About this Report

Reporting Period

This Sustainability Report provides an overview of the Group's sustainability strategies, management approach, progress, and highlights during the year from 1 January 2023 to 31 December 2023, unless otherwise specified.

Reporting Boundary

The information disclosed in this Sustainability Report covers all the businesses as given in Our Portfolio, including the generation of thermal and renewable power, the transmission of electricity, oil and gas, as well as the distribution of electricity and gas in Hong Kong, the United Kingdom, Australia, New Zealand, Mainland China, Thailand, the Netherlands, Canada, and the United States.

The selected in-scope entities refer to business units over which the Group holds more than a 10% effective interest.

Verification and Endorsement

In line with our commitment to promoting transparency concerning our sustainability impacts and performance and to managing those impacts responsibly, we have commissioned an independent third party to verify the content of this report and assure its credibility. Details of the verification can be found in the Verification Statement. This report has been endorsed by our Sustainability Committee and approved by our Board of Directors (the Board). Please refer to the chapter on Sustainability Governance for information about how the Board oversees the Group's sustainability strategy, management, performance and reporting.

Reporting Framework

Hong Kong Stock Exchange's ESG Guide

This Report is prepared in accordance with the mandatory disclosure requirements and the "comply or explain" provisions of the Environmental, Social and Governance Reporting Guide (ESG Guide) contained in Appendix C2 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The ESG Guide Content Index set out on pages 163 to 169 contains information about the extent to which the Group has applied the ESG Guide and cross-references to the relevant section in this Report.

TCFD

The Report also refers to recommendations from the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD Content Index is made available on page 170.

UNGC

Power Assets has been a signatory to the UNGC from April 2022. As a signatory, the Group is committed to aligning its operations and strategies with ten universal principles in the areas of human rights, labour, environment, and anti-corruption. The COP is made available on pages 171 to 172.

This Report should be read in conjunction with the Group's Annual Report 2023, which contains a comprehensive review of its financial performance and corporate governance, and also key policies published on the Group's website. For more detailed information on its operating companies' efforts and achievements in sustainability, please refer to their separate sustainability reports or websites.

These, together with further information about our approach to sustainability, policies, ESG ratings content index, can be found online at www.powerassets.com/en/sustainability.

Reporting Principles

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

- **Materiality** – We focus on matters that impact business growth and are of importance to our stakeholders. For more information, please refer to "Materiality Assessment" on pages 30 to 32.
- **Quantitative** – Information regarding the standards, methodologies, assumptions, and/or calculation references, and sources of key conversion factors used for these key performance indicators (KPIs) is stated wherever appropriate.
- **Balance** – This Report discloses information in an objective manner, aiming to provide stakeholders with an unbiased picture of the Group's overall sustainability performance.
- **Consistency** – Consistent methodologies are adopted when calculating the quantitative KPIs, unless otherwise specified. Reasons would be provided for any restating of information published in the Report.

Language

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

Feedback

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



Environmental and Social Performance Indicators

Environmental KPIs[1]	Unit	2021	2022	2023
GHG emissions[2]				
Total GHG emissions (location-based)	tonne CO_2e	**7,976,316**	**7,753,574**	**7,632,026**
Total GHG emissions (market-based)		**7,458,619**	**7,350,865**	**7,224,818**
Scope 1 emission[3]		6,981,321	6,942,303	6,875,967
Scope 2 emission (location-based)[4]		994,995	811,271	756,059
Scope 2 emission (market-based)[4]		477,298	408,562	348,851
Total carbon intensity (location-based)	tonne CO_2e/ HKD $'000 revenue	**0.292**	**0.289**	**0.277**
Total carbon intensity (market-based)		**0.273**	**0.274**	**0.262**
Scope 1 carbon intensity		0.256	0.259	0.249
Scope 2 carbon intensity (location-based)		0.036	0.030	0.027
Scope 2 carbon intensity (market-based)		0.017	0.015	0.013
Biogenic carbon emissions	tonne CO_2e	658,992	588,203	511,509
Use of energy				
Total energy consumption[5]	'000 kWh	**17,275,331**	**17,174,598**	**17,103,429**
Direct energy consumption		16,611,947	16,545,774	16,519,528
i) Non-renewable energy consumed		**25,053,562**	**24,488,187**	**24,924,237**
Gasoline/Petrol		5,329	5,365	5,610
Diesel		211,320	210,616	197,014
Natural gas		9,761,784	9,267,388	9,838,650
Liquified petroleum gas (LPG)		130	119	64
Waste-derived fuels (non-biomass)		1,870,457	1,748,614	1,490,074
Coal		12,422,737	12,428,543	12,559,869
Other fuels[6]		781,805	827,542	832,955
ii) Renewable energy consumed		**2,013,262**	**2,104,954**	**1,797,977**
Wind		2,383	4,567	5,782
Solar		372	995	1,619
Biomass		2,010,506	2,099,393	1,790,576
iii) Self-generated energy		**94,802**	**86,029**	**89,893**
Electricity		94,802	86,029	89,893
Heating		–	–	–
Cooling		–	–	–
Steam		–	–	–

Environmental KPIs[1]	Unit	2021	2022	2023
iv) Sale of energy	'000 kWh	**9,767,875**	**9,305,854**	**9,459,623**
Electricity		8,822,657	8,318,520	8,557,707
Heating		417,455	372,494	279,222
Cooling		–	–	–
Steam		527,762	614,840	622,695
Indirect energy consumption		663,384	628,825	583,901
Electricity		663,384	628,825	583,901
Total energy intensity	'000 kWh/ HKD $'000 revenue	**0.632**	**0.640**	**0.620**
Direct energy intensity		0.608	0.616	0.599
Indirect energy intensity		0.888	0.881	0.873
Air emissions				
NOx emissions	tonne	5,587	5,077	5,024
SOx emissions		772	993	879
RSP emissions		166	173	157
Use of water				
Total water consumption	'000 m^3	**1,128,408**	**1,085,874**	**1,033,355**
Surface water		35,009	42,555	24,571
Groundwater		42	43	46
Seawater		1,089,268	1,039,277	1,005,423
Third-party water		3,864	3,782	3,097
Other sources		225	217	218
Water consumption intensity	'000 m^3/ HKD $'000 revenue	**0.041**	**0.040**	0.037
Waste production				
Total hazardous waste produced	tonnes	**13,669**	**13,641**	**12,449**
Total non-hazardous waste produced[7]		**385,679**	**437,572**	**351,097**
Total hazardous waste produced intensity	tonne/ HKD $'000 revenue	**0.001**	**0.001**	**0.001**
Total non-hazardous waste produced intensity		**0.014**	**0.016**	**0.013**
Packaging material				
Total packaging material used for finished products	tonnes	**6.76**	**4.51**	**6.18**
Paper		6.76	4.51	6.18

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 2024. If significant changes occur after preparation of this report, they will be updated in the following year's publication.

2 Greenhouse gas emissions (GHG) comprise carbon dioxide, methane, nitrous oxide, hydrofluorocarbons (HFC), perfluorocarbons (PFC), and sulphur hexafluoride (SF_6). The data are calculated using location and market-based methodology where applicable under regulation. Otherwise, Scope 1 emissions are calculated using the latest available emission factors in line with the Greenhouse Gas Protocol, IEA's Energy Statistics Manual, UK Government GHG Conversion Factors for Company Reporting, USEPA's Emission Factors for Greenhouse Gas Inventories, and HKEPD's Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong (2010 Edition). Scope 2 emissions are calculated based on the IEA's latest available emission factors.

3 Scope 1 emission includes emission from fuels processed in sources that were owned and controlled by our businesses for its own use, and fugitive emissions resulted from intentional or unintentional releases, e.g., gas shrinkage for our gas transmission and distribution businesses, methane emissions from venting, HFC, PFC, emissions from the use of refrigeration and air conditioning equipment, and SF_6 emissions from industrial processes. In 2023, we have reported the biogenic carbon emissions separately according to the GHG Protocol. The 2021 and 2022 data figures have been restated to align with the updated approach to allow for meaningful comparison of data over time.

4 Scope 2 emission includes the emissions from purchased electricity of our businesses for its own use, and emissions associated with the energy losses from the distribution and electricity system transmission grid ("network losses") for our electricity transmission and distribution businesses. Network losses are calculated as the difference between the electricity entering the network, and electricity used by customers, for which the data are received from the industry taken from meter readings. In accordance with GHG Protocol, the Scope 2 emissions are reported in location-based and market-based in 2023. The 2021 and 2022 data figures have been restated to align with the updated approach.

5 Total energy consumption = Non-renewable energy consumed + renewable energy consumed + electricity purchased for consumption + self-generated energy that is not consumed – sales of energy.

6 Other fuels include residual fuel oil, lubricants, and other petroleum products,

7 Our power-generation businesses produced 48,645 tonnes of ash and gypsum waste in 2023.

Social KPIs[1]		2021	2022	2023
Number of employees				
Total		17,574	17,897	19,165
By employment type	Full-time	16,792	17,095	18,012
	Part-time	782	802	1,153
Number of full-time employees				
By gender	Male	13,871	14,028	14,663
	Female	2,921	3,067	3,349
By employee category	General staff	14,925	14,983	15,464
	Manager grade or above	1,867	2,112	2,548
By age group	Below 30	2,217	2,300	2,493
	30 – 49	8,737	8,976	9,578
	50 or above	5,838	5,819	5,941
By region	Hong Kong	1,846	1,865	1,848
	Mainland China	327	305	303
	Asia (excluding Hong Kong, Mainland China)	42	42	42
	United Kingdom	8,762	8,761	9,235
	Netherlands	492	511	551
	Australia	5,078	5,359	5,764
	Canada	14	13	13
	United States	163	165	171
	New Zealand	68	74	85

Social KPIs[1]		2021	2022	2023
Turnover rate for full-time employees[2]				
Overall		7.2%	9.1%	7.1%
By gender	Male	6.8%	8.6%	6.8%
	Female	9.2%	11.3%	8.5%
By age group	Below 30	7.7%	9.2%	7.7%
	30 – 49	5.9%	8.1%	5.9%
	50 or above	8.9%	10.7%	8.8%
By region	Hong Kong	6.0%	7.7%	10.8%
	Mainland China	4.3%	7.9%	4.0%
	Asia (excluding Hong Kong, Mainland China)	2.4%	2.4%	0.0%
	United Kingdom	6.2%	8.3%	5.4%
	Netherlands	8.9%	9.8%	13.4%
	Australia	8.5%	10.3%	7.8%
	Canada	0%	7.7%	0.0%
	United States	27.0%	24.2%	17.5%
	New Zealand	26.5%	24.3%	14.1%
Work-related fatalities				
Number of work-related fatalities (full-time employees)		0	0	1
Number of work-related fatalities (part-time employees)		0	0	0
Number of work-related fatalities (contractors)		0	0	0
Rate of work-related fatalities		0	0	0.006
Work-related injury (employees)				
Number of lost days due to work injury		1,234	875	1,667
Number of lost time injury incidents		31	34	50
Lost time injury rate[3]		0.19	0.21	0.29
Number of first aid incident		Not reported	Not reported	174
Number of high potential incident		Not reported	Not reported	16
Work-related injury (non-employees)				
Number of lost time injury incidents		Not reported	Not reported	41
Lost time injury rate		Not reported	Not reported	0.59
Number of first aid incident		Not reported	Not reported	143
Number of high potential incident		Not reported	Not reported	54

Social KPIs[1]		2021	2022	2023
Health & safety management system				
% of employee covered by OHSAS 18001/ISO 45001[4]		84.4%	83.2%	83.3%
Percentage of full-time employees who received training[5]				
Overall		96.7%	94.0%	97.0%
By gender	Male	98.6%	95.6%	97.9%
	Female	87.6%	86.8%	92.7%
By employee category	General staff	94.0%	92.4%	99.9%
	Manager grade or above	100%	100%	79.0%
Average hours of training per full-time employee				
Overall		32.9	36.0	48.4
By gender	Male	35.6	39.0	53.7
	Female	20.1	21.8	25.5
By employee category	General staff	32.5	37.1	51.7
	Manager grade or above	36.3	27.9	28.7
Number of suppliers				
Total		16,258	18,805	16,825
By region	Hong Kong	916	911	904
	Mainland China	310	203	215
	Asia (excluding Hong Kong, Mainland China)	55	72	65
	United Kingdom	4,369	4,813	3,975
	Europe	954	1,091	1,154
	Australia	7,055	7,962	8,205
	Canada	317	310	295
	United States	1,963	3,141	1,677
	New Zealand	312	296	330
	Other regions	7	6	5
Number of complaints received				
Products and services related		6,675	6,871	5,790
Number of employees who received training on anti-corruptive/ethics and integrity				
Total		3,221	7,419	10,286
By employment type	Full-time	3,137	7,341	9,445
	Part-time	84	78	841
Percentage of full-time and part-time employees who received training on anti-corruptive/ethics and integrity[6]		18.3%	41.5%	53.7%

Social KPIs[1]		2021	2022	2023
Number of training hours on anti-corruptive/ethics and integrity completed by employees				
Total		5,453.0	6,710.1	8,028.4
By employment type	Full-time	5,371.5	6,678.7	7,723.8
	Part-time	81.5	31.4	304.6
Number of whistleblowing reports received				
Number of reports received (including all cases)		Not reported	Not reported	54
Number of reports received (excluding false report)		Not reported	Not reported	11

1 The reporting scope was expanded in 2023 to include Power Asset's employees in its Hong Kong office. Hence, the 2021 and 2022 social KPIs were restated to align with the reporting methodology.
2 Turnover rate refers to full-time employees of the in-scope entities (excluding Husky Midstream) only. It is calculated as "total number of full-time employees leaving employment during the reporting year divided by total number of full-time employees as of 31 Dec of the reporting year and then multiplied by 100%.
3 LTIR represents the number of injuries per 100 employees per year. It is calculated as "total number of injuries multiplied by 200,000 and then divided by total hours worked".
4 It is calculated as "total number of employees covered by OHSAS 18001/ISO 45001 divided by total number of employees as of 31 Dec of the reporting period and then multiplied by 100%.
5 Full-time employees including terminated employees who left the Company during the reporting period. It is calculated as "total number of full-time employees who received training divided by total number of full-time employees as of 31 Dec of the reporting period and then multiplied by 100%". The percentage of employees who received trainings may exceed 100%.
6 It is calculated as "total number of employees who received training on anti-corruptive/ethics and integrity divided by total number of full-time employees as of 31 Dec of the reporting period and then multiplied by 100%".

Hong Kong Stock Exchange ESG Guide Content Index

Mandatory Disclosure Requirements		Page	Remarks
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.	6-9; 20-24	
Reporting Principles – Materiality	The ESG report should disclosed: i) the process to identify and the criteria for the selection of material ESG factors; and (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.	28-32	
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).	156-162	
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.	156-162	
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.	154	

Subject Areas, Aspects, General Disclosures and KPIs		Page	Remarks
A. Environmental			
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	62-107	• Environmental Policy • Supplier Code of Conduct
KPI A1.1	The types of emissions and respective emissions data.	65-66; 156-157	
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	65; 156-157	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	102; 157	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	102; 157	
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	12-15; 66	
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.	102-106	
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	62-107	• Sustainability Policy • Environmental Policy • Supplier Code of Conduct
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	65; 156-157	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	100; 157	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	12-15; 83-91	
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.	100	
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	102; 157	
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	92-107	• Environmental Policy • Supplier Code of Conduct
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	92-107	
Aspect A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	44-61	• Environmental Policy
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	44-61	

Subject Areas, Aspects, General Disclosures and KPIs		Page	Remarks
B. Social			
Employment and Labour Practices			
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	113-128	• Code of Conduct
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	115; 159	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	115; 160	
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.	116; 129-133	• Health and Safety Policy
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	160	
KPI B2.2	Lost days due to work injury.	130; 160	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	129-133	

Subject Areas, Aspects, General Disclosures and KPIs		Page	Remarks
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	126-128	
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	126; 161	
KPI B3.2	The average training hours completed per employee by gender and employee category.	126; 161	
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.	110; 116; 143-145; 171	• Human Rights Policy • Modern Slavery and Human Trafficking Statement • Supplier Code of Conduct
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	143-145; 171	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	143-145; 171	
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	143-146	• Human Rights Policy • Modern Slavery and Human Trafficking Statement • Supplier Code of Conduct
KPI B5.1	Number of suppliers by geographical region.	143; 161	
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.	143-146	

Subject Areas, Aspects, General Disclosures and KPIs		Page	Remarks
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	143-146	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	143-146	
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.	116; 134-139; 140-142	• Code of Conduct • Personal Data Privacy Policy
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	–	This indicator is not considered material to the Group hence such data are not disclosed.
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	134-139; 161	
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	–	Our Code of Conduct outlines our commitment to intellectual property rights protection.
KPI B6.4	Description of quality assurance process and recall procedures.	134-139	
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	140-142	• Information Security Policy • Personal Data Privacy Policy

Subject Areas, Aspects, General Disclosures and KPIs		Page	Remarks
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.	41-43	• Code of Conduct • Anti-Fraud and Anti-Bribery Policy No recorded cases of non-compliance with laws and regulations relating to anti-corruption and bribery during the reporting period.
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	–	No such cases recorded during the reporting period.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	41-43	• Whistleblowing Procedure
KPI B7.3	Description of anti-corruption training provided to directors and staff.	41-43	
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.	147-153	• Sustainability Policy
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	147-153	
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	147-153	

TCFD Content Index

TCFD recommendations		Page	Remarks
Governance			
Disclose the organisation's governance around climate-related risks and opportunities.	Describe the board's oversight of climate-related risks and opportunities.	46-47	
	Describe management's role in assessing and managing climate-related risks and opportunities.	46-47	
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.	47-60	
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	47-60	
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	47-60	
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.	61	
	Describe the organisation's processes for managing climate-related risks.	61	
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	61	
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.	12-15; 61	
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.	65-66; 156	
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	12-15	

UNGC Content Index

Power Assets has strongly committed to integrating the ten principles into our overall strategy, culture and daily operations. These are reflected in the written commitments and policies below, with comprehensive information provided throughout this report. Performance metrics are tracked and are available on pages 156-162.

UN Global Compact Principle	Power Assets written commitment/ policies	Sustainability report page reference & further notes
Human Rights		
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights Principle 2: make sure that they are not complicit in human rights abuses	• Human Rights Policy • Modern Slavery and Human Trafficking Statement • Supplier Code of Conduct	The Group's Human Rights Policy, Modern Slavery and Human Trafficking Statement, and Supplier Code of Conduct set out our expectations regarding respect for human rights. We strive to help increase the protection and enjoyment of human rights within the communities in which we operate. Information on how the Group and our business unit address human rights protection is available on pages: 143-145.
Labour		
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining Principle 4: the elimination of all forms of forced and compulsory labour Principle 5: the effective abolition of child labour Principle 6: the elimination of discrimination in respect of employment and occupation	• Human Rights Policy • Modern Slavery and Human Trafficking Statement • Code of Conduct	Power Assets strives to provide a decent place to work and committed to create a diverse and inclusive workplace by respecting the values, customs, and traditions of our employees in different operating markets. We believe that collective bargaining is an essential tool for ensuring our business is conducted ethically and responsibly. As of year-end 2023, we are proud to report that 88.3% of our 19,165 employees from all our business units are covered by collective bargaining rights. We will continue to work with our employees and their representatives to ensure that fair and equitable labour practices are at the heart of everything we do. We also prohibit the use of all forms of child labour or forced labour, including prison labour, bonded labour, any form of slavery and any form of human trafficking. The Group conducts due diligence as part of our initiative to identify and mitigate relevant risks, such as in our assessment of potential new suppliers and our handling of whistle blowing cases. Please refer to pages 110-121 to understand how the Group promotes inclusion and diversity.

UN Global Compact Principle	Power Assets written commitment/ policies	Sustainability report page reference & further notes
Environment		
Principle 7: Businesses should support a precautionary approach to environmental challenges Principle 8: undertake initiatives to promote greater environmental responsibility Principle 9: encourage the development and diffusion of environmentally friendly technologies	• Sustainability Policy • Environmental Policy • Supplier Code of Conduct	According to our Environmental Policy, Sustainability Policy and Supplier Code of Conduct, the Group aims to provide clear and comprehensive guiding approaches to sustainability practices across our operations. Power Assets has made a clear public commitment to phase out our coal-fired generation by 2035 and further iterate our ambition to reduce our Scope 1 and 2 emissions. We also strive to support various government decarbonisation plans and net zero commitment proactively. Please refer to pages 12-15 and 62-107 to further explore how we manage these environmental targets and relevant objectives.
Anti-Corruption		
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	• Code of Conduct • Anti-Fraud and Anti-Bribery Policy • Supplier Code of Conduct	Power Assets is committed to upholding the highest compliance and anti-corruption standards and always behaving with integrity. For further information, please refer to pages 41-43.

Verification Statement

HKQAA
HONG KONG QUALITY ASSURANCE AGENCY
香 港 品 質 保 證 局

VERIFICATION STATEMENT

Scope of Verification

Hong Kong Quality Assurance Agency ("HKQAA") conducted an independent verification for the Sustainability Report 2023 ("the Report") of Power Assets Holdings Limited ("Power Assets"). The scope of HKQAA's verification covered the performance data and information associated to environmental, social and governance aspects of Power Assets for the period from 1st January 2023 to 31st December 2023 in providing a limited level of assurance.

The Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide ("ESG Guide") contained in Appendix C2 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with reference to the recommendations from the Task Force on Climate-related Financial Disclosures ("TCFD").

Level of Assurance and Methodology

The process applied in this verification was based on the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. Our evidence gathering process was designed to obtain a limited level of assurance for devising the verification conclusion.

Our verification procedures covered:

- review of the report compilation, stakeholder engagement and materiality assessment processes.
- examination of the raw data and supporting evidence of the selected samples; and
- evaluation of the mechanism for collecting, collating and reporting performance data.

Independence

Power Assets is responsible for preparing the report. HKQAA was not involved in calculating, compiling, or in the development of the Report. Our verification activities are independent from Power Assets.

Conclusion

Based on the verification results and in accordance with the verification procedures undertaken, HKQAA has obtained a limited level of assurance and is in the opinion that nothing has come to the attention of the verification team's that:

- The Report has not complied with all mandatory disclosure requirements and "comply or explain" provisions outlined in the ESG Guide; and
- The Report has not been prepared with reference to the TCFD recommendations for disclosure.

Signed on behalf of Hong Kong Quality Assurance Agency

Connie Sham
Head of Audit
March 2024

Abbreviations

Abbreviation	Long form
CEDD	Civil Engineering and Development Department
CMIP5	Coupled Model Intercomparison Project Phase 5
CO_2	Carbon dioxide
COP	Communication on Progress
COP28	The 28th United Nations Climate Change Conference
D&I	Diversity and Inclusion
DBNGP	Dampier-to-Bunbury Natural Gas Pipeline
DCCEEW	Department of Climate Change Energy, Environment and Water
DEI	Diversity, Equity and Inclusion
DNO	Distribution Network Operator
DOE	Dynamic operating envelope
DSO	Distribution System Operator
EBIT	Earnings Before Interest and Tax
EMS	Environmental Management System
ENA	Energy Networks Association
ESG	Environmental, Social and Governance
ESG Guide	Environmental, Social and Governance Reporting Guide
EST	Energy storage truck
EV	Electric vehicle
FiT	Feed-in Tariff
FSRU	Floating Storage and Regasification Unit
GHG	Greenhouse gas
GIS	Gas Insulated Switchgear
HFC	Hydrofluorocarbons
HKQAA	Hong Kong Quality Assurance Agency
HSE	Health, safety, and environmental
HSSE	Health, safety, security and environment
HVO	Hydrotreated vegetable oil
HyP	Hydrogen park
IASA	International Institute for Applied Systems Analysis
ICAC	Independent Commission Against Corruption
IEA	International Energy Agency
ILO's	International Labour Organisation's
IPCC	Intergovernmental Panel on Climate Change
JRC	Joint Research Centre
KPIs	Key performance indicators
LCTs	Low carbon technologies
LiDAR	Light detection and ranging
LPG	Liquified petroleum gas
LTIFR	Lost Time Injury Frequency Rate
LTIs	Lost Time Injuries
LV	Low voltage
MAGICC	Model for the Assessment of Greenhouse Gas Induced Climate Change
MERV	Mobile Engagement and Response Vehicle
MGP	Methane Guiding Principles
NEM	National Energy Market
NGO	Non-governmental organisation

Abbreviation	Long form
NOx	Nitrogen oxides
OGDC	Oil & Gas Decarbonisation Charter
PCT	Power changeover truck
PFC	Perfluorocarbons
PSR	Priority service register
RAPs	Reconciliation Action Plans
RCP	Representative Concentration Pathway
REC	Renewable Energy Certificates
RNG	Renewable natural gas
RSP	Respirable suspended particulates
SAIDI	System Average Interruption Duration Index
SBTi	Science Based Targets initiative
SDGs	Sustainable Development Goals
SF_6	Sulfur hexafluoride
SOx	Sulfur oxides
STEM	Science, technology, engineering and mathematics
TCFD	Task Force on Climate-Related Financial Disclosures
TNFD	Taskforce on Nature-Related Financial Disclosures
UNGC	UN Global Compact
VESI	Victorian Electricity Supply Industry
VPP	Virtual Power Plant
WRI	World Resources Institute
WCMG	Waste coal mine gas
YIC	Young Innovators Council
ZEB	Zero Emission Boilers