustainable water management.
- **Assessing water stress and scarcity:** Conducting water stress assessments is vital for identifying areas where supply and demand may be imbalanced. These insights guide our targeted water management strategies across operations, ensuring sustainable water use and long-term security. In 2025, water withdrawal from areas with water stress is 13,772 thousand m^3, accounting for 2.5% of the overall water withdrawal.
- **Managing wastewater:** The Group integrates efficient and responsible wastewater management practices, with a focus on recycling and reuse. Business units have implemented a series of measures to ensure the responsible treatment and handling of wastewater, reinforcing our commitment to environmental stewardship.

Our water usage profile

In 2025, the total water consumption volume by the Group is 74,922 thousand m^3 for the year, reducing by 4.3% compared to 2024. The primary business segments responsible for the majority of water withdrawal volume are electricity generation and water utilities. In the electricity generation process, water is mainly used for cooling purpose, with the majority being discharged. Meanwhile, the primary business segment responsible for the most of the water consumption is water utilities, where water is withdrawn and consumed for treatment processes, providing clean water for drinking, cleaning and general use.

8.4 Resources Management

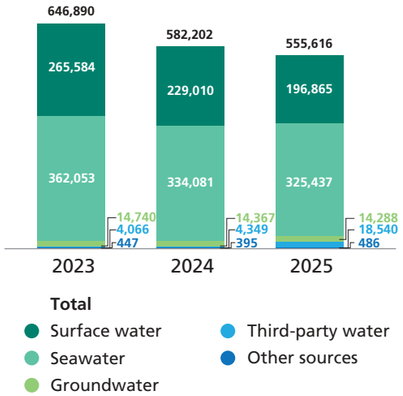
Water management across business segments

The Group takes an active approach and work closely with business units in different sectors to implement water initiatives and establish goals. Where appropriate, business units have introduced reduction targets and commitments that reflect their specific contexts and operational strengths.

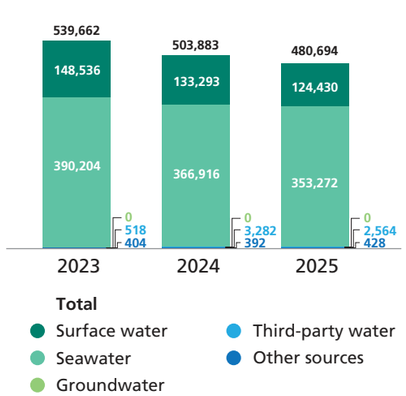
Water is of particular importance to our water utilities business. Targeted measures are in place to manage risks associated with the quality and availability of water resources, and to improve the efficiency and resilience of wastewater treatment. Continuous improvement programmes focus on leakage reduction, asset maintenance and process optimisation to enhance performance over time.

Progress Highlights

Water Withdrawal by Source (thousand m^3), 2023–2025



Water Discharge by Destination (thousand m^3), 2023–2025



Water Withdrawal, Discharge and Consumption by Key Business Segment (thousand m^3), 2025

	Water withdrawal	Water discharged	Water consumption
Electricity generation / Clean & renewable energy	331,393	328,163	3,230
Water utilities & services	198,042	128,370	69,672
Waste management	24,864	24,142	722
Construction materials	1,188	13	1,175
Gas transmission and distribution	38	4	34
Electricity distribution	60	2	58
Transportation	20	0	20
Household infrastructure	12	0	12

Actions by Business Units

Business Unit	Water Target	Status
HK Electric	Reduce total operational water consumption for power generation at LPS by 7% by 2030 as compared with 2025.	On track
UKPN	Reduce 10% water consumption by 2028 as compared to 2024 consumption.	On track – 11 leaks have been identified and repaired during 2024–25
Northumbrian Water	Reduce leakage by 12% and 14.1% in the north and the south respectively by 2025 as compared to 2019. 100% meters to be smart meters by 2035.	Achieved On track

Promoting water reduction and efficient handling of freshwater and wastewater

Enviro NZ, HK Electric

Across our business units, we are taking practical steps to reduce freshwater use by expanding water-reuse systems at multiple sites. At Enviro NZ, stormwater is collected in ponds and tanks at many facilities, including the Hampton Downs Landfill and Technical Services. The stormwater is reused for truck wheel washing, dust control and road cleaning, reducing reliance on potable water and improving the efficiency of on-site operations. Meanwhile, HK Electric targets to collect at least 80,000 m^3 of plant effluent and rainwater for reuse in 2025. Together, these efforts highlight our commitment to responsible water management, demonstrating how our business units are contributing to meaningful reductions in freshwater demand across diverse operational environments.

8.4 Resources Management

NGN

Since 2013, NGN has been decommissioning the 47 low-pressure gas holders inherited from the town-gas era, all of which contained contaminated water, oil and toxic sludge that posed significant environmental risks. Working with specialist demolition contractors, NGN decontaminated each site step-by-step through treating contaminated water on-site to sewer-quality standards, dewatering oil-water mixtures and sludge for safe disposal, and recycling all metal from the dismantled structures.

By 2019, NGN had disconnected all gas holders, removing a potential source of gas leakage and emissions. Between 2021 and 2025, NGN completed the demolition and decontamination of the remaining 23 structures, permanently eliminating these legacy sources of contamination. NGN reports progress annually to Ofgem and publishes performance transparently in its Annual Environmental Report.

NGN South Shields Gas Holder demolition, image courtesy of Erith Ltd.

Case Study – Northumbrian Water

Stressholme Upgrade: Improving Sewage Treatment and Cutting Carbon

Spanning across five years and beginning from April 2025, Northumbrian Water has invested £3.6 billion to upgrade critical water and wastewater infrastructure, including pipelines, treatment works, and pumping stations across its operating regions.

Amongst the first few milestones of the five-year investment plan is the upgrade of Streeholme Sewage Treatment Works ("STW"). The £4.2m investment completed in Autumn 2025 includes installing a new centrifuge at the site to enhance solid and liquid separation in wastewater treatment, resulting in cleaner treated water and reduced waste volumes. The remaining sludge will be sent to Bran Sands STW, where it will be used to create green energy. This process is unique in Northumbrian Water as it is the only water company to use 100% of sewage sludge to create green energy.

The upgrade is also delivering more than 91 tonnes of embodied carbon savings – equivalent to the annual footprint of 17 people – through sustainable construction practices such as reusing steel piles, recycling aggregates, using recycled polypropylene components and minimising transport impacts. These practices reflect our commitment to improve service resilience, adopt sustainable solutions, and make efficient investments to deliver long term benefits for our customers.

Developing the Water resource Management Plan 2024

Water Resource Management Plan 2024 ("WRMP24") developed by Northumbrain Water sets out details of ensuring steady water supply to customers while endeavouring to protect and enhance the environment. One of the sections, namely Best Value Plan, forecasts the water supply and demand of the next 25 years and lays out detailed plan to manage water demand and supply. In WRMP24, the Essex and Suffolk area is assessed as being a serious water stressed area. To address this, Northumbrian Water developed new supply schemes on top of the existing demand management measures, including strategic treated water network, new water reuse schemes and a new winter storage reservoir. The additional effort will enable Essex and Suffolk Water to provide a drought level of service of 1 in 500 years by 2039, up from 1 in 200 years currently.

Through rigorous planning, investment and collaboration, WRMP24 ensures Northumbrian Water can continue to maintain high levels of service while adapting to future climate pressures and safeguarding water resources for generations to come.

8.4 Resources Management

Promoting Circular Economy

The Group is committed to integrating sustainable materials into our operations and leveraging technologies that support waste recovery and process circularity. This shift is vital not only to protect the environment but also to safeguard the responsible use of limited natural resources.

Across our operations, focus has been made to reduce waste generation and effluent discharge. In line with the Group's Environmental Policy, we apply comprehensive waste management practices that emphasise reduction, reuse, and recycling, while ensuring safe and responsible treatment or disposal when alternatives are not possible.

For hazardous waste, the Group adheres strictly to all regulatory requirements and adopt precautionary measures to ensure safe handling and disposal. For non-hazardous waste, our efforts focus on improving processes and operational efficiency to minimise consumption of everyday inputs and reduce overall waste.

Our circular economy efforts focus on four key areas:

- **Waste reduction:** reducing the volume of waste produced, strategically redirecting materials away from landfills, and optimising resource utilisation.
- **Waste recycling:** recycling is vital to addressing GHG emissions, particularly for methane which is commonly generated when waste is disposed in landfills.
- **Waste tracking:** The Group advocates for rigorous waste tracking to improve waste reduction and recycling strategies. By analysing waste types and volumes, critical areas are identified for waste minimisation and streamlining disposal methods.
- **Waste education and training:** Through various training programmes, the Group empowers our workforce and stakeholders with the knowledge and tools needed for effective waste management, fostering a culture of responsibility.

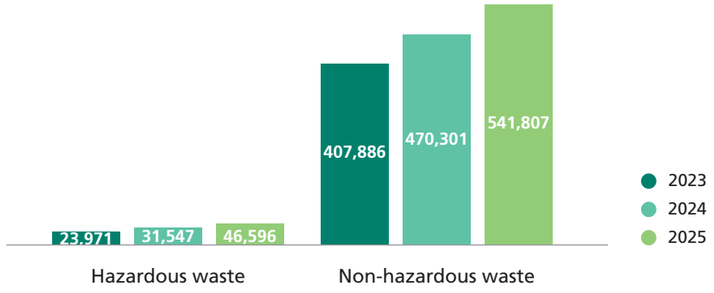
Our waste profile

In 2025, a total of 588,403 tonnes of waste was generated. Over 92% of the waste generated is non-hazardous.

AVR, operates energy-from-waste facilities that process various types of waste, including household, commercial, wood waste, and paper pulp residue. The incineration process generates residues such as fly ash, A-cokes, and filter cake, which are classified as hazardous waste under local regulations due to their role in filtering substances of concern. Managing these residues is a material issue and reflects AVR's commitment to environmental responsibility.

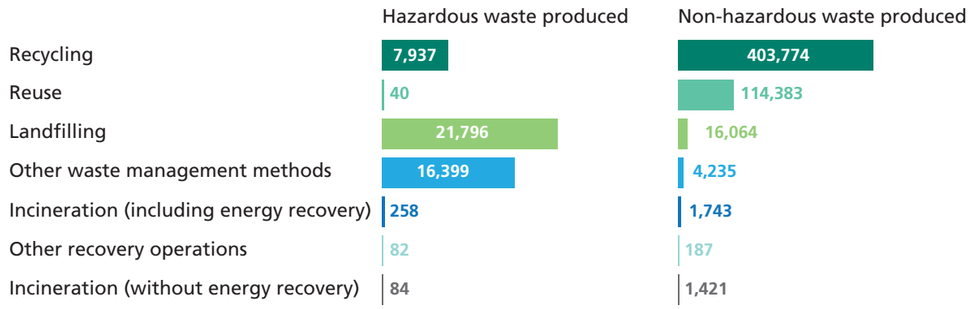
Progress Highlights

Waste Produced (tonnes), 2023–2025



Waste Produced by Key Business Segment (tonnes), 2025

Waste Produced by Treatment Method (tonnes), 2025



8.4 Resources Management

Waste management across business segments

In line with the Group's commitment to reducing its waste footprint, our business units establish waste reduction and recycling targets where practical and follow waste management plans that promote responsible and efficient handling. To address ash and other by-products, business units are adopting and exploring reuse and recycling initiatives, integrating circular economy principles into their operations and long-term strategies.

Actions by Business Units

Business Unit	Waste Target	Status
HK Electric	Reduce total waste generation of its key office premises by 10% in 2025 as compared to 2020.	Achieved
UKPN	Recycle 80% of office and depot and network waste by 2028. Recycle 99.5% of street works waste by 2028. No recoverable waste to landfill by 2025.	On track – 69.8% reported in 2025. On track – 99.9% reported in 2025. Achieved in January 2026
Northumbrian Water	Actively working with our supply chain to eliminate avoidable single use plastics and packaging by 2030.	On track
NGN	Send less than 0.1% of excavation spoil by mass to landfill annually by 2026. Reduce amount of office and depot waste created by 20% between 2018 and 2026. Use no more than 2.5% virgin aggregate annually by 2026. 0% waste to landfill by 2031.	On track – 0.02% reported in 2025. On track – 17% reduction in 2025 compared to 2018 baseline. 4% reported in 2025. On track – 0.02% reported in 2025.
WWU	Send less than 20% of total excavated spoil materials to landfill by 2026 as compared to 2019. Send a maximum of 20% waste to landfill by 2026.	On track – 0.5% reported in 2025. 99.5% excavated spoil reused or recycled in 2024–25. On track – 0.06% reported in 2025.
Alliance Construction Materials	Reduce solid waste extracted from plant yard washout to 0.02T/m^3 of concrete produced.	Achieved – 0.00524 T/m^3 reported in 2025.
Reliance Home Comfort	Recycle 77% of commercial waste.	Achieved – 79% reported in 2025.

8.4 Resources Management

The Group upholds a strong commitment to sustainable waste management, following its Environmental Policy to reduce waste at source, promote recycling, and ensure the safe handling of hazardous materials. Our approach is driven by key measures such as waste minimisation, recycling initiatives, monitoring practices, and awareness building.

Enviro NZ

Utilising the latest technology, Enviro NZ has commissioned a new plant at its Pōkeno Resource Recovery Centre that converts unrecyclable plastics and other suitable residual materials into Process Engineered Fuel ("PEF"), an alternative to imported coal. By creating a domestic low-carbon fuel alternative, the initiative reduces waste, lowers reliance on imported fossil fuels and contributes to New Zealand's economic resilience.

Phoenix Energy

Phoenix Energy continues to embed resource-efficient practices across its network construction activities by adopting trenchless technologies and vacuum excavators, which significantly reduce spoil and waste generation. Vacuum excavators enable smaller, more precise excavations, reducing the volume of virgin aggregates required for backfill and final reinstatement, while also improving work completion efficiencies and reducing the potential for third party utility strikes. This approach allows mains and services to be installed with far less disruption to local communities, while also cutting the use of raw materials and minimising demand for virgin aggregate. In parallel, Phoenix Energy operates a just-in-time procurement system, ensuring materials are ordered accurately and only when needed, further reducing waste across the supply chain.

United Energy

United Energy launched a three-month steel crossarm reuse trial at its Keysborough depot in October 2024 as part of its wider waste-minimisation efforts. The trial assessed whether high-voltage steel crossarms removed from the network could be inspected, certified as serviceable and returned to stock for reuse.

Between January and August 2025, 29 steel crossarms were successfully restored and redeployed across three depots, reducing material consumption and lowering costs.

NGN, WWU and AAL – Reduction of raw materials used

Across the Group, companies continue to reduce reliance on virgin materials by using recycled materials in daily operations. NGN and WWU have both substantially reduced their consumption of virgin quarried aggregate, a finite resource with considerable environmental impacts, by promoting the use of recycled aggregate across their operations. Working with contractors since 2013, NGN has cut virgin aggregate use from 29% in 2013/14 to 4% in 2025, progressing toward its 2026 target of no more than 2.5%. Meanwhile, WWU has achieved 54% recycled aggregate use between 2024 and 2025, significantly outperforming the GD2 commitment of 20% and improving on the 15% achieved in 2023–24.

For our construction materials business, AAL actively incorporates Reclaimed Asphalt Pavement ("RAP"), a material produced by reprocessing existing wear out asphalt pavement, into its manufacturing operations. Using RAP reduces energy consumption and CO_2 emissions, provides a more environmentally friendly alternative to virgin asphalt, and maintains the same durability and performance standards. By integrating the use of RAP into production, AAL converts waste into valuable raw material while lowering the environmental impact of its asphalt operations. The business is actively collaborating with industry stakeholders and relevant government departments to advance the adoption of higher RAP content, from 30% to 50%, reinforcing the company's commitment to environmental protection and sustainable development.

Reliance Home Comfort

To strengthen waste education across the organisation, Reliance Home Comfort has conducted monthly regional reviews on waste recycling to promote best practices and enable targeted corrective actions. A Metal Scrap Recovery Program has also been organised to optimise the recycling and sale of recovered metals for revenue. Through the above initiatives, team members' awareness of proper waste handling has risen, allowing recycling ratio to reach 79% by the end of 2025.

8.4 Resources Management

Ensuring Air Quality

The Group is committed to strong environmental performance and measures by controlling air pollutants, investing in sustainable technologies and embedding recognised good practice across our operations. Guided by the Group's Environmental Policy, our approach goes beyond compliance, aiming to improve community health and protect ecosystems from the effects of air pollution. This proactive stance reflects our role as a forward-looking organisation focused on environmental resilience and stakeholder wellbeing.

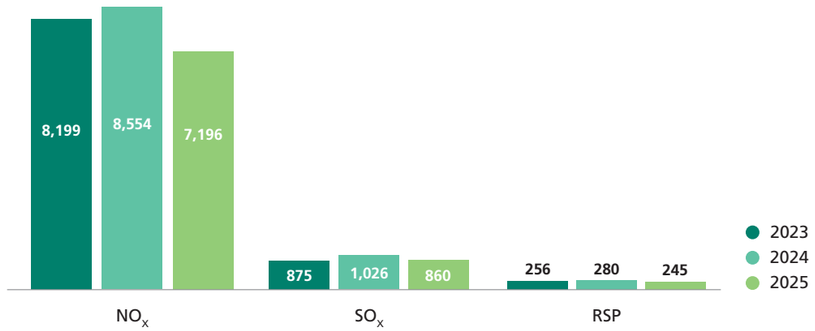
In our operations, air emissions are primarily generated from fuel or waste combustion for electricity generation, as well as from wastewater treatment processes. Fossil fuel combustion and waste incineration can produce pollutants if not effectively managed, while chemical and biological treatment processes such as nitrification and denitrification may release nitrogen compounds. All facilities operate under stringent environmental permits that set clear emission limits in line with local regulations. These permits require the use of advanced technologies and good practice in emission control. Through regular monitoring and reporting, the Group maintains compliance and seek continual improvements in our management of emissions.

Air emissions management across business segments

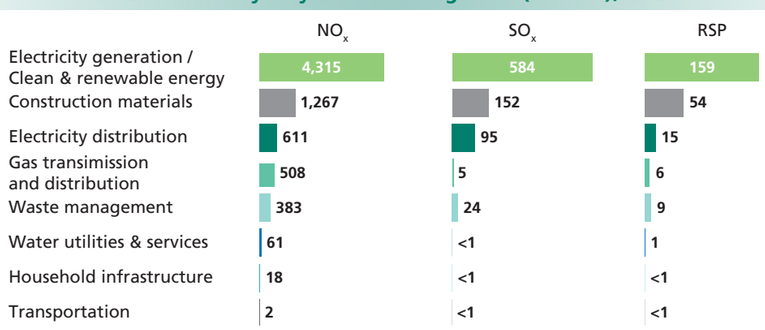
The Group remains committed to managing and lowering air emissions through forward-looking strategies implemented across its business units. We enable our operations to transition towards cleaner energy sources and adopt advanced emission-control technologies in line with our climate goals. By establishing defined reduction targets and investing in innovative systems, the Group reinforces its contribution to improved environmental quality.

Progress Highlights

Air Emissions (tonnes), 2023–2025



Air Emissions by Key Business Segment (tonnes), 2025



Actions by Business Units

Business Unit	Air Emissions Target	Status
HK Electric	Commission new gas-fired generating unit L12 in early 2024, with advanced emissions control technology installed for reducing NOx emissions.	Achieved
UKPN	Reduce 33% of NO_x emissions between 2023/24 and 2028/29.	On track – Over 700 Euro 5 vans have been replaced by Euro 6 vans, which produces less NO_x.
Phoenix Energy	Eliminate all air pollution emissions from Sulphur Oxide ("SO_x") and Particulate Matters ("PM2.5" & "PM10") by 2035.	On track
	Eliminating all but residual emission for Nitrous Oxide ("NO_x") by 2048.	On track

Our business units in the power business segments are actively improving air quality by reducing NOx emissions from their operations, particularly regarding emissions from the power generators.

SAPN

SAPN has implemented a proactive insulator cleaning programme to address pollution from dust, salt, and other airborne particles accumulating on electricity assets. The build-up of contaminants can cause power outages, particularly in dry conditions. By manually cleaning insulators in high-risk regions such as Kangaroo Island, Yorke Peninsula, and the Eyre Peninsula, the programme safeguards network reliability, reduces outages linked to air pollution, and protects communities until rainfall provides natural cleaning.

UKPN

UKPN is targeting a 33% reduction in NO_x emissions over the RIIO-ED2 period (2023/24–2028/29) to improve air quality for customers. Baselines have been established for generators and fleet vehicles, and annual assessments have been conducted using a new modelling approach that applies fuel- and mileage-based NO_x factors. Emission reductions will be driven by the shift to electric fleet vehicles, the use of hybrid and battery-powered temporary generators, and the replacement of older engines with cleaner technologies.

These upgrades provide lower emissions through improved efficiency and modern filtration systems, supporting UKPN's commitment to cleaner, more sustainable operations.

8.5 Biodiversity and Nature

The Group is committed to protecting biodiversity to safeguard natural resources, reduce supply chain risks and support the long-term health of ecosystems. Our goal is to achieve no net loss and, where possible, to deliver net gains in biodiversity by embedding habitat protection throughout the full lifecycle of our assets.

To uphold our principle of giving back more to the environment than we take, our operations and suppliers are required to avoid activities in or near globally and nationally significant areas, including World Heritage sites and IUCN Category I–IV protected areas. Where operations are near critical biodiversity areas, we apply the mitigation hierarchy of avoidance, minimisation, restoration and offsetting to limit impacts. Land restoration at the end of site operations is a priority, supported by dedicated mitigation and rehabilitation programmes.

Biodiversity management and land rehabilitation are overseen by committees and project managers across our business units. These teams regularly assess risks, engage external experts to design tailored action plans for high-risk sites, and ensure compliance with environmental laws and biodiversity conservation regulations in every jurisdiction where the Group operates.

Biodiversity management across business segments

The Group takes a proactive approach to evaluating environmental impacts, adopting conservation measures, and advancing restoration initiatives to help reduce biodiversity loss.

Biodiversity considerations are integrated into planning, construction, operations and decommissioning to help promote ecological sustainability across all areas of our business. Key actions from our business segments are illustrated below:

- Electricity Distribution: biodiversity factors are incorporated into line clearance and maintenance. At VPN and United Energy, the Environmental Planning and Heritage team is harmonising assessment processes for projects that may affect native vegetation, including line clearance, routine works and customer connections.
- Water Utilities and Services: recognising the close link between water and nature, Northumbrian Water has set a 10% biodiversity net gain target by 2050 for all its constructions activities, and is implementing programmes to achieve this goal.

Actions by Business Units

Business Unit	Biodiversity Target	Status
Northumbrian Water	Achieve 10% net gain in biodiversity by 2050 for all construction activities. Enhancing 248km of blue spaces by 2025.	On track Achieved - 248.1km of blue spaces enhanced
UKPN	In RIIO-ED2 period, the target is to increase biodiversity net gain of 10–20% for new major substation development, as well as improving net-gain of 30% at 100 existing sites.	On track – 27 existing sites received biodiversity improvements using the DEFRA biodiversity metric tool.
AGIG	Setting biodiversity targets by end of 2025.	Achieved
WWU	Committed to "no net loss" on designated projects in GD2 and achieving "biodiversity net gain" on impacting work from 2026. Committed to planting 5 trees for every tree cut down. Enhance biodiversity of 30 sites by 2030	On track On track – 4,185 trees were commissioned planting in 2025. On track
NGN	*By 2026:* Improve habitats for nature on at least 250 NGN sites Plant 40,000 trees to improve local environments 20,000 saplings to create 2 miles of new hedgerow on our land by 2031.	 On track – Homes for nature created on 225 sites Achieved – Planted 7,224 trees in 2024/25. Total trees planted amount to 52,721. On track – Project currently in early planning stage and due to commence in April 2026.

8.5 Biodiversity and Nature

UKPN

Throughout 2024/25, UKPN remains committed to progressing the implementation of independent ecologists biodiversity enhancement measures at 100 of the sites during the RIIO-ED2 price control period. Works include hedgerow restoration, nest box installations, meadow creation, invasive species removal, and other ecological improvements. The enhancements are expected to deliver an aggregated biodiversity net gain of 30% and improve the ecological value of operational sites.

By 2025, enhancements works have been completed at 27 sites, including meadow preparation and wildflower sowing, woodland and tree maintenance, hedge and tree planting, and creation of refugia such as log piles and bird and bat boxes. The Tree Cutting Team played a key role at eight sites, undertaking essential woodland actions such as felling, scrub cutting, coppicing and mulching to support ecological recommendations.

These efforts form a core part of UKPN's strategy to embed nature-positive practices across its operations, enhancing biodiversity resilience and contributing meaningfully to wider environmental goals.

Northumbrian Water

Northumbrian Water delivered a river restoration project along the River Roding between November 2024 and March 2025, aimed at improving habitat quality and supporting the local brown trout population. Across 7 landowners farms in the region, works have been carried out to create areas of dappled shade to support brown trout populations. Benches and interpretations were also installed to enhance facilities and accessibility to the area. Since completion, brown trout have been observed more frequently, indicating early ecological benefits. The public have also reacted positively to the improved riverside environment.

The project was recognised as an outstanding example of environmental stewardship, winning one of Northumbrian Water's Bluespaces Awards for the best exemplar project in the Essex and Suffolk Water areas of interest.

HK Electric

HK Electric adopts a rigorous approach to monitoring and managing environmental impacts. For major development projects, including Offshore LNG Receiving Terminal, LPS Navigation Channel Dredging, Removal of 132kV Overhead Line for P-line, B-line and W-line, and Re-provision of Open Cycle Gas Turbine and Decommissioning and Demolition of Units L1 to L3 at LPS, Environmental Impact Assessment ("EIA") studies were conducted to assess the impact from the engineering works. Each assessment evaluates potential impacts from air and water quality, noise, ecology, fishery resources, and biodiversity, as well as potential socio-economic, cultural and human-health implications. From the assessment results, HK Electric takes targeted measures to avoid or minimise the identified impacts before project commencement.

During project implementation phase, comprehensive Environmental Monitoring and Audit ("EM&A") programmes are carried out to ensure that mitigation and remedial measures are effectively delivered. For certain projects, ecological field surveys covering marine mammals, terrestrial habitats, subtidal benthic communities and coral are performed to confirm that project activities pose no significant effects on marine and terrestrial ecological resources.

Case Study – WWU

Land Remediation and Ecological Restoration at Quakers Yard

Amongst all the land remediation projects undertaken by WWU during the RIIO-GD2 period, the Quakers Yard project has been the largest and most logistically complicated scheme to date. Before the construction began in 2024, significant preparatory work took place, including extensive community engagement through a dedicated public drop in event and the creation of a public website to provide regular project updates. Comprehensive ecological surveys were also carried out prior to main works to ensure local wildlife and sensitive habitats have been accurately identified.

During the main remedial works, WWU excavated and treated approximately 413 m³ of impacted material, including tar residues from former tar tanks and processing areas. Of the 4,059 m³ of soil and materials worked, only 1% required offsite disposal. The remainder were solidified safely within the site, away from the river.

To address ongoing erosion risks and protect ecological value, WWU also re-engineered 86 metres of riverbank using a soft engineering approach based on live willow planting. This design was agreed with Natural Resources Wales under a Flood Risk Activity Permit. Following remediation and main remedial works, WWU undertook further biodiversity enhancements in the area, including establishing hibernacula, bug hotels, an otter holt, two kingfisher nest boxes, bird and bat boxes, and planting more than 800 trees and shrubs. Two benches and two information boards made of recycled plastic were also installed to educate visitors about the site's gasworks history and local ecology.

The site is now under short to medium term monitoring to closely track remediation and habitat improvements. The Quakers Yard project has been an example showcasing WWU's dedication to comprehensive biodiversity management through community engagement, careful planning and close monitoring to site improvements. For the incoming RIIO-GD3 period commencing in 2026, WWU looks forward to manage biodiversity prudently and responsibly.

9 Human Capital

Our people are the cornerstone of the Group's success, and we are dedicated to creating a workplace that nurtures their development, well-being, and rights. Engaged and empowered employees not only drive innovation and performance but also strengthen stakeholder trust, driving the Group's sustainable growth and resilience in an increasingly competitive and fast-changing industry.

Material Topics

9.0 Overview

People Management

The Group acknowledges that the diverse skills and experiences of its employees are fundamental to the continued success of our business. We are committed to offering equal employment opportunities and cultivating a supportive workplace that promotes both personal and professional growth. In doing so, the Group upholds a culture grounded in honesty, respect, and empathy, encouraging every employee to value integrity, human dignity, and individual privacy in their daily interactions.

The Corporate Social Responsibility Policy of the Group explicitly communicates our position on employees' employment and development, with several key points highlighted below:

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

Regulatory Compliance

During the Reporting Period, we were not aware of any incidents of non-compliance with laws and regulations that have a significant impact on the Group relating to (i) employment and labour practices, occupational health and safety, discrimination and harassment; (ii) health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress, and protection of customer privacy data; and (iii) nor did we identify any incidents relating to the use of child or forced labour.

9.1 Human Capital Management

Our dedicated and skilled workforce remains the driving force behind the Group's success, fuelling innovation, sustainable growth, and resilience amid the transformation of the utilities sector. As the demand for specialised talent to support infrastructure modernisation continues to rise, we acknowledge the increasing challenge of attracting and retaining high-calibre professionals. As employee turnover can lead to knowledge loss, training disruption, and higher operational costs, we place a strong focus on strategic human capital management to mitigate these risks.

The Group is committed to fostering an inclusive and empowering work environment where employees can achieve their full potential. Through continuous enhancement of our human capital initiatives – designed to reflect employee aspirations and align with industry-leading practices – we strive to retain top talent, strengthen technical expertise, and advance workforce capability. These efforts reinforce our ability to navigate sector challenges and deliver on the Group's long-term strategic goals.

Employee Recruitment

Attracting and retaining top talent is fundamental to sustaining the Group's competitiveness and executing our business strategy. To cultivate a diverse and future-ready talent pipeline, the Group collaborates with academic institutions through various recruitment and engagement initiatives. Campus hiring, internship, and apprenticeship programmes extend our global reach and enable us to identify and nurture high-potential individuals. These initiatives help secure a continuous inflow of skilled talent, supporting the Group's long-term growth and strategic ambitions.

Employee Engagement

The Group is dedicated to cultivating a work environment where employees feel recognised, engaged, and aligned with the Group's strategic direction. An annual, team-based performance review process supports open, two-way dialogue and links employee compensation to both individual achievements and organisational objectives.

To better understand employee perspectives and strengthen engagement, the Group conducts regular employee surveys. Insights gathered from these surveys guide initiatives that enhance inclusion, promote personal growth, and support the retention and long-term satisfaction of our people.

The Group also places strong emphasis on fostering a supportive and flexible work environment to attract and retain top talent. Depending on role requirements, employees have access to remote work arrangements, flexible hours, and part-time options, enabling better work–life balance and engagement. Further details are provided in Section 9.4: Diversity, Equity, and Inclusion.

Training and Development

The Group recognises that continuous learning and professional development are essential to driving performance excellence and supporting sustainable growth. We are committed to fostering a culture of lifelong learning, empowering our people with the knowledge, skills, and qualifications needed to excel, while reinforcing our position as an employer that values and invests in talent.

A diverse portfolio of training programmes focusing on strengthening technical proficiency, leadership capability, and professional accreditation is provided to our colleagues. These programmes are regularly updated to align with industry developments and evolving workforce expectations. The Group aims to enhance our employees' competencies and fulfil their full potential through these programmes.

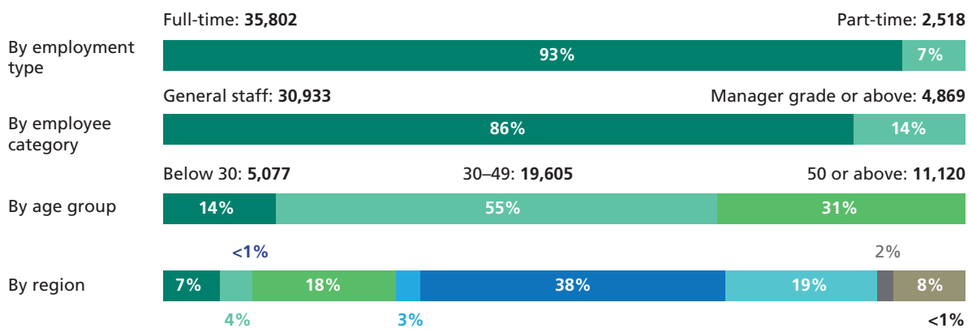
By investing in our people, the Group ensures that our employees remain agile and well-equipped to meet the challenges of a rapidly changing business environment, securing our long-term success and resilience.

9.1 Human Capital Management

Progress Highlights

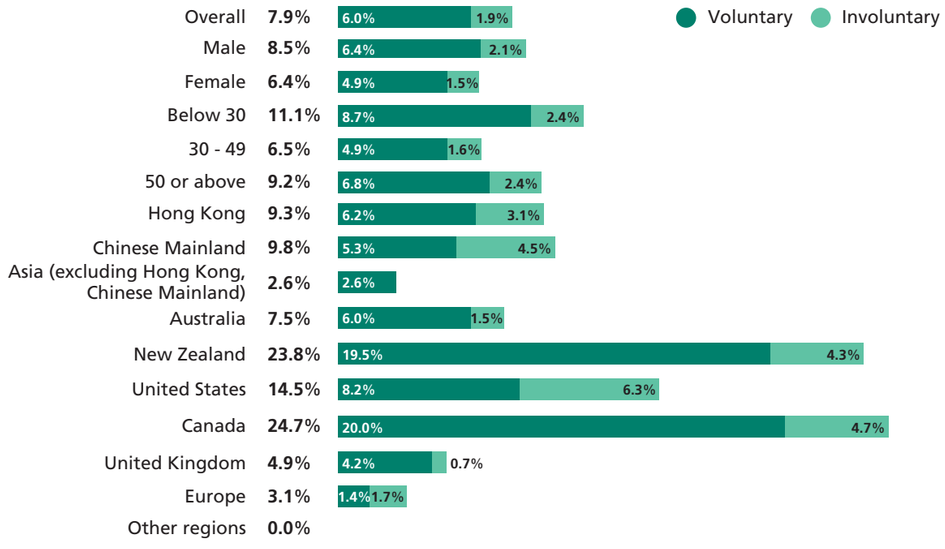
Employee Profile in 2025[1,2]

Total no. of employees: 38,320



Hong Kong: 2,578
Chinese Mainland: 1,549
Asia (excluding Hong Kong, Chinese Mainland): 39
Australia: 6,440
New Zealand: 1,151
United Kingdom: 13,690
Europe: 6,663
United States: 784
Canada: 2,828
Other regions: 80

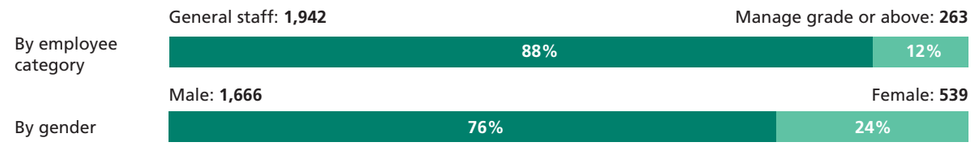
Employee Turnover in 2025



Notes:
1 All data includes only employees directly employed by the Group.
2 Data by employee category, age group and region include only full-time employees

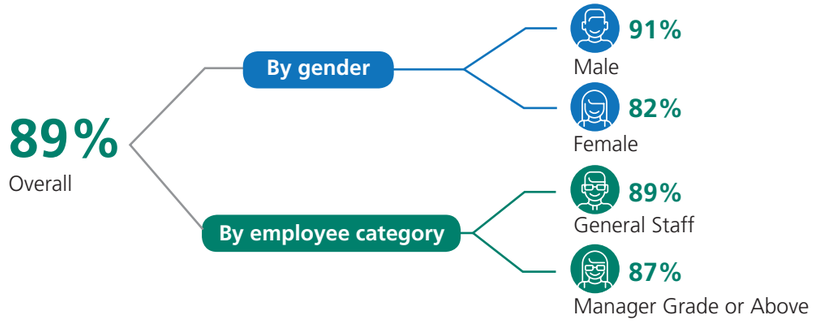
Internal Hires in 2025

Total no. of internal hires: 2,205

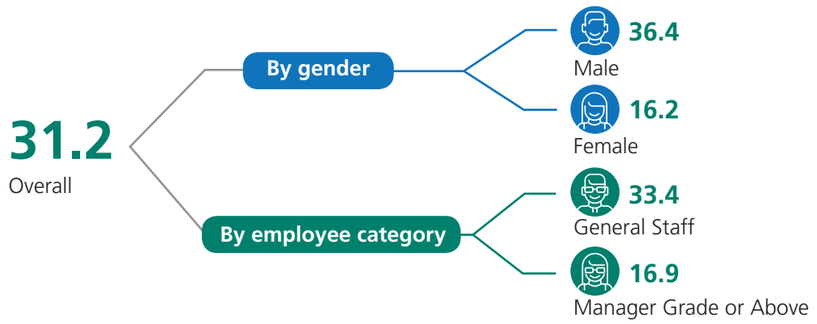


Training Performance in 2025

Percentage of full-time employees who received training



Average hours of training per full-time employee (No. of hours)



9.1 Human Capital Management

Actions by Business Units

Northumbrian Water – Setting New Records in Apprenticeship Recruitment

Northumbrian Water drew over 1,400 applications for 24 apprenticeship vacancies in 2025, almost double the previous year, highlighting strong demand for careers in the water sector. Opportunities span Level 3 to Level 6 apprenticeships across maintenance, water supply, customer service, data analysis, and laboratory science. Since 2021, Northumbrian Water has enrolled more than 100 apprentices and maintained a 96% retention rate, with many progressing into permanent roles. Supported by business mentors and a structured development programme, these apprenticeships provide practical experience and clear career pathways, reinforcing Northumbrian Water's commitment to developing local skills and sustaining a resilient regional workforce.

United Energy and VPN – Developing Future Talent through Graduates Program

United Energy and VPN continue to support future industry talent through their annual graduate programs. Graduates join a three-year development pathway, rotating through different departments to undergo structured training, work on real world projects and learn from senior team members in the business.

All graduates completing the program will be employed by United Energy or VPN and work in different streams. In 2025, 15 graduates have been recruited across engineering, finance and corporate divisions. Through the annual graduate programs, we hope to provide the next generation with better career support and development opportunities.

EDL – Inspiring Future Engineers through STEM Partnership

EDL strengthened its commitment to STEM education by partnering with Primary Engineer on the Leaders Award Competition, inviting students aged 3–19 to identify day-to-day problems and design engineering solutions. EDL engineers shared career stories that connected classroom science and maths to roles in renewable energy, while its volunteers assisted with judging and giving participants industry insight and encouragement. The programme fosters creativity, practical problem-solving and awareness of engineering career pathways, particularly in low-carbon sectors. Building on a collaboration that began in 2018, EDL continues to support initiatives that broaden STEM access and help develop the next generation of talent for the energy transition.

Reliance Home Comfort – Driving Talent Excellence Through 'Find Your Limitless'

In 2025, Reliance Home Comfort introduced the *'Find Your Limitless'* Talent Management Strategy to strengthen talent attraction and support employee growth. Throughout the year, the organization launched a range of outward facing social media initiatives, generating strong results such as higher engagement, greater brand visibility, and an expanding audience across recruitment platforms. As the strategy evolves, Reliance Home Comfort will broaden its reach through targeted Meta and Google campaigns designed to connect with prospective candidates where they are most active. The next phase will also feature '*Day in the Life*' video content that highlights real employee experiences and showcases the diverse career opportunities available. Together, these efforts will continue to elevate Reliance Home Comfort's presence in the talent market and help attract the workforce of the future.

UKPN – Award-Winning Employee Engagement Fuelling Customer Success

UKPN recently won the UK Institute of Customer Service's top prize for Best Employee Engagement Strategy, recognised for its clear link between a people-centred culture and improved customer performance. The firm's approach combines targeted personal development, enhanced employee benefits, community and charity programmes, and a bespoke leadership course. 91% of delegates reported it would help them become better managers. Shortlisted in three other customer categories, UKPN has sustained a Top 10 placement among Best Big Companies to Work For for five years and retained Investors in People Platinum accreditation since 2020, reflecting ongoing investment in its workforce.

9.1 Human Capital Management

HK Electric – Strengthening Dialogue and Talent Development through 'Hear Your Voice'

HK Electric continues to promote open communication and talent development through its 'Hear Your Voice' initiative, an internal engagement programme launched since 2021. The initiative provides a structured platform for young talent to share ideas directly with managers and senior executives, reinforcing a culture of open dialogue, engagement and continuous learning.

In 2025, ten young talents were nominated by their division or department heads to participate in the 'Hear Your Voice' presentation meetings with the management, engaging in dialogue on career development, organisational culture, and the company's business. A series of group meetings also enabled 28 young talents to interact with the Managing Director and Operations Director, discussing personal aspirations, growth opportunities and potential workplace enhancements. In addition, the Managing Director and the Director & Co-General Manager (Transmission & Distribution) met with four new joiners from the mainland to listen to their relocation experiences and early encounters as they settled into their roles in the company.

The Park'N Fly Voice – Building Engagement Through Internal Communication

Park'N Fly strengthens team spirit through its quarterly newsletter, The Park'N Fly Voice, which celebrates employee milestones, welcomes new hires, highlights customer testimonials, and shares updates on new products, department achievements, health and safety and corporate social responsibility activities. Distributed to all employees, the newsletter has become an important platform for recognition and connection, helping to enhance engagement across the business.

9.2 Labour and Human Rights

Labour and human rights are fundamental to the Group's ethical framework and essential to maintaining our integrity and reputation. By upholding these principles, we strive to foster a fair, inclusive, and respectful workplace that strengthens employee engagement, morale, and retention.

The Group is firmly committed to international labour and human rights standards, proactively managing potential risks such as labour disputes while building trust with employees, communities, and stakeholders. We maintain a zero-tolerance policy towards child labour, forced labour, human trafficking, and any form of human rights abuse. Robust governance frameworks and due diligence procedures are in place to ensure these commitments are consistently upheld across all our operations and business relationships.

Our efforts are guided by key policies, including:

- Corporate Social Responsibility Policy
- Anti-Harassment Policy
- Human Rights Policy
- Modern Slavery and Human Trafficking Statement

The Group strictly prohibits all forms of discrimination, harassment, and exploitation. Our recruitment practices are grounded in equal opportunity principles, promoting a workplace that is fair and free from discrimination related to race, ethnicity, gender, religion, age, or disability. Comprehensive onboarding checks are conducted to uphold ethical labour standards and prevent any instance of child or forced labour, reinforcing our commitment to an inclusive, safe, and respectful work environment.

Human Rights

The Group places human rights at the core of its operations and actively considers them in the interactions with the communities we serve. Our approach is informed and guided by the following established frameworks:

- Human Rights Policy – This policy emphasises respect for human rights as a core value. It requires all operating companies and suppliers to uphold the principles outlined and adopt similar policies in their own operations. When necessary, the Group undertakes due diligence to identify and mitigate risks, including supplier assessments and whistleblowing case management.
- Modern Slavery and Human Trafficking Statement – This statement ensures that the Group's employees, contractors and supply chain are free from modern slavery and human trafficking practices. Transparency in addressing these issues is required across all businesses.
- The Supplier Code of Conduct – This code applies to all business units, products, and suppliers. It is aligned with international standards, including the Universal Declaration of Human Rights and the International Labour Organization's Core Conventions.

Promoting Fair Practices

The Group is dedicated to fostering a workplace grounded in dignity, respect, and fairness. We recognise collective bargaining as an important mechanism for supporting ethical and responsible business practices.

By engaging proactively with employees and their representatives, the Group ensures that fair and equitable labour practices continue to be a core element of our operations.

9.2 Labour and Human Rights

Actions by Business Units

WWU – Supporting Living Wage

WWU has been an accredited Living Wage Employer by the Living Wage Foundation since 2022, demonstrating its commitment to fairly compensating employees and recognising their contributions, particularly during the ongoing cost of living crisis. This accreditation reflects WWU's dedication to paying the real Living Wage, an independently calculated rate based on the cost of living, ensuring employees can meet everyday needs such as groceries or unexpected expenses. Throughout 2025, WWU has continued to align with changes to the real Living Wage, reinforcing its promise to support its workforce.

WWU plays a vital role in safely delivering gas to homes and businesses across Wales and southwest England, keeping customers safe and warm. The company takes pride in its employees, who consistently go above and beyond to provide reliable service, and remains committed to ensuring they are rewarded for their hard work.

Fair pay is more important than ever, and WWU hopes its Living Wage Employer accreditation will not only support its current colleagues but also attract new talent to the business. By leading the way in fair pay practices, WWU is strengthening its industry's appeal while continuing to support its employees during challenging times.

9.3 Health, Safety, and Well-being

Health, safety, and well-being are fundamental to the Group's operations, protecting employees while sustaining service quality. By prioritising these areas, we minimise the risk of accidents and injuries, and support smooth and efficient operations. Promoting employee well-being also strengthens morale, job satisfaction, and engagement, fostering higher retention and a motivated, productive workforce.

Health and Safety Management

The Group operates across diverse sectors where employees and contractors may encounter a range of health and safety risks. We recognise that providing a safe and healthy workplace is both a legal requirement and a moral responsibility. Every employee, contractor, and visitor is entitled to a secure working environment, and the Group remains committed to continuously monitoring and enhancing health and safety measures to protect all stakeholders across our sites and facilities.

This commitment is formalised through the Group's Health and Safety Policy, which sets out a comprehensive framework and minimum standards for all business units. The policy ensures compliance with relevant laws and regulations while aligning with industry best practices, supporting consistent and effective health and safety management across the organisation.

Key commitments include:

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

The Group complies with applicable health and safety laws and certification standards in all jurisdictions where it operates, and has implemented robust Health and Safety Management Systems ("HSMS") to uphold safe working conditions that go beyond regulatory requirements. Health and Safety Committees are integral to this framework, overseeing risk assessments, monitoring workplace hazards, and proactively addressing work-related injury risks within their respective operations. Throughout the year, internal and external audit programmes are conducted across different business units to facilitate continuous improvement and protect our stakeholders from harm. Additionally, the Group provides role-specific training and safety awareness programmes to enhance our employees' knowledge and understanding of health and safety practices.

In addition to protecting employees, the Group is committed to ensuring the safety of contractors across its operations. We enforce stringent safety standards by pre-screening contractors for safety performance, requiring adherence to the Group's health and safety policies, and partnering only with approved contractors who demonstrate robust safety practices.

9.3 Health, Safety, and Well-being

Progress Highlights

Safety Performance in 2025

Employees

0.54
Lost time injury rate[1]

Zero
No. of fatalities

5,770
Lost day due to work injury

50.9%
Percentage of employees covered by OHSAS 18001 / ISO 45001

Contractors

0.33
Lost time injury rate[1]

Zero
No. of fatalities

Health and Safety Risk Assessment

The Group recognises that effective risk management is essential for maintaining a safe workplace. We conduct regular internal and external risk assessments across our operations to identify hazards, evaluate potential risks, and implement appropriate control measures to mitigate or eliminate potential hazards.

Health and Safety Training for Employees and Contractors

The well-being of employees and contractors remains a top priority. To raise safety awareness and address workplace hazards, we provide a range of training sessions and interactive forums. These programmes equip all personnel with the knowledge, skills, and awareness needed to perform their work safely.

Enhancing Safety Practices with External Stakeholders

Collaboration with external stakeholders is a key part of our commitment to continuous safety improvement. Through open dialogue and the sharing of best practices, we foster a culture that upholds the highest safety standards across all our operations.

Public Safety Education

The Group implements educational initiatives to promote public awareness of environmental protection and safe energy practices. These programmes benefit the communities we serve while supporting a safer and more sustainable shared environment.

Actions by Business Units

Business Unit	Safety Target	Status
VPN	Zero fatalities by 2026.	On track
UKPN	Commitment to engage with the public on safety issues, focusing on those who are at highest risk of injury from contact with our networks by engaging with 300,000 people per year during RIIO-ED2 (vs. 250,000 people per year during RIIO-ED1).	On track – Engaged with over 1.37 million people through our website, school visits, and other interactions with young people and the public in 2024/25.
Enviro NZ	Maintain a Total Recordable Injury Frequency Rate (TRIFR) of 18 or lower.	Achieved - 2025 TRIFR: 17.67

Promoting a Strong Safety Culture at Wellington Electricity

Wellington Electricity maintains a comprehensive approach to health and safety through detailed policies and strong governance structures. The Health and Safety Committee meets regularly to monitor and report incidents, as well as review the company's Health and Safety Policy and Health and Safety Manual. To further strengthen awareness, the business organises a range of engagement activities. In 2025, Wellington Electricity hosted its Health and Safety Day, featuring guest speakers on key safety topics and presenting awards to recognise excellence in safe work practices. The company also holds bi-annual contractor safety breakfasts to promote industry collaboration and shared learning. Additional support is provided by an occupational nurse who undertakes health reviews and worksite assessments, alongside systematic incident reporting through an internal database that is reviewed frequently. Monthly CEO updates ensure all employees remain informed on health and safety developments and priorities.

By combining clear governance, regular engagement, proactive risk management and transparent communication, Wellington Electricity continues to foster a safe working environment and uphold its responsibility to protect the wellbeing of employees and contractors alike.

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

9.3 Health, Safety, and Well-being

HK Electric – Building a strong safety culture through safety trainings

HK Electric is committed to upholding its safety performance standards through mandatory safety training and natural gas safety training provided to all employees in the Generation Division, as well as any related contractor personnel. The ongoing safety program ensures that all staff at LPS possess the appropriate level of work safety and natural gas safety knowledge required for their roles and responsibilities. Through this necessary initiative, HK Electric aims to foster a strong safety culture and maintains high standards of operational safety across its operations.

Investing in Employee Wellness

The Group recognises that employees are key to our long-term success, and we place a strong emphasis on their well-being. During the year, a range of programmes and initiatives, including wellness platforms in selected business units have been introduced to foster a supportive and caring workplace culture.

By regularly reviewing and enhancing these wellness initiatives, we ensure that employees have the resources and support necessary to maintain their health and achieve professional growth.

Actions by Business Units

Business Unit	Wellness Target	Status
NGN	Deliver mental health training for all colleagues by 2026.	386 colleagues have undertaken the training so far.
VPN	Achieve 75% employee satisfaction in the wellbeing and mental health section of the Employee Opinion Survey ("EOS") by 2026.	Achieved
United Energy	Achieve 75% employee satisfaction in the wellbeing and mental health section of the Employee Opinion Survey ("EOS") by 2026.	Achieved

Promoting Employee Health and Wellbeing at EDL

EDL launched the Fitness Passport program in Australia in Q3 2025, providing employees and their families with discounted access to gyms, pools and fitness facilities nationwide. Open to all EDL employees, this initiative improves employees' accessibility to physical activity at a reduced cost, supporting their health and fostering a more engaged workforce.

United Energy and VPN – Providing Accessible Wellbeing Support for Our People

United Energy and VPN continued to support employee wellbeing through their Employee Assistance Program, which provides free, confidential external counselling for employees and their immediate family members, along with peer-to-peer mental health support. The program aims to improve employees' wellbeing and mental health outcomes by ensuring convenient and free access to counselling services whenever it is needed.

Wellington Electricity – Enhancing Employee Wellbeing Through Comprehensive Wellness Benefits

Wellington Electricity's comprehensive wellness policy supports employee wellbeing by providing life and income protection, as well as life and terminal illness insurance, as part of the remuneration package for all permanent employees. The policy also includes a range of preventative health and support services, including free flu vaccinations, monthly health checks, and access to the company's Employee Assistance Programme. In addition, employees are eligible for reimbursement of health and fitness-related memberships or purchases. This ongoing program ensures all employees have access to resources that promote holistic health, financial security and overall wellbeing.

AGN – Enhancing Wellbeing Through MindFit at Work

AGN continues to support employee mental health and wellbeing through its partnership with the Employee Assistance Program provider MindFit at Work. As part of this initiative, AGN also delivers monthly MindFit@Work Wellbeing Hacks live sessions, providing practical tools and strategies to help employees strengthen resilience, manage stress and enhance overall wellbeing. This ongoing program reflects AGN's commitment to fostering a supportive and psychologically safe workplace.

9.4 Diversity, Equity, and Inclusion

Diversity, Equity, and Inclusion ("DEI") are integral to the Group's operations, driving innovation and better decision-making by incorporating a broad range of perspectives into strategy and long-term planning. A diverse workforce reflects the communities we serve, strengthens relationships with stakeholders, and enhances our understanding of their needs.

At the Group, diversity is a core value, and we are committed to fostering an inclusive and equitable workplace that mirrors the communities in which we operate. We strive to create an environment where every individual feels valued, respected, and empowered to contribute fully. Recognising and respecting the values, customs, and traditions of employees across our diverse markets further strengthens our inclusive culture, enabling a workplace that is both globally representative and supportive of all team members.

Workforce Diversity

In 2024, the Group introduced the Workforce Diversity Policy, reaffirming our commitment to fostering a diverse and inclusive workplace.

The policy promotes respect for individual differences and ensures equal opportunities in recruitment, training, development, compensation, and career progression. It places a strong emphasis on advancing gender empowerment, equality, and diversity across all levels of our workforce. The policy is regularly reviewed and monitored by the Board-level Sustainability Committee to ensure continuous improvement.

To support this commitment, Diversity Committee is established in a number of business units. This committee is responsible for promoting diversity and inclusion, facilitating communication, and fostering understanding across our global operations. We actively encourage employee participation in campaigns, networking groups, and initiatives that promote inclusivity. By embedding these principles into our organisational culture, we aim to build a more engaged, innovative, and resilient workforce that reflects the diversity of the communities we serve.

Promoting gender diversity is a key priority for the Group. We are committed to providing a supportive and empowering environment for women in the workplace. Through initiatives that promote gender inclusivity, we aim to enhance career development opportunities for our female workforce and ensure that their contributions are recognised and valued at all levels of the organisation. In 2025, AGIG achieved endorsement as an employer of choice for women by WORK180. To attain this accreditation, AGIG met certain standards in areas such as flexible work arrangements and parental leave; and committed to ongoing progress in these domains. This endorsement signals to women and underrepresented groups that AGIG is serious about providing a flexible, equitable, and inclusive environment.

Flexibility and Care

Recognising and addressing the needs of our workforce is key to employee engagement and performance. The Group provides a range of flexible working arrangements, including remote work, flexible hours, and part-time options, complemented by tailored benefits programmes designed to meet diverse employee needs.

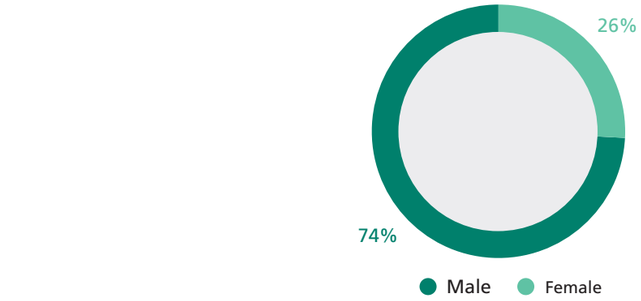
Enhanced parental and caregiving leave are also offered, along with other supportive policies to help employees balance personal and professional responsibilities. Open communication channels ensure that employees feel heard and supported, fostering a workplace that encourages engagement, well-being, and high performance.

Diversity and Inclusion Training

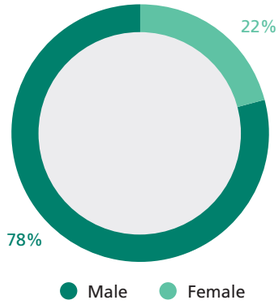
To strengthen awareness and participation in diversity and inclusion, the Group delivers regular employee training programmes. These initiatives aim to enhance understanding of DEI principles, encourage inclusive behaviours, and reinforce the Group's commitment to maintaining a fair, respectful, and inclusive workplace.

Our Workforce Gender Diversity

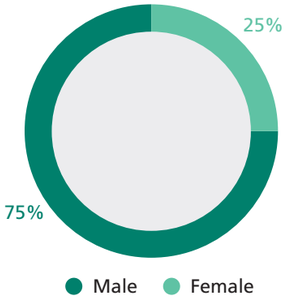
CKI's Full-time Workforce Gender Diversity in 2025



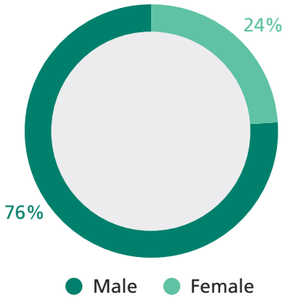
Top Management Positions



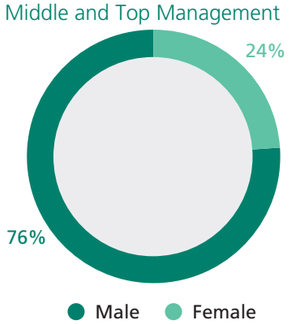
Middle Management Positions



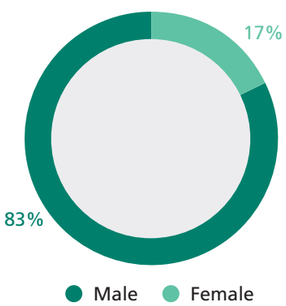
Junior Management Positions



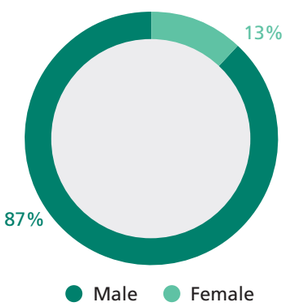
All Management Positions, including Junior, Middle and Top Management



Management Positions in Revenue-generating Functions[1]



STEM-related Positions[2]



Notes:

1 Refers to line management roles that contribute directly to the output of products and services.

2 Refers to "STEM" workers who apply their knowledge of science, technology, engineering, or mathematics in their daily work.

9.4 Diversity, Equity, and Inclusion

Actions by Business Units

Business Unit	Diversity & Inclusion Target	Status
Gender representation in employment		
SAPN	23% female representation by 2025.	22.4% of female representation reported in 2025.
United Energy	27% female employment across the workforce by 2026.	Achieved
	15% women in management roles by 2026.	Achieved
VPN	25% female workforce by 2026.	On track
	22% female in management roles by 2026.	Achieved
AGIG	40% female representation in workforce by 2027.	On track
	40% female representation in our senior leader's category by 2030.	On track
NGN	40% female representation at senior management level by 2031.	On track
Diversity and Inclusion		
VPN	Achieve 75% for Inclusion and Diversity index outcomes in the EOS by 2026.	Achieved
United Energy	Achieve 75% for Inclusion and Diversity index outcomes in the EOS by 2026.	Achieved

Reliance Home Comfort – Care at the Heart of Our Culture

On International Women's Day 2025, Reliance Home Comfort backed the "Accelerate Action" theme and reinforced its pledge to advance gender equality through LIFT ("Lean In For Tomorrow"), a female empowerment group that fosters development, support and a respectful, flexible workplace. The company also celebrated National HVAC Technician Day, recognising frontline technicians' dedication to keeping homes safe and comfortable, and highlighting its appreciation for practical skills and wellbeing. Together these actions demonstrate Reliance Home Comfort's people-first approach, promoting inclusion and recognition across the business.

SAPN – Creating Inclusive Pathways Through Engagement

SAPN continues to strengthen its commitment to a diverse, inclusive workforce in 2025 by engaging talent from diverse background to explore professional STEM pathways and trade careers.

In April 2025, SAPN took part in the Adelaide STEM Women Graduate Careers to connect with students, graduates, and early-career professionals. Attendees learnt about SAPN's graduate and intern programs and gained insights on how joining the business is helping to shape a more sustainable and technologically advanced future. The STEM Women networking event provided an excellent platform to connect with talented women aspiring to build careers in the industry, while demonstrating SAPN's commitment to attracting a diverse future workforce.

Beyond participating in career fairs, SAPN proactively creates opportunities for industry exposure and works to broaden STEM participation across diverse groups. On 1 July 2025, SAPN welcomed 24 women and non-binary participants to its Angle Park Training Centre for a practical introduction to electrical and powerline roles. Delivered in partnership with Empowered Women in Trades ("EWiT"), the program drew record-breaking attendance, with nearly triple the numbers usually seen at similar sessions. The strong turnout highlights the growing appetite for trade careers among people traditionally underrepresented in the industry and the importance of creating inclusive pathways to support that interest.

In the event, Participants experienced a variety of hands-on jobs carried out by SAPN workers, including going up in an EWP bucket, climbing ladders in harnesses, wiring a junction box and conducting dexterity activities using specialised gloves. Guided tours were also organised at the SAPN Training Centre, with discussions held around wellbeing and psychological safety. Feedback from the day was overwhelmingly positive, with all participants showing interest in applying for the 2026 apprenticeship intake.

These two initiatives form a key part of SAPN's 2025 strategy to broaden participation in STEM and support people from diverse backgrounds in pursuing meaningful careers. By pairing targeted outreach at career fairs with hands-on exposure in everyday work, SAPN aims to build confidence and create more equitable opportunities for all aspiring talent.

9.4 Diversity, Equity, and Inclusion

Flexible Work at EDL

EDL continues to support a flexible workplace through a range of options available to office employees. This includes flexible start and finish times, job sharing, part-time arrangements, and working from home with the necessary IT equipment provided. Flexible work arrangements are developed collaboratively between employees, their managers and Human Resources Department. These practices contribute to stronger employee retention and serve as an attractive offering in recruitment, supporting EDL's ability to build and maintain a skilled and engaged global workforce.

United Energy and VPN – Supporting Families in a More Inclusive Workplace

In 2023 and 2024, United Energy and VPN reviewed and updated their Parental Leave Policy to align with recent Australian Government changes to the Fair Work Act 2009 (Cth). The updated policy maintains the provision of up to 15 weeks of paid parental leave for primary carers and two weeks of paid leave for secondary carers. At the same time, the waiting period for accessing paid parental leave has been removed, with superannuation also paid on both the paid and unpaid components of parental leave for up to 52 weeks. These enhancements support new parents to spend valuable time with family while maintaining financial security during their leave period.

NGN – Family Friendly Policies to Support Employee Wellbeing

NGN supports a family friendly workplace through a range of policies designed to accommodate leave and flexible working needs across a variety of circumstances. These include provisions such as Emergency Leave, Carers Leave and Special Leave, alongside opportunities for flexible working or career breaks where appropriate. In several areas, NGN exceeds statutory requirements, for example offering enhanced maternity and paternity pay and leave to provide new parents with additional time and financial support beyond legislative standards. These policies help employees balance work and personal responsibilities, supporting their wellbeing and enabling flexibility during times of pressure or change.

Gender Pay Gap Analysis

Our business units conduct gender pay gap analyses to evaluate differences in average pay across their organisations and to meet regulatory reporting obligations. Unlike an equal pay assessment, which ensures that men and women receive the same remuneration for performing the same or equivalent roles, a gender pay gap analysis highlights overall pay disparities between men and women.

The Group remains committed to ensuring equal pay for employees performing comparable work. Our UK-based regulated businesses – UKPN, WWU, and NGN – publish their annual Gender Pay Reports on their websites and submit their data to the UK Government in accordance with statutory requirements.

NGN

- Gender pay gap: **19.4%** lower than men's (median hourly pay)
- Bonus pay gap: **69.7%** lower than men's (median bonus pay)

As part of its commitment to fostering an inclusive workplace, NGN has established a Women's Community, which led the launch of a mentoring scheme in partnership with the Women's Utility Network to support women in building confidence and skills and setting senior-level gender representation targets, now embedded in NGN's People and Planet Strategy.

UKPN

- Gender pay gap: **14.7%** lower than men's (median hourly pay)
- Bonus pay gap: **19.4%** lower than men's (median bonus pay)

To improve gender balance and reduce the gender pay gap, it uses gender-neutral job adverts and anonymous CV screening for apprenticeships and graduate roles, with plans to expand this across the business by 2028.

WWU

- Gender pay gap: **9.0%** lower than men's (median hourly pay)
- Bonus pay gap: **40%** lower than men's (median bonus pay)

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

9.5 Future-ready Skills for Development

Future-ready skills are essential to the success of the Group's global infrastructure operations, enabling employees to respond to rapid technological advancements, shifting market demands, and the growing focus on sustainability. The Group is committed to equipping its workforce with next-generation capabilities, including digital technology, data analysis, and sustainable practices, ensuring competitiveness, innovation, and resilience in a dynamic environment.

To address these challenges, the Group invests in developing an adaptable and forward-looking workforce, fostering a culture of continuous learning that empowers employees to embrace change and contribute to long-term organisational success.

Employee development programmes are customised by business units to meet both global and local needs, with a focus on technical expertise, leadership, and problem-solving skills. Leadership development is a particular priority, with targeted initiatives designed to identify and prepare high-potential employees for future roles. In addition, the Group emphasises skills development tailored to local market requirements, enabling teams to deliver infrastructure solutions that effectively serve the communities in which they operate.

Actions by Business Units

Our business units are driving progressive workforce development initiatives, equipping employees with the skills and mindset needed to address future challenges, with a strong emphasis on sustainability and innovation.

UKPN – Investing in Employee Development Through Supported Studies

UKPN continues to invest in employee development through its Supported Studies program, offering funding for a wide range of professional qualifications such as HNC Electrical Engineering and accounting certifications. The program is delivered in partnership with various external professional training providers, with courses typically running annually from September to July. In 2025, a total of 424 new employees were approved for funded study, with an additional 143 continuing their qualifications from previous years. These opportunities support skill growth, career development and long-term capability building across the organisation.

SAPN – Enhancing Skills and Capability Across the Workforce

SAPN delivers a range of Vocational Education programs to support skills development across the organisation. These programs cover applied electrical engineering, project management, leadership and management, cyber security, and training and assessment, and are available to internal employees as well as participants in the Network Project Officer Cadetship Program. On-the-job training is combined with education delivered by registered training organisations over periods ranging from 12 to 48 months, leading to nationally accredited qualifications at Certificate III, Certificate IV, Diploma and Advanced Diploma levels. Through these programs, SAPN demonstrates its ongoing commitment to upskilling employees and building a capable, future-ready workforce.

Northumbrian Water – Nurturing Future Leaders Through the Aspiring Managers Programme

Northumbrian Water's Aspiring Managers Programme supports colleagues who are aspired to be a future manager. The program equips participants with the knowledge, skills and practical experience needed to manage people and processes effectively, helping build confidence and competence as they progress in their careers. With two cohorts delivered every year, the programme aims to strengthen line management capability and enhance the business' overall performance.

Encouraging Openness and Collaboration at ista

ista organised a series of Lunch & Learn sessions in August at its Head Office in Essen to further promote a culture of open and constructive feedback across the business. The sessions were well received, with employees expressing increased motivation to share their perspectives and use feedback as a tool for personal and professional growth. This initiative has helped foster a more open, collaborative and united working environment, strengthening connection and communication among colleagues.

10

Our Community

The Group is dedicated to creating a lasting, positive impact in the communities where it operates. By advancing sustainability initiatives and investing in meaningful engagement, we foster collaboration, address local priorities, and support communities in achieving long-term growth. Through targeted programmes and strategic partnerships, we aim to promote inclusive progress, ensuring the benefits of sustainable development are accessible to all.

Material Topics

10.1 Initiating Sustainability Transition in Community
10.2 Community Engagement and Investment

10.0 Overview

Creating value with our communities

Our infrastructure plays a crucial role in local communities, with long-term planning critical not only to transition our operations to net zero, but also reflecting the needs of the communities we serve. Community engagement is central to this process, building awareness and support for the energy transition while fostering collaboration, fairness, and inclusivity. By encouraging a sense of ownership among community members, we strengthen the success and sustainability of the transition.

The Group is committed to building strong relationships with local communities, actively listening to their perspectives, and advocating for their interests. This approach helps ensure that the benefits of the transition are inclusive and accessible to all.

To reinforce this commitment, we have introduced a variety of initiatives, including community funds, grants, and partnerships with non-profit organisations, designed to address local needs and improve living standards for disadvantaged groups.

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 community related aspects.

10.1 Initiating Sustainability Transition in Community

The Group is committed to protecting community rights while promoting social and economic well-being through active collaboration with a wide range of stakeholders. We recognise that energy transition involves more than adopting cleaner energy – it requires strong partnerships and meaningful community engagement. As a responsible infrastructure company, the success of energy transition depends on the support and involvement of the communities we serve. Accordingly, we work closely with customers, local organisations, and stakeholders to develop a shared vision for a sustainable and inclusive future.

Supporting Vulnerable Communities

In response to global economic pressures and rising energy costs, the Group remains committed to supporting customers facing difficulty in accessing affordable energy. We collaborate with local charities and organisations across our operating regions to deliver targeted initiatives, including one-off subsidies, dedicated support funds, and concessionary tariff schemes, aimed at assisting vulnerable households. In Australia, approximately one in six Australians live with a disability and nearly a quarter of the population speak a language other than English at home. AGIG has become the first utility in Australia to introduce the Recite Me accessibility toolbar on their websites. This initiative forms a key component on AGIG's Priority Services Program, which is designed to support customers experiencing vulnerability in many forms, including language, vision impairment, neurodiversity, literacy, temporary impairments and support for the elderly.

These measures help reduce the financial burden on those most affected while ensuring continued access to essential energy services, reflecting our belief that the transition to sustainable energy must be fair and inclusive, leaving no one behind.

Energy Efficiency Programmes

The Group also recognises the importance of energy efficiency in promoting environmental sustainability and reducing costs for customers. We have launched initiatives to educate customers on energy-saving practices in both homes and businesses, supporting more sustainable energy consumption patterns.

Actions by Business Units

Business Unit	Customer Affordability Target	Status
UKPN	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.	On track – £2.8 million was spent on innovative solutions to support vulnerable customers.
AGIG	Support customers in vulnerable circumstances.	On track

10.1 Initiating Sustainability Transition in Community

Business Unit	Energy Efficiency Target	Status
HK Electric	Conduct 1,000 energy audits and provide subsidies for 500 buildings between 2024 and 2028.	On track – completed 426 audits in 2025 and provided subsidies for 354 buildings from 2024 to 2025.
	Help 500 businesses switch to energy-efficient electrical equipment for their operations during 2024 and 2028.	On track – Supported 199 businesses from 2024 to 2025.
	Support 100 construction sites to use grid-electricity supply to replace diesel generators during the period from 2024 to 2028.	On track – Supported 40 constructions sites from 2024 to 2025.
UKPN	Support all medically dependent Priority Services Register customers in understanding the benefits of having a smart meter by providing tailored advice every two years throughout RIIO-ED2.	On track

UKPN – Helping Vulnerable Households Stay Safe, Warm and Connected

As cost-of-living pressures intensify over winter, UKPN has strengthened its support for vulnerable customers through new partnerships with health organisations. Working with Kidney Care UK and Asthma + Lung UK, UKPN is expanding free assistance to customers who are medically dependent on electricity, ensuring those with respiratory and kidney conditions receive the tailored support they need to stay safe and well.

In addition, UKPN has joined forces with the Warm Welcome Campaign to support 1,000 Warm Welcome Spaces across its network area. These community venues provide safe, heated environments in the 10 most fuel poor areas UKPN serves, where individuals are more prone to fuel poverty.

Together, these partnerships aim to increase registrations to the Priority Services Register, enabling more customers with health risk to receive tailored advice, advance notifications of planned power cuts, and additional help during electricity outages. The collaborations also play a vital role in addressing fuel poverty and loneliness by connecting vulnerable individuals with warm, welcoming community spaces close to home.

Phoenix Energy – Supporting Inclusive Communities Through the Phoenix Community Fund

In 2025, the Phoenix Community Fund continued to make a meaningful difference across Northern Ireland to support community groups and organisations across the licenced area with funding to help them deliver an activity that reduces social isolation, removes barriers to inclusion and promotes equality in their community. In 2025, the fund contributed to 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 supported Together21 by enabling a Pumpkin Patch event specifically designed for children with Down Syndrome, offering them opportunities to attend Halloween activities. Furthermore, other organisations funded included Strandtown PS, Willowfield Parish Community Association and M.E. Support NI.

Phoenix Energy is proud to support biodiversity and community grassroot organisations annually. The company maintains long-term partnerships with local community groups such as The Conservation Volunteers and Sport Changes Life, further extending its reach and impact within the community. Through dedicated support, Phoenix Energy continues to foster inclusion, enhance accessibility and create opportunities that enrich the lives of people across Northern Ireland.

10.1 Initiating Sustainability Transition in Community

Case Study – Priority Services Register

Priority Services Register ("PSR") for Vulnerable Customers

PSR is a UK-wide service that provides extra advice and support to people who may need additional help with their utility services, especially during supply interruptions for free. By registering to PSR, customers with special needs such as special healthcare needs and elderlies can receive tailored assistance from their utility providers. This system helps utility companies allocate resources more effectively, ensuring that customers who require additional care receive timely support.

UKPN – Expanding PSR Through Data

UKPN has been proactively supporting the PSR. By 2025, over 3.1 million households have been registered on PSR, reflecting the strong engagements made with vulnerable communities. Services available to PSR customers include advance warning of planned power cuts and storms, access to hot meals, hotel accommodation and battery packs for medically dependent individuals. This ensures power supply for essential medical equipment such as oxygen machines is stable during outages lasting more than four hours, giving vulnerable customers reassurance and security during critical events. Expert energy advice is also provided to help vulnerable customers manage costs, identify best tariffs and apply for discounts and grants.

UKPN recognises that many eligible customers still remain unregistered. Therefore, data and AI-driven insights have been deployed to identify and reach customers who need extra support. Through the Spotlight innovation project, machine learning is applied to identify households most likely to be eligible for the PSR, enabling the business to employ the best communication method to engage different groups, including older people, families with young children, or those living with health conditions. These actions have enabled UKPN to engage with more than 430,000 customers and maintained an industry-leading customer satisfaction score of 93.5% among PSR customers. By 2025, over 225,000 new PSR registrations have been recorded, bringing total registrations to 3.1 million households, representing 93.5% of all eligible customers.

NGN – Delivering PSR Impact in Cumbria

In 2024/25, NGN referred 11,729 customers to the PSR, more than double its target of 5,000 and representing a 17% increase compared to 2023/24. Working in partnership with Citizens Advice, NGN engaged deaf customers and individuals with hearing impairments in Cumbria using British Sign Language, providing them with advice on energy and other issues identified in previous assessments. In total, 332 customers benefitted from this targeted support, helping ensure equal access to essential services.

WWU – Scaling PSR Support through VCMA Partnerships

Throughout the GD2 regulatory period, WWU collaborated with a range of third-party organisations under the Vulnerability and Carbon Monoxide Allowance ("VCMA"). These partnerships focused on increasing PSR awareness and referrals, providing energy efficiency and tariff advice, CO safety messaging and supporting income maximization. By 2025, the results have been substantial:

- Over 71,000 customers referred to the PSR
- Directly reached more than 700,000 people through VCMA projects
- Over £45 million of financial savings achieved for customers

WWU has substantially expanded the reach and impact of the PSR during GD2 and will continue advancing support for vulnerable customers as it transitions into the GD3 regulatory period.

10.2 Community Engagement and Investment

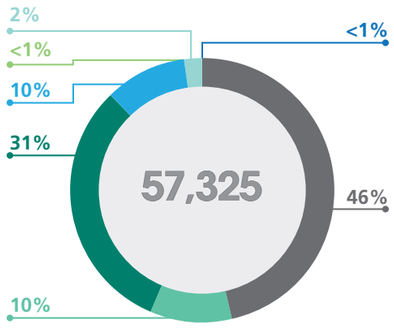
The well-being of our communities is central to the Group's business strategy. By engaging actively with local people and organisations, we build trust-based relationships that foster collaboration and shared progress. These interactions help us better understand community needs and advocate for their interests, particularly during critical transitions such as the shift toward low-carbon economy.

Our approach to community engagement is guided by the Corporate Social Responsibility ("CSR") Policy, which sets out our commitment to protecting community rights and promoting social well-being. The policy ensures that our initiatives are strategically focused, transparent, and impactful. Key elements of the Group's CSR Policy include:

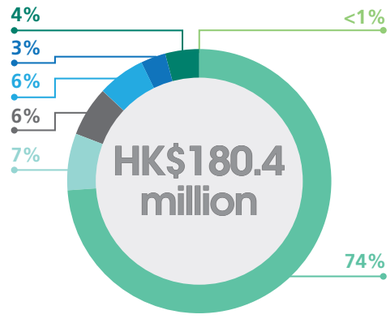
- **Community Initiatives:** Investing in a wide range of philanthropic and community-driven initiatives tailored to the needs of the communities we serve. These include employee volunteerism, education, healthcare, elderly care, arts and culture, sports, and disaster relief.
- **Governance and Compliance:** Donations and contributions are subject to strict internal compliance guidelines to protect stakeholder and shareholder interests.
- **Employee Engagement:** Encouraging our employees to take an active role in their communities by offering a range of volunteering opportunities and providing paid days off for such endeavours. This fosters global participation in meaningful volunteer activities.

Resources Contributed to Community in 2025

Hours Contributed by Focus Area



Amount of Money Donated by Focus Area[1]



Education | Environment | Labour needs | Health | Culture | Sport | Others (e.g., vulnerable communities and humanitarian aid)

Note:
1 The percentages are calculated based on 100% of the data from business units, regardless of equity ownership.

Resources Contribution

The Group undertakes a wide range of philanthropic initiatives designed to create positive impacts in the communities where we operate. Employees are encouraged to participate in volunteer programmes, providing opportunities to make meaningful contributions locally. In addition, we organise educational initiatives that promote environmental protection and energy safety, supporting community well-being while safeguarding the environment and reinforcing our commitment to a sustainable and resilient future.

By collaborating closely with communities and enabling them to take an active role in energy transition, we aim to foster a future that is both inclusive and sustainable. Through strategic partnerships, targeted initiatives, and employee engagement, the Group is helping to build a better world for current and future generations.

Actions by Business Units

Business Unit	Community Activity Target	Status
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.	On track – 38 engagement activities arranged from 2024 to 2025.
Phoenix Energy	Partnering with The Conservation Volunteers to plant 8,000 native trees each year until 2030.	On track – 8,000 trees planted in 2025.
Northumbrian Water	Give time back to the community – at least 50% of employees to spend time volunteering every year.	On track – Over 53% of employees completed over 3,383 volunteering activities in 2025.
Reliance Home Comfort	Community Support – 2025 target to provide C$1.3 million support.	Achieved

A Day of Impact: ista Employees Unite for Community Wellbeing

In May 2025, ista organised its annual volunteering Day at the Head Office in Essen. A total of 74 employees dedicated their time and energy to support local community organisations, including working on crafts with children in daycare centres and organising games with elderlies in senior citizens' centres. Part of the volunteers also brought rubbish bags and tongs to help clean up wastes on the streets. In addition, ista stepped up their volunteering efforts this year by partnering with the German Red Cross of the Essen district for the first time.

Across all activities, ista colleagues collectively contributed 296 hours of voluntary work, reflecting their shared commitment to helping others beyond their daily professional responsibilities. Their efforts delivered multiple benefits, from cleaning streets across the city to engaging learning experiences for children on how to avoid wasting energy. Beyond the direct community benefits, Volunteering Day also provided employees with a valuable opportunity to connect with colleagues in a meaningful way outside their usual work routines. The 2025 event once again highlighted how volunteering activities can create lasting positive impact for both the community and ista's internal culture.

10.2 Community Engagement and Investment

Case Study – Northumbrian Water

Investing in Community Through Bluespaces

Many communities across regions in the UK faced challenges such as limited access to waterways, declining biodiversity, and poor water quality. Responding to the above needs, Northumbrian Water launched the Bluespaces Programme in collaboration with local environmental and catchment partners. The Programme focuses on three key improvement areas, including Access and Recreational Facilities, Wildlife and Biodiversity, and Water Quality. For each of the project delivered within the programme, improvements have been made to two of the above three areas, ensuring a balanced approach to improving environmental and community wellbeing.

From 2020 to 2025, Bluespaces supported 59 projects, enhancing 248.1 km of water environments for community use and ecological improvement. With the help of 6,300 volunteers and over 18,000 members from the public, the programme has contributed to planting 19,000 trees and created 417 hectares of new wetland. These achievements highlight the impact of collaborative investment in community wellbeing and nature. Looking ahead, Northumbrian Water remains committed to its pledge to enhance 500 km of Bluespaces by 2030, continuing to create thriving habitats and vibrant places for communities to enjoy for generations to come.

Giving time back to the community

Northumbrian Water's volunteering scheme aims to make a significant impact on the communities they serve. The scheme gives every employee the opportunity to give back 15 hours of their time during the year to support good causes within their local communities. These volunteering hours are often a lifeline for smaller charities, organisations and community groups who face increasing financial and resourcing pressures due to the economic climate in the regions.

In 2025, more than 2,100 colleagues gave their time, completing 3,383 activities and supporting nearly 1,000 charities. Activities include helping at food banks and schools, environmental projects and Christmas appeals. The Just an Hour scheme recently won the Best Community Initiative at the Corp Comms awards 2025, an award which celebrates initiatives that bring communities together and create lasting positive change.

Supporting local economies and community wellbeing through targeted investments

Northumbrian Water is committed to spending 60p of every pound with local suppliers to help sustain jobs, develop regional skills and boost the local economy. The company also remains committed to assisting customers who may experience financial hardship. In 2024, Northumbrian Water supported over 150,000 customers through a range of affordability initiatives, including payment plans, payment breaks, low-income discounts and free debt advice delivered through its partnership with StepChange Debt Charity. This support will be expanded over the next five years through a £20 million shareholder-funded assistance programme.

10.2 Community Engagement and Investment

Case Study – Reconciliation in Action Plans

Our business units run initiatives to support First Nations communities through the development and implementation of Reconciliation Action Plans ("RAP"s). These plans provide a structured framework for fostering respectful relationships, raising cultural awareness, and addressing inequalities within communities.

EDL

As a leading global producer of sustainable distributed energy, EDL is dedicated to advancing reconciliation and fostering partnerships with Aboriginal and Torres Strait Islander peoples. Through its Innovate RAP, EDL supports initiatives like CareerTrackers, which empowers Aboriginal and Torres Strait Islander students to establish strong career pathways. Additionally, EDL supports First Nations people and businesses local to its operations, furthering its commitment to community empowerment.

EDL also extends its work to economic empowerment by actively engaging with Indigenous-owned businesses to support the West Kimberley Power Project that advances sustainable energy solutions through collaborative efforts. Similarly, the partnership with the Djurrubu Rangers in Jabiru, Northern Territory, demonstrates EDL's dedication to environmental stewardship and cultural preservation.

AGIG

In 2021, AGIG developed and implemented a RAP, a plan providing a structured framework for engaging respectfully with Aboriginal and Torres Strait Islander peoples. The plan has followed Reconciliation Australia's four-stage RAP framework: Reflect, Innovate, Stretch, and Elevate. Each stage represents a deeper level of engagement and leadership – from building foundational awareness to championing systemic, transformative change.

AGIG launched its Reflect RAP in September 2023 and successfully completed it in December 2024. During this period, the organisation delivered several important initiatives, including strengthening its relationship with artist Karen Briggs, whose graphic design work were demonstrated in AGIG's RAP documents and across key offices. AGIG also elevated awareness of reconciliation by highlighting National Reconciliation Week, NAIDOC Week, and other significant cultural dates within its Corporate and Wellbeing calendars, encouraging meaningful reflection and participation across the organisation. In addition, AGIG launched the 'Reconciliation at AGIG' page, along with the AGIG Ngurra (Home) portal, to represent the Traditional Owner groups across AGIG's assets and deepen understanding of Country across the workforce. The business was awarded the 2025 Energy Club WA Energy Inclusion Award for Ngurra Portal for supporting deeper cultural awareness and reinforcing AGIG's commitment to building respectful relationships with Aboriginal and Torres Strait Islander communities.

In 2025, AGIG has advanced to an Innovate RAP, continuing to expand its commitments, strengthen relationships, and progress toward long-term reconciliation outcomes.

SAPN

During National Reconciliation Week 2025, SAPN reaffirmed its commitment to acknowledging First Nations Peoples and strengthening relationships with communities across South Australia. With the national theme "Bridging Now to Next," the business embraced the week as an opportunity to deepen awareness of shared histories and contribute meaningfully to Australia's reconciliation journey.

At the start of the event, SAPN representatives attended the National Reconciliation Week breakfast to discuss ongoing progress and aspirations for reconciliation with community leaders. They also took part in an internal staff breakfast, fostering space for reflection, learning, and conversations on the role every individual plays in promoting an inclusive, respectful future. A key highlight of the week was the participation of RAP working group members in Tiati Wangkanthi Kumangka (Truth-Telling Together), a session dedicated to acknowledging historical truths and building deeper cultural understanding. Overall, SAPN colleagues gained valuable insights from National Reconciliation Week and are ready to apply these learnings within the business.

United Energy

To support its vision for reconciliation, the company has established a First Peoples Advisory Committee in 2023 to provide cultural knowledge, perspectives, and overseeing the implementation of its RAP, which aims to deliver tangible benefits for Aboriginal and Torres Strait Islander peoples by fostering economic equity and supporting self-determination.

United Energy is also improving the internal processes by bringing a heritage advisor in-house in 2023 to support compliance with Cultural Heritage Management Plans in collaboration with Registered Aboriginal Parties (Bunurong and Wurundjeri), helping to preserve cultural heritage. Additionally, United Energy is committed to supporting First Peoples' training, employment, and business opportunities by exploring ways to expand First Peoples' participation across our supply chain.

Canadian Power

Canadian Power continues to strengthen its long-standing relationships with First Nation partners, including those connected to the Okanagan Wind sites. In 2025, Canadian Power introduced the core elements of its First Nation Reconciliation Plan. This include committing to meaningful consultation with indigenous communities, ensuring equitable access to jobs and training for Aboriginal peoples, and increasing history education on Aboriginal people across the organisation.

Under the Reconciliation Plan, Canadian Power is looking forward to engaging with First Nation suppliers, conducting consultations with First Nation communities as required, incorporating land acknowledgements, and ensuring employees deepen their understanding of First Nations cultures and how development has shaped them over time. These efforts collectively demonstrate the business' dedication to fostering respectful and sustainable relationships with First Nations across Canada.

11

Annex

11.1 Environmental and Social Performance Indicators

Environmental KPIs[1]

	Unit	2023	2024	2025
Electricity generation mix				
On an equity basis				
Coal	GWh	**1,569**	**1,310**	**1,488**
Gas		**4,399**	**4,365**	**3,840**
Oil		**31**	**23**	**11**
Renewable energy				
Wind		**167**	**218**	**304**
Solar		**14**	**30**	**43**
Biomass		**894**	**778**	**815**
Energy-from-waste and others		**776**	**687**	**612**
On a gross basis				
Coal	GWh	**10,857**	**8,952**	**10,001**
Gas		**15,018**	**14,598**	**13,352**
Oil		**66**	**49**	**24**
Renewable energy				
Wind		**459**	**532**	**721**
Solar		**40**	**71**	**99**
Biomass		**1,843**	**1,630**	**1,693**
Energy-from-waste and others		**1,609**	**1,445**	**1,279**
GHG emissions				
Scope 1 emissions	tonne CO_2e	**7,038,127**	**6,552,043**	**6,260,348**
Scope 2 emissions (location-based)		**1,172,147**	**1,244,603**	**1,162,266**
Scope 2 emissions (market-based)		**617,109**	**641,243**	**580,415**
Scope 3 emissions		**1,327,805**	**1,594,392**	**1,558,307**
Total Scope 1, 2 and 3 emissions (location-based)		**9,538,079**	**9,391,038**	**8,980,921**
Total Scope 1, 2 and 3 emissions (market-based)		**8,983,041**	**8,787,678**	**8,399,070**
Total Scope 1 and 2 emissions (location-based)		**8,210,274**	**7,796,646**	**7,422,614**
Total Scope 1 and 2 emissions (market-based)		**7,655,236**	**7,193,286**	**6,840,763**
Scope 1 GHG emissions intensity	tonne CO_2e/ HKD million revenue	**141**	**127**	**113**
Scope 2 GHG emissions intensity (location-based)		**23**	**24**	**21**
Scope 2 GHG emissions intensity (market-based)		**12**	**12**	**10**
GHG intensity covering Scope 1 and 2 emissions (location-based)		**164**	**151**	**134**
GHG intensity covering Scope 1 and 2 emissions (market-based)		**153**	**140**	**124**
Biogenic emissions	tonne CO_2e	**1,121,305**	**843,598**	**972,217**

	Unit	2023	2024	2025
Use of energy[2]				
Total energy consumption[3]	'000 kWh	**19,053,390**	**19,438,825**	**17,073,970**
Direct energy consumption		**18,483,249**	**18,837,461**	**16,479,191**
i) Non-renewable energy used		**21,820,078**	**21,926,115**	**19,645,703**
Gasoline/Petrol		**46,598**	**49,306**	**63,868**
Diesel		**420,125**	**413,836**	**411,596**
Natural gas		**10,483,957**	**11,156,762**	**9,129,340**
Liquified Petroleum fuel ("LPG")		**1,073**	**1,034**	**1,352**
Waste-derived fuels (non-biomass)[4]		**3,295,856**	**2,297,930**	**3,080,692**
Coal		**6,582,235**	**7,071,682**	**6,238,441**
Other fuels[5]		**990,234**	**935,566**	**720,414**
ii) Renewable energy consumed		**4,157,539**	**4,026,575**	**3,661,970**
Wind		**5,540**	**6,129**	**8,219**
Solar		**2,586**	**3,173**	**5,498**
Hydro		**848**	**587**	**206**
Biomass		**4,084,719**	**3,950,905**	**3,583,399**
Other renewables		**63,846**	**65,781**	**64,648**
iii) Sale of energy[6]		**7,494,368**	**7,115,229**	**6,828,482**
Electricity		**6,456,272**	**6,274,198**	**5,747,013**
Heating		**214,188**	**128,161**	**323,301**
Cooling		**–**	**–**	**–**
Steam		**823,908**	**712,870**	**758,168**
Indirect energy consumption[7]		**570,141**	**601,364**	**594,779**
Electricity		**568,435**	**599,542**	**592,820**
Heating		**1,706**	**1,822**	**1,959**
Total energy intensity	'000 kWh/HKD million revenue	**381**	**377**	**308**
Direct energy intensity		**370**	**366**	**298**
Indirect energy intensity		**11**	**12**	**11**

Notes:

1 Environmental KPIs in this data table are calculated using the equity method. We only include data in the report that were confirmed by end of March 2025. If significant changes occur after preparation of this report, they will be updated in the following year's publication. Any discrepancies between (i) totals provided and the sum of the numbers presented; and (ii) percentages provided and the associated numbers throughout the Report are due to rounding.

2 The calculation of Use of Energy has been modified to enhance data reporting accuracy. The 2023 and 2024 data figures have been restated to ensure comparability of data over time.

3 Total energy consumption = Non-renewable energy used + renewable energy consumed - sale of energy.

4 Waste-derived fuels (non-biomass) include municipal waste (non-biomass fraction), industrial waste, waste oils, and waste coal mine gas.

5 Other fuels include residual fuel oil, lubricants, and other petroleum products.

6 Sale of energy reported only include energy generated from non-renewable sources. Sale of energy generated from renewable sources has been accounted for in ii) Renewable energy consumed

7 Indirect energy consumption refers to purchased energy (electricity and heating) for consumption

11.1 Environmental and Social Performance Indicators

Environmental KPIs

	Unit	2023	2024	2025
Air emissions[8]				
Nitrogen oxides ("NO_x") emissions	tonnes	**8,199**	**8,554**	**7,196**
Sulphur oxides ("SO_x") emissions		**875**	**1,026**	**860**
Respirable Suspended Particulates ("RSP") emissions		**256**	**280**	**245**
Use of water[9]				
Total water withdrawal	'000 m^3	**646,890**	**582,202**	**555,616**
Surface water		**265,584**	**229,010**	**196,865**
Groundwater		**14,740**	**14,367**	**14,288**
Seawater		**362,053**	**334,081**	**325,437**
Third-party water		**4,066**	**4,349**	**18,540**
Other sources		**447**	**395**	**486**
Total water discharge	'000 m^3	**539,662**	**503,883**	**480,694**
Surface water		**148,536**	**133,293**	**124,430**
Groundwater		**–**	**–**	**–**
Seawater		**390,204**	**366,916**	**353,272**
Third-party water		**518**	**3,282**	**2,564**
Other sources		**404**	**392**	**428**
Total water consumption	'000 m^3	**107,228**	**78,319**	**74,922**
Water consumption intensity	'000 m^3/HKD million revenue	**2.14**	**1.52**	**1.35**
Waste production				
Total hazardous waste produced	tonnes	**23,971**	**31,547**	**46,596**
Total non-hazardous waste produced[10]		**407,886**	**470,301**	**541,807**
Total hazardous waste produced intensity	tonnes/ HKD million revenue	**0.48**	**0.61**	**0.84**
Total non-hazardous waste produced intensity		**8.00**	**9.13**	**9.79**
Packaging material				
Total packaging material used for finished products	tonnes	**2,193**	**1,943**	**1,797**
Plastics		**4**	**5**	**5**
Paper		**2,189**	**1,938**	**1,792**

Notes:

8 Our electricity generation businesses produced 1.51 tonnes of mercury emissions in 2025.

9 The data figures related to water consumption have been restated due to enhanced data collection and reporting to ensure comparability of data over time.

10 Our electricity generation businesses produced 105,504 tonnes of ash and gypsum waste in 2025.

Social KPIs[11]

		2023	2024	2025
Number of employees				
Total		**35,745**	**37,063**	**38,320**
By employment type	Full-time	**33,282**	**34,497**	**35,802**
	Part-time	**2,463**	**2,566**	**2,518**
Number of full-time employees				
By gender	Male	**24,855**	**25,678**	**26,542**
	Female	**8,427**	**8,819**	**9,260**
By employee category	General staff	**29,268**	**30,339**	**30,933**
	Manager grade or above	**4,014**	**4,158**	**4,869**
By age group	Below 30	**4,977**	**4,937**	**5,077**
	30 – 49	**17,802**	**18,716**	**19,605**
	50 or above	**10,503**	**10,844**	**11,120**
By region	Hong Kong	**2,571**	**2,632**	**2,578**
	Chinese Mainland	**1,649**	**1,598**	**1,549**
	Asia (excluding Hong Kong & Chinese Mainland)	**42**	**40**	**39**
	United Kingdom	**12,332**	**13,159**	**13,690**
	Europe	**6,506**	**6,364**	**6,663**
	Australia	**5,764**	**6,151**	**6,440**
	Canada	**2,634**	**2,663**	**2,828**
	United States	**566**	**678**	**784**
	New Zealand	**1,218**	**1,142**	**1,151**
	Other regions	**–**	**70**	**80**

Note:

11 Social KPIs in this data table are calculated using 100% of the data from business units, regardless of equity ownership.

11.1 Environmental and Social Performance Indicators

Social KPIs

		2023	2024	2025
Turnover rate for full-time employees[12]				
Overall		**8.7%**	**9.1%**	**7.9%**
By gender	Male	**9.0%**	**9.3%**	**8.5%**
	Female	**7.9%**	**8.5%**	**6.4%**
By age group	Below 30	**12.3%**	**12.8%**	**11.1%**
	30 – 49	**7.5%**	**7.4%**	**6.5%**
	50 or above	**9.0%**	**10.2%**	**9.2%**
By region	Hong Kong	**14.6%**	**10.2%**	**9.3%**
	Chinese Mainland	**4.2%**	**6.8%**	**9.8%**
	Asia (excluding Hong Kong & Chinese Mainland)	**0.0%**	**7.5%**	**2.6%**
	United Kingdom	**5.3%**	**5.8%**	**4.9%**
	Europe	**1.1%**	**1.2%**	**3.1%**
	Australia	**7.8%**	**7.8%**	**7.5%**
	Canada	**32.8%**	**27.7%**	**24.7%**
	United States	**5.3%**	**36.5%**	**14.5%**
	New Zealand	**31.0%**	**39.0%**	**23.8%**
	Other regions	**–**	**0.0%**	**0.0%**
Work-related fatalities				
Number of work-related fatalities		**2**	**0**	**0**
By employee type	Full-time employees	**1**	**0**	**0**
	Part-time employees	**0**	**0**	**0**
	Contractors	**1**	**0**	**0**
Rate of work-related fatalities (employees)		**0.003%**	**0%**	**0%**
Work-related injury				
Number of lost days due to work injury (employees)		**3,893**	**7,071**	**5,770**
Number of lost time injury incidents (employees)		**168**	**166**	**182**
Lost time injury rate (employee)[13]		**0.52**	**0.52**	**0.54**
Health & safety management system				
Percentage of employee covered by OHSAS 18001/ISO 45001[14]		**50.8%**	**51.7%**	**50.9%**

Notes:

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

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

14 It is calculated as "total number of employees covered by OHSAS 18001/ISO 45001 divided by total number of employees as of 31st December of the reporting period and then multiplied by 100%".

		2023	2024	2025
Percentage of full-time employees who received training[15]				
Overall		**93.4%**	**91.7%**	**88.9%**
By gender	Male	**94.3%**	**92.7%**	**91.3%**
	Female	**90.5%**	**88.7%**	**82.1%**
By employee category	General staff	**93.4%**	**92.9%**	**89.2%**
	Manager grade or above	**92.9%**	**82.5%**	**87.0%**
Average hours of training per full-time employee				
Overall		**32.0**	**33.0**	**31.2**
By gender	Male	**37.6**	**38.0**	**36.4**
	Female	**15.6**	**18.3**	**16.2**
By employee category	General staff	**33.2**	**34.7**	**33.4**
	Manager grade or above	**23.6**	**20.7**	**16.9**
Number of suppliers				
Total		**30,090**	**32,523**	**36,285**
By region	Hong Kong	**2,647**	**2,801**	**3,011**
	Chinese Mainland	**734**	**796**	**695**
	Asia (excluding Hong Kong & Chinese Mainland)	**151**	**149**	**473**
	United Kingdom	**9,687**	**9,927**	**7,636**
	Europe	**1,467**	**1,493**	**7,520**
	Australia	**8,242**	**9,685**	**8,523**
	Canada	**2,527**	**3,447**	**4,318**
	United States	**1,792**	**1,396**	**1,284**
	New Zealand	**2,831**	**2,808**	**2,809**
	Other regions	**12**	**21**	**16**
Number of complaints received				
Products and services related		**297,791**	**253,736**	**139,048**
Number of employees who received training on anti-corruption/ethics and integrity				
Total		**21,245**	**27,392**	**30,083**
By employment type	Full-time	**19,928**	**25,312**	**27,976**
	Part-time	**1,317**	**2,080**	**2,107**
Percentage of full-time and part-time employees who received training on anti-corruption/ethics and integrity[16]		**59.4%**	**73.9%**	**78.5%**
Number of training hours on anti-corruption/ethics and integrity completed by employees				
Total		**21,873**	**35,085**	**35,597**
By employment type	Full-time	**20,746**	**32,570**	**33,400**
	Part-time	**1,127**	**2,515**	**2,197**

Notes:

15 Full-time employees including terminated employees who left the Company during the reporting period. It is calculated as "total number of full-time employees who received training divided by total number of full-time employees as of 31st December of the reporting period and then multiplied by 100%".

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

11.2 GHG Calculation Methodology

This section outlines the reporting boundaries, methodologies, and assumptions used in the preparation of the Group's GHG inventory, for 2025.

OVERVIEW

GHG emissions scope

The Group's GHG inventory covers six greenhouse gases: carbon dioxide ("CO_2"), methane ("CH_4"), nitrous oxide ("N_2O"), hydrofluorocarbons ("HFCs"), perfluorocarbons ("PFCs"), sulphur hexafluoride ("SF_6").

Verification

The Group's Scope 1, 2, and 3 emissions have been independently verified by a third party. Please refer to Section 11.6 Independent Assurance Report.

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, the updates will be reflected in the following year's publication.

Changes from prior year

There are no material changes in the approach, inputs, and assumptions used in measuring GHG emissions.

APPROACH, INPUTS AND ASSUMPTIONS

Scope 1 emissions

Definition

Scope 1 emissions include direct emissions from sources owned and controlled by our business units for their operations. These sources include:

- Combustion of fuel in stationary sources such as plants and equipment;
- Combustion of fuel in mobile sources such as company-owned vehicles; and
- Fugitive emissions resulting from intentional or unintentional releases, including gas shrinkage for our gas transmission and distribution businesses, methane emissions from venting, HFCs and PFCs emissions from the use of refrigeration and air conditioning equipment, and 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
- China Guangdong Provincial Guidance for Reporting of Carbon Dioxide Emissions of the Cement Enterprises
- UK Government GHG Conversion Factors for Company Reporting
- UK Water Industry Research Carbon Accounting Workbook
- Hong Kong Environmental Protection Department's Guidelines

Biogenic emissions, as defined by GHG Protocol, refers to carbon emissions from the combustion or biodegradation of biomass. Starting in 2023, we began reporting biogenic emissions separately in accordance with the GHG Protocol and restarted past figures accordingly.

Scope 2 emissions

Definition

Scope 2 emissions include indirect emissions from the following sources:

- Third-party generated energy consumed by our businesses for their own use, including purchased electricity, steam or heat; and
- Electricity network losses, which are emissions associated with energy losses from electricity transmission and distribution grid, for our electricity transmission and distribution businesses.

Calculation methodology

Scope 2 emissions from consumption of purchased electricity, steam or heat are calculated using two methods:

- Location-based method: Calculates the average electricity or heat emissions based on the geographical location and reflects the emissions intensity of the electricity grid(s) from which electricity is purchased or acquired. Emissions are calculated using the emission factors for electricity and heat generation in the local or national region, or general emission factors for electricity and heat generation provided by the International Energy Agency; and
- Market-based method: Calculates electricity emissions based on electricity choices made by business units, such as their electricity supplier or product, where applicable under regulation. This method uses emission factors derived from contractual instruments (e.g., renewable energy certificates, power purchase agreements) or supplier-specific emission rates.

Scope 2 emissions related to network losses are calculated as the difference between the electricity entering the network and the electricity consumed by customers. This calculation is based on data provided by the industry, typically derived from meter readings.

11.2 GHG Calculation Methodology

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 87% of our attributable revenue.

The Group reports the following Scope 3 categories:

- Category 1: Purchased Goods and Services
- Category 2: Capital Goods
- Category 3: Fuel and Energy-Related Activities
- Category 13: Downstream Leased Assets

Additionally, the Group reports other Scope 3 categories aggregated under "Others," which include:

- Category 4: Upstream Transportation and Distribution
- Category 5: Waste Generated in Operations
- Category 6: Business Travel
- Category 7: Employee Commuting
- Category 8: Upstream Leased Assets
- Category 9: Downstream Transportation and Distribution
- Category 10: Processing of Sold Products
- Category 11: Use of Sold Products
- Category 12: End-of-life Treatment of Sold Products

These categories are generally calculated using a hybrid method that combines spend data and activity data, with appropriate emission factors applied.

We believe that adopting a more holistic view of Scope 3 emissions across our portfolio not only helps mitigate risks but also uncovers opportunities for value creation. The Group is actively working to expand the coverage of its Scope 3 inventory to include additional business units.

11.3 HK Stock Exchange ESG Code Content Index

Mandatory Disclosure Requirements

The tables below present the compliance requirements of the HK Stock Exchange's ESG Code, effective for the 2025 reporting year.

Mandatory Disclosure Requirements		Section
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	5.2
Reporting Principles – Materiality	The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; and (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.	5.3
Reporting Principles – Quantitative	Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.	11.1, 11.2
Reporting Principles – Consistency	The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	11.1, 11.2
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	1, 2

Subject Areas, Aspects, General Disclosures and KPIs		Section
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	8.2, 8.4
KPI A1.1	The types of emissions and respective emissions data.	8.2, 11.1
KPI A1.2	[Repealed 1st January, 2025]	–
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	8.4, 11.1
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	8.4, 11.1

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Subject Areas, Aspects, General Disclosures and KPIs		Section
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	6.1
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	8.4
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	8.1, 8.4
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	8.1, 11.1
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	8.4, 11.1
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	8.1
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.	8.4
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	11.1
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	8.0
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	8.0
Aspect A4: Climate Change		
General Disclosure	[Repealed 1st January, 2025]	–
KPI A4.1	[Repealed 1st January, 2025]	–
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	9.0, 9.2
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	9.1, 11.1
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	9.1, 11.1
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	9.3
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	9.3, 11.1
KPI B2.2	Lost days due to work injury.	9.3, 11.1
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	9.3
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	6.1
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	9.1, 11.1
KPI B3.2	The average training hours completed per employee by gender and employee category.	9.1, 11.1
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	9.2
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	9.2
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	9.2
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	7.6
KPI B5.1	Number of suppliers by geographical region.	7.6, 11.1
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.	7.6
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	7.6
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	7.6
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	7.3, 7.4, 7.5, 9.3

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Subject Areas, Aspects, General Disclosures and KPIs		Section
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	This indicator is not material to the Group due to the nature of our business and is therefore not disclosed.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	7.5, 11.1
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	7.4
KPI B6.4	Description of quality assurance process and recall procedures.	7.3, 7.4, 7.5
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	7.4
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	7.2
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	7.2
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	7.2
KPI B7.3	Description of anti-corruption training provided to directors and staff.	7.2
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	10.0
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	10.1, 10.2
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	10.1, 10.2

New Climate-related Disclosures Requirements

The tables below outline the HK Stock Exchange's new climate-related disclosure requirements under Part D of the ESG Code. Details regarding their applicability to CKI are provided in Section 1 About this Report.

Core Content	Section
Governance	
Paragraph 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: (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	5.2, 6.3.1
(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: (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	

11.3 HK Stock Exchange ESG Code Content Index

Core Content	Section
Strategy	
Climate-related Risks and Opportunities	
Paragraph 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; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	6.1
Business Model and Value Chain	
Paragraph 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 (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).	6.2, 6.3.2

Core Content	Section
Strategy and Decision-making	
Paragraph 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: (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 (in any)), described in accordance with paragraphs 37 to 40; and	6.1
(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	
Paragraph 23	
An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	6.1, 8.1
Financial Position, Financial Performance and Cash Flows	
Paragraph 24 – Current Financial Effect	
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	6.3.2
(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.	
Paragraph 25 – Anticipated Financial Effect	
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: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and	6.1, 6.3.2
(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.	

11.3 HK Stock Exchange ESG Code Content Index

Core Content	Section
Climate Resilience	
Paragraph 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: (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	6.3.2
(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.	

Core Content	Section
Risk Management	
Paragraph 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: (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;	6.3.3, 7.1
(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.	
Metrics and Targets	
Greenhouse Gas Emissions	
Paragraph 28	
An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as:	
(a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emission.	8.2, 11.1
Paragraph 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;	11.2
(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; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	

11.3 HK Stock Exchange ESG Code Content Index

Core Content	Section
(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	11.1
(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).	8.3, 11.1
Climate-related Transition Risks	
Paragraph 30	
An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	6.3.2
Climate-related Physical Risks	
Paragraph 31	
An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Please refer to the response for Paragraph 30.
Climate-related Opportunities	
Paragraph 32	
An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Please refer to the response for Paragraph 30.
Capital Deployment	
Paragraph 33	
An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	6.2
Internal Carbon Prices	
Paragraph 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.	6.3.4

Core Content	Section
Remuneration	
Paragraph 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).	5.2
Industry-based Metrics	
Paragraph 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.	11.5
Climate-related Targets	
Paragraph 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.	6.1, 6.3.4
Paragraph 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.	5.2, 6.1, 6.3.4

11.3 HK Stock Exchange ESG Code Content Index

Core Content	Section
Paragraph 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.	6.1, 8.2
Paragraph 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; (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).	6.1
Applicability of Cross-industry Metrics and Industry-based Metrics	
Paragraph 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).	11.5

11.4 TCFD Content Index

TCFD Recommendations		Section
Governance		
Disclose the organisation's governance around climate-related risks and opportunities.	• Describe the board's oversight of climate-related risks and opportunities. • Describe management's role in assessing and managing climate-related risks and opportunities.	6.3.1
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	• Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term. • Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning. • Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	6.3.2
Risk Management		
Disclose how the organisation identifies, assesses, and manages climate-related risks.	• Describe the organisation's processes for identifying and assessing climate-related risks. • Describe the organisation's processes for managing climate-related risks. • Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	6.3.3
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	• Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. • Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions and the related risks. • Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	6.3.4

11.5 SASB Content Index

Electric Utilities & Power Generators

	SASB Code	2025
GHG Emissions & Energy Resource Planning		
(1) Gross Scope 1 emissions	IF-EU-110a.1	Section 8.2
(2) Percentage of gross Scope 1 GHG emissions covered under emissions-limiting regulations	IF-EU-110a.1	Currently not reported
(3) Percentage of gross Scope 1 GHG emissions covered under emissions-reporting based regulations	IF-EU-110a.1	100%
GHG emissions associated with power deliveries	IF-EU-110a.2	Section 8.2
Discussion of long- and short-term strategy or plan to manage Scope 1 GHG emissions, emissions reduction targets, and an analysis of performance against those targets	IF-EU-110a.3	Section 6.1
Air Quality		
Air emissions of the following pollutants: (1) NO_x (excluding N_2O), (2) SO_x, (3) particulate matter (PM_{10})	IF-EU-120a.1	Section 11.1
(4) lead (Pb), and	IF-EU-120a.1	Currently not reported
(5) mercury (Hg)	IF-EU-120a.1	Section 11.1
Percentage of each in or near areas of dense population	IF-EU-120a.1	Currently not reported
Water Management		
(1) Total water withdrawn, (2) total water consumed;	IF-EU-140a.1	Section 8.4
Percentage of each in regions with High or Extremely High Baseline Water Stress	IF-EU-140a.1	Section 8.4 > Conserving Water Resources
Number of incidents of non-compliance associated with water quality permits, standards and regulations	IF-EU-140a.2	Section 8.0
Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-EU-140a.3	Section 8.4
Coal Ash Management		
(1) Amount of coal combustion products (CCPs) generated, (2) percentage recycled	IF-EU-150a.1	Section 11.1
Description of coal combustion products (CCPs) management policies and procedures for active and inactive operations	IF-EU-150a.3	Section 8.4 Section 11.1
Energy Affordability		
Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	IF-EU-240a.1	Currently not reported
(1) Number of residential customer electric disconnections for non-payment, (2) percentage reconnected within 30 days	IF-EU-240a.3	Currently not reported
Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	IF-EU-240a.4	Section 10.2
Workforce Health & Safety		
(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	IF-EU-320a.1	Section 9.3 Section 11.1
End-Use Efficiency & Demand		
Percentage of electric load served by smart grid technology	IF-EU-420a.2	Section 8.1
Customer electricity savings	IF-EU-420a.3	Section 10.1
Nuclear Safety & Emergency Management		
Total number of nuclear power units, broken down by results of most recent independent safety review	IF-EU-540a.1	Not applicable
Description of efforts to manage nuclear safety and emergency preparedness	IF-EU-540a.2	Not applicable
Grid Resiliency		
Number of incidents of non-compliance with physical or cybersecurity standards or regulations	IF-EU-550a.1	The Group is not aware of any material non-compliance in this area.
(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	IF-EU-550a.2	Section 7.5
Activity Metrics		
Number of residential customers served	IF-EU-000.A	Over 12 million customers
Number of commercial customers served	IF-EU-000.A	
Number of industrial customers served	IF-EU-000.A	

11.5 SASB Content Index

	SASB Code	2025
Total electricity delivered to: (1) residential customers	IF-EU-000.B	Currently not reported
Total electricity delivered to: (2) commercial customers	IF-EU-000.B	
Total electricity delivered to: (3) industrial customers	IF-EU-000.B	
Total electricity delivered to: (4) all other retail customers	IF-EU-000.B	
Total electricity delivered to: (4) wholesale customers	IF-EU-000.B	
Length of transmission and distribution lines	IF-EU-000.C	Section 2
Total electricity generated, percentage by major energy source, percentage in regulated markets	IF-EU-000.D	Total electricity generated: Section 11.1
Total wholesale electricity purchased	IF-EU-000.E	Not relevant or material, as our electricity business segment is focused on electricity distribution.

Gas Utilities & Distributors

	SASB Code	2025
Energy Affordability		
Average retail gas rate for (1) residential, (2) commercial, and (3) industrial customers, and (4) transportation services only	IF-GU-240a.1	Currently not reported
(1) Number of residential customer gas disconnections for non-payment, (2) percentage reconnected within 30 days	IF-GU-240a.3	Currently not reported
Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory	IF-GU-240a.4	Section 10.1
End-Use Efficiency		
Customer gas savings from efficiency measures, by market	IF-GU-420a.2	Section 10.1
Integrity of Gas Delivery Infrastructure		
Number of (1) reportable pipeline incidents, (2) corrective actions received and (3) violations of pipeline safety statutes	IF-GU-540a.1	Currently not reported
Percentage of distribution pipeline that is (1) cast or wrought iron and (2) unprotected steel	IF-GU-540a.2	
Percentage of gas (1) transmission and (2) distribution pipelines inspected	IF-GU-540a.3	
Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions	IF-GU-540a.4	8.1
Activity Metrics		
Number of (1) residential customers served	IF-GU-000.A	Over 7 million customers
Number of (2) commercial customers served	IF-GU-000.A	
Number of (3) industrial customers served	IF-GU-000.A	
Amount of natural gas delivered to: (1) residential customers	IF-GU-000.B	Currently not reported
Amount of natural gas delivered to: (2) commercial customers	IF-GU-000.B	
Amount of natural gas delivered to: (3) industrial customers	IF-GU-000.B	
Amount of natural gas delivered to: (4) transferred to a third party	IF-GU-000.B	Not applicable
Length of gas (1) transmission and (2) distribution pipelines	IF-GU-000.C	Section 2

11.6 Independent Assurance Report

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Independent Assurance Report

1. Introduction

Hong Kong Quality Assurance Agency ("HKQAA", "we", "our", "us") was engaged by CK Infrastructure 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") 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;

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- 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
- 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 CK Infrastructure 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 CK Infrastructure 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: 14986348

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