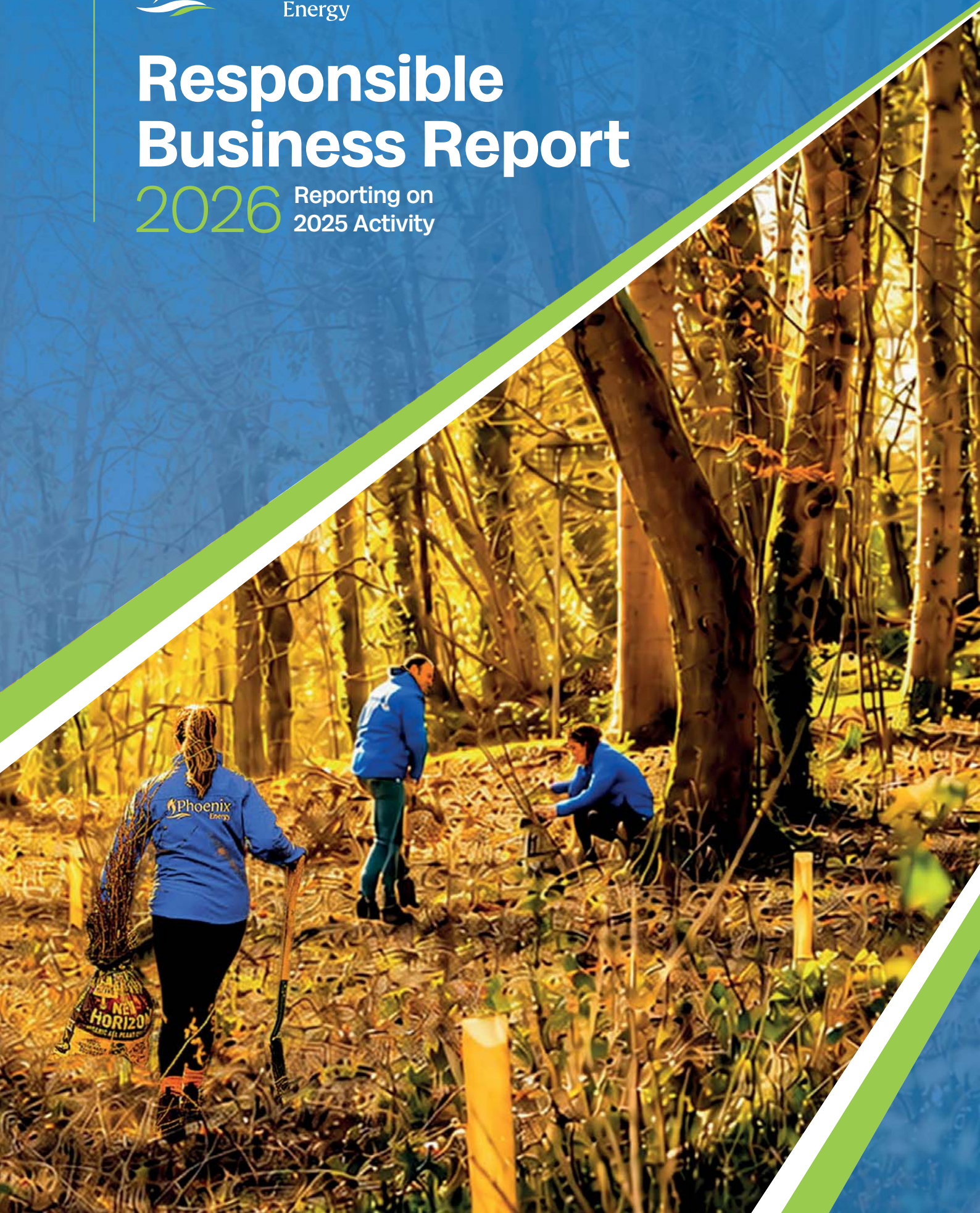




Responsible Business Report

2026 Reporting on
2025 Activity



Foreword from our CEO

I am proud to lead a company that continues to place Responsible Business at the heart of how we operate. By strengthening our environmental, social and governance commitments, we create a positive and inclusive working environment that enables our people to deliver lasting value for the customers and communities we serve. This commitment shapes our decisions, our culture and the way we deliver essential services every day.



The energy sector continues to operate within a period of significant change, with the need to balance affordability, resilience and sustainability more important than ever. Against this backdrop, 2025 has been a year of strong and purposeful delivery for Phoenix Energy, demonstrating the value of long term investment, operational excellence and collaboration across our business and wider stakeholder community.

Throughout the year, our priority remained the safe, reliable and efficient operation of Northern Ireland's largest gas distribution network. In 2025 our customer teams handled over **60,000 telephone calls**, and responded to more than **30,000 written customer enquiries**, reflecting both the scale of our operations and our continued focus on accessible, high quality customer service.

Delivering a high performing Responsible Business programme remains firmly embedded within our culture and reflected across a wide range of established initiatives. The breadth and impact of the activity captured in this report is driven by the professionalism and commitment of our colleagues, supported by strong partnerships with our stakeholders. As this report demonstrates, Responsible Business considerations are integrated throughout every aspect of our operations from how we plan and deliver construction works, to how we engage with stakeholders and invest in the development, wellbeing and capability of our people. We were delighted to report that in 2025 we retained our **Gold Standard** in Business in the Community NI's **'CORE'** accreditation, received 100% and were once again awarded a **5-star rating GRESB Infrastructure Asset Benchmark Report**, in which we placed joint 1st globally and we retained **Platinum-level in the NI Environmental Benchmarking survey (BITC)**, which we have been participating in for over 25 years.

Providing an **inclusive service that meets the needs of all consumers** continues to be a core priority for Phoenix Energy. Building on the award of the **Consumer Vulnerability ISO 22458 accreditation in 2024**, we have continued to raise the bar in this area throughout 2025. Our internal **Vulnerability Working Group** meets regularly, bringing together colleagues from across the business

to share learning, strengthen capability and ensure that inclusive service delivery remains embedded in day to day operations. This continued focus is driving meaningful improvements and reinforces our ambition to set new benchmarks in supporting customers with additional needs.

2025 was also a positive year for market development, delivered in a way that supports long term sustainability and customer choice. We laid over **20km of new mains**, enabling access to natural gas for a further **2,000 properties**, and delivered **5,000 new connections**. This continued growth supports regional economic activity while aligning with our longer term pathway to decarbonisation and the evolving role of the gas network in a lower carbon energy system.

Across all areas of our operations, the scale and complexity of delivery was significant, involving in excess of **50,000 working hours**, extensive traffic management across **60 major junctions**, and the distribution of approximately **250,000 public communications**. Importantly, our construction and maintenance activities continued to demonstrate strong environmental stewardship.

While performance and delivery are critical, our success is ultimately driven by people. The achievements outlined in this report are only possible because of the dedication, expertise and teamwork shown by colleagues across Phoenix Energy, alongside the valued support of our delivery partners, regulators, stakeholders and community representatives. I would like to thank everyone who contributed to our work during 2025 and, in doing so, helped us continue to serve our customers and communities safely, inclusively and responsibly.

I am proud of what has been achieved over the past year and confident that Phoenix Energy remains well placed to respond to future challenges and opportunities, while staying true to our vision of **being recognised for excellence as a world leading energy utility**.

Kailash Chada
Chief Executive Officer

Responsible Business 2025

Key Environment, Social & Governance (ESG) Highlights



690k tonnes of CO₂ avoided¹, equivalent to **400,000** cars off the road

SECR compliant

full disclosure in Metrics & Targets section



99% of electricity procured from renewable resources (434MWhs)

900 tonnes of materials recycled/reused



20k tonnes² of materials diverted from landfill

100% 5* GRESB ESG Benchmarking Assessment



Employees: **176³**
Part-time: **16**
Full-time: **160**
Gender: **28% Female**
72% Male

Platinum

in BITC's NI Environmental Benchmarking Survey



Greenhouse Gas emissions, energy use and environmental data independently verified to ISO 14064

19 different biodiversity initiatives organised in 2025



TCFD Full compliance with TCFD recommendations

Great Place To Work certified



This 2025 Responsible Business Report provides an overview of Phoenix Energy's sustainability performance and achievements from 1 January to 31 December 2025.

For any further information, you can get in touch with us on info@phoenixenergyni.com

Please note, sustainability reporting is based on Phoenix Energy, but also includes energy use and greenhouse gas emissions reporting from subcontractors working on behalf of Phoenix (Phoenix Energy Services and Kier Utilities).

This report constitutes Phoenix Energy's Streamlined Energy and Carbon Reporting (SECR) disclosure, for the year ended 31 December 2025, as required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

In preparing this report, Phoenix Energy has had regard to the principles of the Global Reporting Initiative (GRI) Standards to inform the structure and content of our sustainability disclosures, where relevant to our operations.

Phoenix Energy's greenhouse gas emissions, energy use, air pollution, waste and water data contained within this report has been independently verified by a third-party carbon consultant in accordance with ISO 14064, covering the period 1 January to 31 December 2025.

¹ Estimate based on the premise that, if natural gas was not used, more polluting fossil fuels would be used in the same proportion in which they are currently consumed, for CO₂ avoided.

² Primarily materials diverted from landfill through the utilisation of directional drilling techniques.

³ Employees of Phoenix Energy and Phoenix Energy Services

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DISCLAIMER

While all due diligence has been taken to prepare this document, we cannot completely guarantee the quality, accuracy and completeness of the information as other external factors may fluctuate any statistics and interpretations may deviate from what has been published. Information in this document was deemed accurate and appropriate to the best of the knowledge of Phoenix Energy as of May 2026.

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Company Information

For three decades, Phoenix Energy has delivered reliable fuel choice to homes and businesses across its licensed area. Throughout that time, the company has continued to create lasting environmental, social and economic value for the communities and region it serves.

The company owns and operates the largest natural gas distribution network in Northern Ireland, supplying natural gas to approximately 266,500 domestic and business customers connected to its network. Covering more than 4,100km, the network extends throughout Greater Belfast, Larne and East Down. Phoenix is responsible for the maintenance of its infrastructure as well as the 24/7 operation and transportation platform for natural gas suppliers and customers across its licenced area which encompasses Greater Belfast, Larne and East Down.

While widely recognised for its associated lifestyle and convenience benefits, consumers are increasingly connecting to gas for efficiency and environmental reasons, with natural gas significantly less carbon polluting than traditional home heating fuel choices.

Widely recognised for the convenience and flexibility it offers, natural gas is increasingly being chosen by consumers for both efficiency and environmental

reasons, with significantly lower carbon emissions than traditional home heating fuels. Phoenix continues to support the decarbonisation of home heating, helping customers enjoy the benefits of gas with minimal disruption, while ensuring infrastructure investment and development continues to meet the evolving needs of consumers. Phoenix operates under licence from the Northern Ireland Authority for Utility Regulation and works within a regulatory framework similar to other UK regulated utilities, including regular price reviews and compliance with a range of licence requirements.

Phoenix operates long-term commercial relationships with selected Service Providers and Suppliers. The majority of these contracted Parties are based within the UK albeit there are also a small number located in the EU. Phoenix operates an alliance contract, based upon a contracting “partnership” arrangement with KIER Utilities - to construct and maintain our gas network.



Market Development

Phoenix Energy’s role extends beyond infrastructure development to include the sustainable growth of its customer base across the licensed area.

Whilst natural gas is available to over 373,500 properties within the Phoenix licensed area, around 107,000 remain unconnected to the network, which provides continued opportunities for customer growth.

Ongoing growth and development creates significant economic and employment opportunities locally, with over 2,500 people employed in the gas industry supply chain, typically across SME organisations. Phoenix Energy work closely with independent installation companies, retailers, training centres and trade merchants, and through forums such as the NI Network Gas Association facilitate the delivery of a high level of customer experience and satisfaction across gas users.

Phoenix recognises that changing a property’s heating source is an important decision for energy users and is therefore committed to a range of initiatives designed to ensure information and support are readily available throughout the process. Our team of Energy Advisors are on hand to guide new customers through every stage of the connection journey.

Each year, our Energy Advisors carry out more than 3,400 domestic energy audits, helping homeowners better understand their energy usage and efficiency

opportunities. In 2025, Phoenix also delivered 23 external energy efficiency advice events, supported by our dedicated energy efficiency advice hub, pictured below.

The lower carbon properties of natural gas coupled with the lifestyle benefits of highly efficient appliances are key market drivers for the c.5,000 new properties that connect to the Phoenix network annually.

97%*

of customers rated their Energy Advisor Appointment as **'Excellent'**.

'Instant Heat'*

ranked as the **most important reason people made the switch to natural gas.**



* Based on 168 responses, surveys between September 2025 and April 2026.

Overview of Phoenix Energy Availability

Phoenix Energy is the owner and operator of the largest gas distribution network locally, covering the Greater Belfast, Larne and East Down areas of Northern Ireland as outlined below:

Phoenix Energy Overview

Figures as at end of December 2025



Properties Passed
373,500

Properties Connected
266,500

Penetration Level
71%

29%
107,000
Properties
unconnected

71%
266,500
Properties
connected

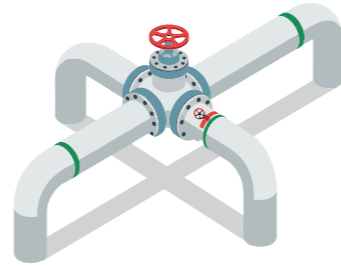
Gas Availability by Area

A further breakdown of Phoenix Energy availability by town is outlined below, demonstrating the continued opportunity for growth within each area. Construction work to extend the Phoenix network to Whitehead and East Down commenced in 2016, which is the primary reason for the lower penetration levels and considerable potential for growth in these areas.

Figures as at end of December 2025

Area	Total Gas Availability	Connected	Penetration
Bangor	31,250	22,600	72%
Belfast	186,000	146,000	78%
Carrickfergus	18,000	13,000	72%
Carryduff	3,600	2,500	69%
Donaghadee	4,000	2,900	73%
Dundonald	8,900	6,600	74%
Hollywood	6,100	5,100	84%
Larne	10,500	6,500	62%
Lisburn	25,000	18,000	72%
Newtownabbey	33,600	23,800	71%
Newtownards	22,400	14,250	64%
Whitehead	1,650	650	39%
East Down	22,500	4,600	20%
Total	373,500	266,500	71%

Customer and Network Growth



From laying the first mains and connecting the first customer in 1996, Phoenix Energy's infrastructure and connection activity has enjoyed a period of significant and continued growth.

Connections 1996 – 2025

the number of customers connected to Phoenix Energy

Fig 1. Cumulative connections from 1996 - 2025

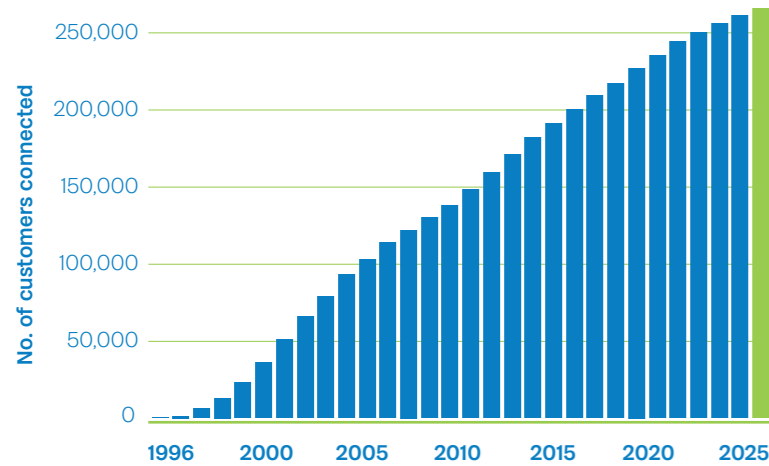
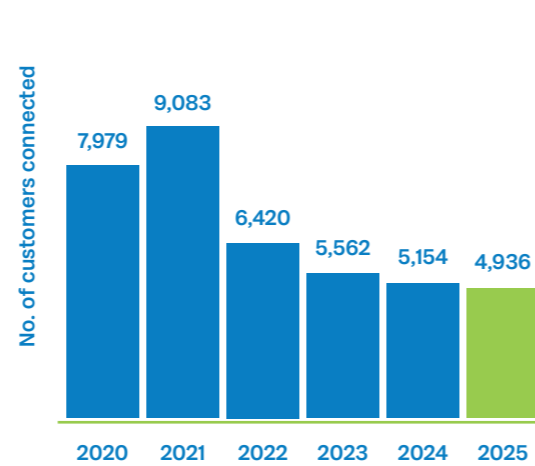


Fig 2. Annual New Connections



The continued development of the natural gas network means that the Phoenix network is available to thousands of new consumers each year. There is now more than 4,100km of Phoenix pipeline across the licence area, with a further 20km constructed in 2025.

Network Build (km)

the amount of pipe laid by Phoenix Energy across its network in km

Fig 3. Cumulative Network Build 1996 - 2025

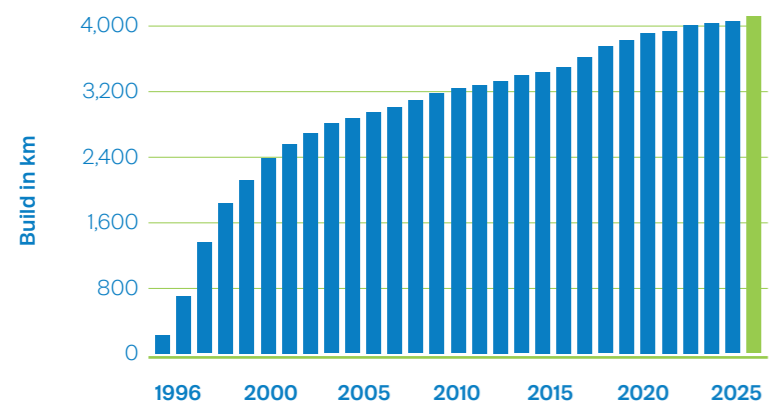
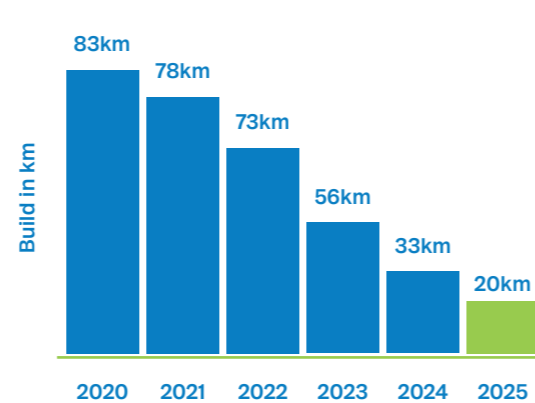


Fig 4. Annual Network Build Constructed



Carbon Reduction

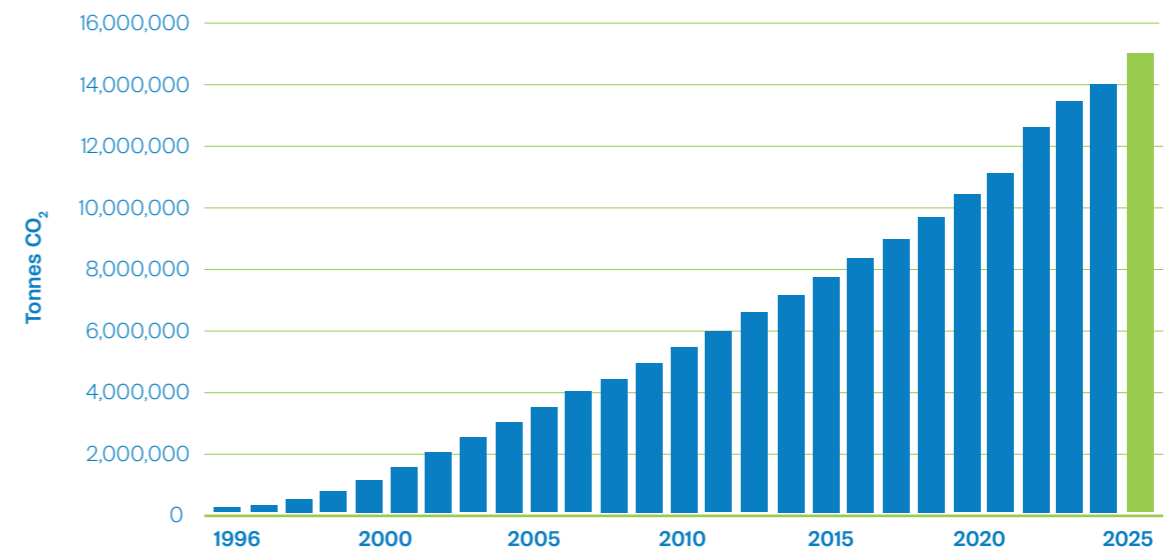
As well as the lifestyle and efficiency benefits associated with natural gas, consumers are increasingly moving to natural gas to benefit from its lower carbon credentials. As an inherently cleaner fuel, coupled with replacing older, inefficient systems with a highly efficient gas boiler and associated heating controls, consumers can displace up to 50%* of their home energy carbon emissions by connecting to natural gas.

As a result of switching to natural gas, consumers have cumulatively helped prevent up to **15 million tonnes**** of CO₂ from entering the atmosphere

CO₂ Avoided (tonnes CO₂)

Total CO₂ saved from entering the atmosphere by Phoenix Energy users in tonnes.

Fig 5. Cumulative from 1996 to, and including, 2025



* Carbon saving figures are based on the installation of a natural gas boiler, the displacement of a household's oil fired boiler and associated system efficiency gains achieved from system upgrade.

Efficiency gains applied are based on the installation of a high efficiency gas boiler and associated high efficient heating controls. An efficiency factor of 30% has been applied that is consistent with the minimum efficiency gains and reduced energy use achieved as a result of replacing a SEDBUK F oil boiler (70% - 74% efficiency rating) with a natural gas high efficiency boiler (minimum performance standard of 92%), the upgrade of heating controls and water treatment improvements.

The carbon savings resulting from efficiency upgrades are in addition to the 26% reduction in carbon emissions that natural gas produces compared to home heating oil. The total reduction in carbon emissions from moving to a natural gas high efficiency boiler therefore reflects a saving of up to 50% when compared to a SEDBUK F oil boiler.

** Cumulative carbon saving figures are calculated in line with the indicative NI fuel mix each year. New build natural gas connected properties have carbon savings applied compared to likely alternative fuel solution, but do not include any system efficiency gains.

Our Vision

Phoenix Energy has a clear vision:

"to be recognised for excellence as a world leading energy utility".

To achieve the vision, our Corporate Objectives provide a framework for success across 6 key areas:



Our Values

The Phoenix Values are at the heart of how we do our business.

Aligned with our vision and corporate objectives, the Values reflect our employee culture and the behaviours that continue to drive our success.

Embedded within our business, they are the standards we hold ourselves and our employees to, in delivering the best possible outcomes for our customers, our business and our communities.

The Phoenix Values have been co-designed through a collaborative process led by the Phoenix LIFE Committee which is comprised of employee representatives from all parts of the business, and supported by the Executive Management Team.

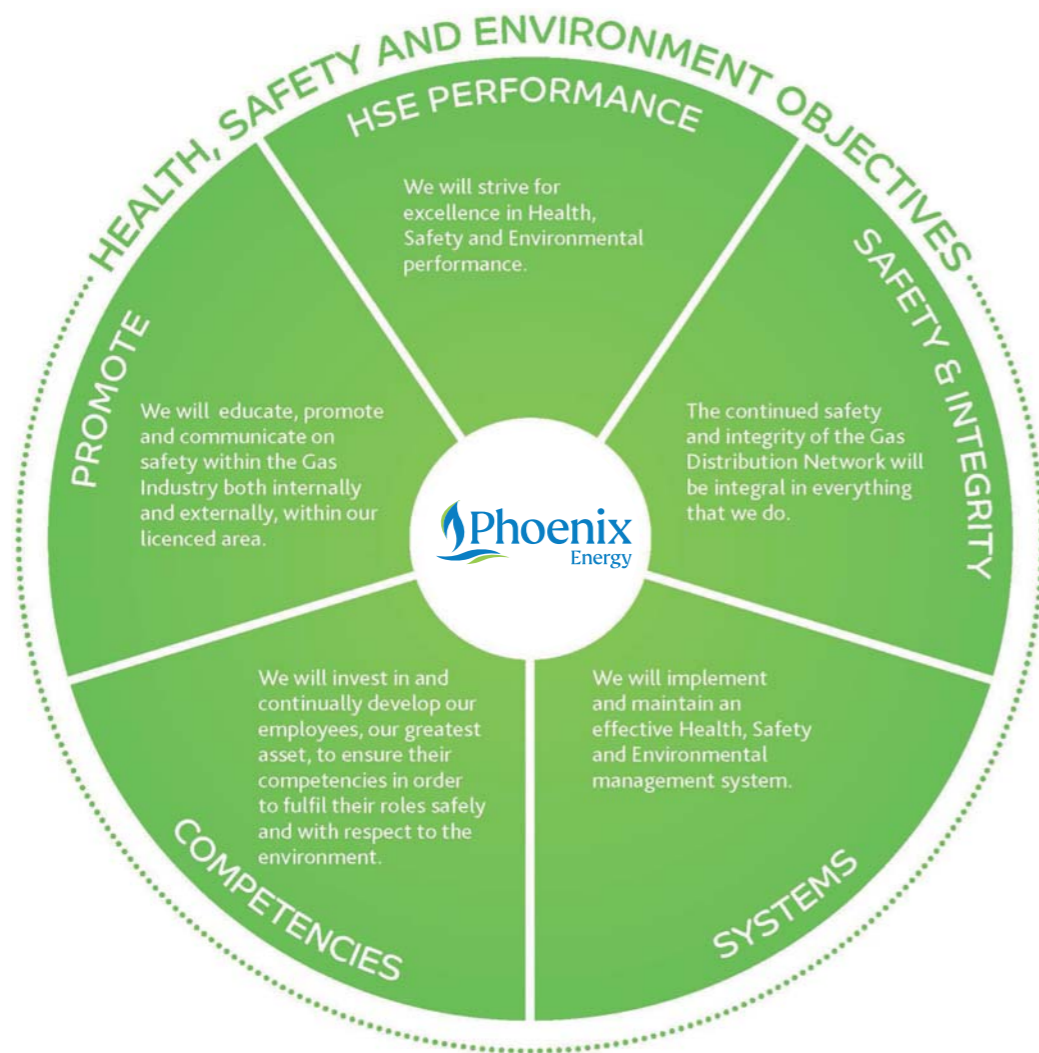
This partnership approach ensured that the values reflected and resonated at all levels of the business.



Health and Safety Management

The natural gas industry is one of the most regulated in the world, and within Phoenix the safety of our customers, colleagues, contractors and communities is of paramount importance.

That's why achieving the highest standards in health, safety and environmental performance is important to us and why we continue to invest in Health and Safety Management at all levels of our operations.



How we deliver Health and Safety within our business

We recognise the pivotal role our employees play in ensuring the safe operation of our business and our internal ASHES (Awareness of Safety, Health and Environmental Systems) Committee is comprised of representatives from all levels and departments across our business. The Committee meets regularly to discuss pertinent Health & Safety issues, ensure key messages are cascaded to all teams and to develop effective procedures that reflect and are embedded across all areas of Phoenix Energy's operations.

As well as having robust and relevant Health, Safety and Environmental policies that enable us to meet our statutory and regulatory obligations, we also continually monitor the performance of policies and procedures to ensure they are effective and that activities across our business are delivered in line with policy expectations.

Our Performance

In line with regulatory and legislative requirements we are committed to providing a fast response to both controlled and uncontrolled gas escapes. Phoenix Energy strives to deliver the highest standards of customer service and in 2025 we exceeded our target of 97%.



*Allows us to measure the number and likelihood of accidents that happen over a specific period of time and identify areas for improvement.

Health & Safety: in action

Phoenix Energy hosted a Streetworks Safety Seminar as part of the **Digger Beware – Know What's There** campaign and the wider Utility Damage Reduction Strategy. The seminar brought together organisations involved in the design, planning, construction, and maintenance of streetworks across Northern Ireland to promote health and safety best practice when working around utility apparatus. Speakers included representatives from NIE Networks, BT Openreach, Northern Ireland Water, Mutual Energy, and the Police Service of Northern Ireland Road Safety Team.

A presentation was delivered outlining the Northern Ireland natural gas network, the consequences of damage to gas infrastructure, the properties of natural gas, emergency scenarios, and the control measures required to reduce risk when working near gas assets. The session also highlighted how to identify gas apparatus and implement safe working practices. The event promoted collaboration across the utility and construction sectors and reinforced the importance of preventing utility damage through effective planning, awareness, and safe excavation practices.



Promoting Health and Safety

Dial Before you Dig

Unexpected damage to gas pipelines causes inconvenience and unnecessary risks. To help reduce these occurrences, we have developed a Dial Before You Dig Programme to ensure that anyone undertaking digging or construction works near our pipeline undertakes adequate precautions when digging. The Dial Before You Dig guide includes contact details for our team who can provide help and advice in advance of digging works being undertaken. The Dial Before You Dig programme is designed to help those undertaking work to think GAS: **G**et in touch with us before undertaking any digging, be **A**ware of where our gas pipes are and to work **S**afely at all times when working around gas apparatus.

Email: dialbeforeyoudig@phoenixenergyni.com
Phone: 028 9055 5819



Last year, we launched our new safety awareness campaign, Digger Beware, Know What's There. The campaign was designed to act as a conscious prompt for domestic gas users, tradespeople, and those working across wider utility sectors to remember that gas pipes are located underground. The campaign reinforces the importance of checking before digging to prevent accidental damage and ensure public safety.

The campaign was officially launched at a Utility Damage Awareness Morning hosted by Phoenix Energy in September, where it formed a key part of the industry's ongoing commitment to reducing utility strikes and promoting safer working practices.

Championing Health & Safety Management

- Retention of ISO45001 for Health & Safety Management
- Led by Gas Safe Register, Gas Safety Week is an annual industry wide campaign focused on raising awareness for consumers on how to be gas safe and the importance of proper maintenance of gas appliances. In 2025 we collaborated with Phoenix registered installers to create a social media campaign about being gas safe. Local installers shared their top tips to encourage customers to get their boilers serviced and what to do in an emergency if they were to smell gas.



Stakeholder and Consumer Engagement

Given the scale and impact of our operations on local communities, the environment and the regional economy, stakeholder and customer engagement is a core element of our business strategy, operational delivery and Responsible Business programme.

The growth of our Renewable Gas solutions has further strengthened the need for a coordinated and proactive engagement approach. This includes educating stakeholders and energy users and building effective partnerships with likeminded organisations to support shared sustainability goals.

We maintain a clear and structured Stakeholder Engagement Plan designed to capture stakeholder views and inform internal decision-making. This ensures we maximise support across political, community and business audiences.

As the business has evolved, our approach has matured from viewing engagement as a principled obligation to implementing a targeted strategy. We now clearly identify key stakeholder groups and deliver tailored engagement plans to understand and respond to their specific needs and expectations.

A snapshot of organisations we regularly engage with:



Stakeholder Engagement in Action

Alongside Phoenix's regular stakeholder engagement, we recognise that some activities require targeted engagement with local communities to ensure our work is shaped by their needs and delivered with minimal impact.

We take part in key industry events, such as the NI Energy Summit, and work closely with the NI Gas Network Operators to support the development of a biomethane industry in Northern Ireland.

In partnership with Guidehouse and Passiv UK, we recently brought together stakeholders from across the energy sector for workshops to review and contribute to our proposals to undertake a large-scale hybrid heating trial in NI.

Customer Touchpoint Surveys

We launched a new programme of customer surveys to gather direct feedback at key stages of the customer journey and ensure our service standards remain high. Surveys were implemented for unconnected customers through Energy Advisor appointments, with further surveys planned for connected customers and for the post-connection stage (delivered digitally via QR code). This approach enables us to listen to customers in real time and continually enhance the service they receive.

We continued with regular engagement with MLAs and councillors as reinforcement works progressed into 2025. We also undertook essential gas maintenance along the Comber Greenway, supported by extensive engagement before, during and after works to keep communities informed and ensure local considerations were built into delivery.



We participated in more than 20 industry events



We completed the Upper Newtownards Road Reinforcement project



We carried out over 500 stakeholder engagements

* Based on 168 responses, surveys between September 2025 and April 2026

Looking after our Network

The Phoenix Energy network comprises over 4,100km of pipeline making gas available to more than 373,500 homes and businesses.

The network is modern, constructed with high density polyethylene pipe in conjunction with the latest remote monitoring technology, ensuring sector leading reliability and the continued safe and secure supply of gas for our customers.

Phoenix Energy operates an internationally accredited Asset Management System with continuous measurement and analysis of network performance data. This ensures we can take the decisions necessary to maintain high performance levels over the long term.



Asset Replacement

- Continued investment in the natural gas network to provide the highest standards of service, safety and supply.
- Series of asset replacement activities for consumer installations in line with advised warranty and regulatory timescales.
- In 2025, we completed 16,500 asset replacement jobs across the year.



Network Operation

- 24/7 Network Control Room, emergency call centre and emergency response team in operation.
- We set a standard of attending high priority calls within one hour of them being reported and achieved this on 99% of occasions in 2025.
- Network monitoring points at key strategic locations which relay key information on gas pressure, supply and security with outputs monitored by the control centre.



Network Performance

- Real time analysis of network performance.
- Real time condition assessment and analysis undertaken across the network.
- In 2025, we completed 55,000 jobs as part of our routine and responsive maintenance programme.

How we have performed

Phoenix Energy prides itself on delivering the highest standards of customer service. As well as operating in a highly regulated environment where standards are expected, we believe in exceeding customer expectations in every interaction.

Outlined below are the Phoenix Standards of Service including actual performance for 2025.

Overall Standards of Service	Actual	Performance Level Target
CUSTOMER CONTACT		
Customer correspondence Written correspondence will receive a reply within ten working days. Correspondence may be responded to by telephone unless you request a written response.	100%	97%
Customer Complaints Complainants will receive a full response to their complaint within 10 days, where applicable.	99%	97%
CONNECTION		
Moving of meter PEGL will reposition an ordinary meter within 15 working days of a quotation being accepted.	100%	100%
Change of meter PEGL will change the meter of a domestic customer within 10 working days of a referral by the Supply Company.	100%	100%
RESPONDING TO GAS EMERGENCIES - GAS ESCAPES		
Uncontrolled gas emergencies Uncontrolled gas emergencies Uncontrolled gas escapes will be attended to within 1 hour of being notified to PEGL. An uncontrolled gas escape is where it cannot be ascertained that the gas escape is controlled, which is when the meter control valve has been turned off and this has stopped the gas escape.	99%	97%
Controlled gas emergencies Controlled gas escapes will be attended to within 2 hours of being notified to PEGL.	100%	97%
PREPAYMENT METERS		
Faulty Prepayment Meters Phoenix Energy will visit a faulty prepayment meter with 4 hours of being notified.	99%	97%
RESTORATION OF GAS SUPPLY		
Supply Restoration Following the disconnection of a domestic customer's gas supply due to a fault in the network, the transportation business will restore, on the basis of reasonable practicality, the domestic customer's gas supply within 24 hours.	100%	97%
Reconnection after non-payment Customers disconnected for non-payment will be reconnected within 24 hours of referral by a gas supplier.	100%	100%

The Individual Standards of Service were introduced as part of the Energy Act (Northern Ireland) 2011 and determine the expected standards of performance measures which local gas companies must provide for their customers.

The standards appliance for Phoenix and how we have performed against them in 2025 are outlined below:

Guaranteed Standards of Service	Performance Level
METER DISPUTES Distribution companies must provide customers an explanation on the probable cause of any meter accuracy issues within 15 working days. If an appointment is necessary, the company must offer this within seven working days to investigate. Where a customer informs their supplier of an issue, the supplier must report this to the distribution company within 1 working day.	100%
METER MIX UPS Distribution companies must ensure that customers are not billed erroneously due to a wrongly assigned meter.	100%
PREPAYMENT METERS Distribution companies must deal with reports of problems with prepayment meters within 4 working hours. Where a customer informs their supplier of a problem with a prepayment meter, the supplier must notify the distribution company of any report of the problem within 4 working hours.	99%
APPOINTMENTS Distribution companies and supply companies must offer and keep an appointment within a maximum 2 hour time band, or if acceptable to the customer an appointment within the time bands: AM 8.30-13.00 or PM 12.00-17.00	99%
SUPPLY RESTORATION Distribution companies must restore supply within 24 hours to a customer whose gas supply has been discontinued as a result of a failure of, fault in or damage to the pipe-line system operated by the relevant gas conveyor.	99%
REINSTATEMENT OF CUSTOMERS Distribution companies must reinstate customer premises within 5 working days following work to a service pipe and any associated work to a distribution main where the pipe or main lies under or within the premises of a customer.	99%
QUOTATIONS FOR CONNECTION Distribution companies are required to provide customers with a cost estimate for a new gas supply within 10 working days for standard jobs and 28 days for non-standard work.	99%
NOTICE OF PLANNED INTERRUPTION Distribution companies must give at least three days notice to customers whose supply will be interrupted by planned maintenance or replacement work to the pipe-line system operated by the relevant gas conveyor.	95%
RESPONDING TO COMPLAINTS Distribution companies must provide a substantive response to written or verbal complaints within 10 working days.	99%

Supporting Vulnerable Customers

As NI's largest natural gas distribution network operator, we are committed to providing services that are fair, accessible, and responsive to all consumers.

Our Vulnerability Working Group (VWG) drives improvements to ensure positive outcomes for customers in vulnerable circumstances. The group includes representatives from across Phoenix, meets quarterly and continually reviews our processes, identifies engagement opportunities and ensures customer-facing teams understand and address the needs of vulnerable consumers.

One key action from the VWG was the introduction of a targeted social media plan to raise awareness of our support for vulnerable customers, promote inclusivity and highlight partnerships that provide additional assistance.

We also advanced our commitment to digital accessibility. Enhancements to the Phoenix website improved keyboard navigation, focus visibility, interactive element sizing, content consistency and overall form usability. The site is now compliant with Web Content Accessibility Guidelines, aligned with the accessibility requirements of ISO 22458.

Championing Vulnerability

Our Vulnerability Champions are customer-facing colleagues from across the business who help shape our Vulnerability Strategy and strengthen our Inclusive Customer Service approach. They guide employees on complex or sensitive cases, ensuring customers in vulnerable situations receive fair, empathetic and well supported service.

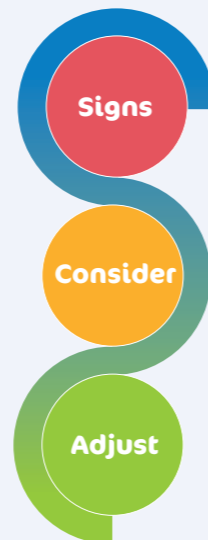


Inclusive Training

We provide annual inclusive service training for all customer-facing employees, engineers and contractors to ensure every customer receives fair and accessible support.

The training helps staff recognise when someone may need extra help and guides them on how to adapt their approach using our 'Signs, Consider, Adjust' framework. Training is refreshed annually and equips our teams to:

- Identify the **signs** when a customer may need extra support
- Consider** how our work or processes could affect them
- Decide how we can **adjust** our process or activities to make access easier



Meeting the Needs of All Our Consumers

As an essential services provider, we engage regularly with domestic and business consumers, members of the public and community representatives.



Each year we:

Help over **100,000** customers by phone and email

Meet over **50,000** customers face to face

Connect **5,000** new customers to our gas network

We provide a wide range of additional support to ensure customers affected by age, disability or long-term illness can access our services fairly. All customer-facing staff are trained to make reasonable adjustments, supported by our Vulnerability Champions for more complex needs. We offer services such as identity checks, signposting to helplines, warm handovers for debt and welfare advice and promote Gas Supplier Care Schemes.

Our operational activities often take place in public or residential areas and we recognise that some consumers may require additional support when interacting with us.

This may include consumers affected by:



Mobility challenges



Communication barriers



Mental wellbeing



Financial hardship



Disability, including hidden

Customers can request information in alternative formats or languages and home visits are available when needed. For customers struggling to pay their energy bills, we work closely with partner organisations including gas suppliers and Advice NI, with staff trained to identify those who may need help and connect them directly to benefit checks and financial guidance.

We also promote energy efficiency through partnerships with Power to Switch and National Energy Action, providing advice to help customers reduce energy use and lower bills.





Responsible Business Approach

The principles of responsible business have been at the core of our business since it began and our commitment to our environmental, social and governance (ESG) responsibilities is demonstrated through the Phoenix LIFE Programme, which encapsulates our responsible business approach and activity in the areas of Leadership in the Marketplace, Investing in our People, Fostering our Community and Environmental Responsibility.

These pillars of responsible business activity are embedded across all areas of our organisation and culture, and are integrated across our strategy, risk and governance processes.

Our Responsible Business Principles are integrated into the LIFE Programme. They are:



Leadership in the Marketplace

- To act with integrity in all our dealings.
- To maintain the highest standards of governance in the management of our business.
- To maintain appropriate contingency planning arrangements to enable the continuation of key activities as a result of a major incident.

Investing in our People

- To promote the health and wellbeing of our staff to ensure that we maintain a happy, healthy and engaged workforce.
- Create a positive working environment that, where possible, provides staff with the opportunities to fulfil their potential and achieve their career ambitions.
- To operate with high standards in respect of health, safety and worker protection, and as a minimum, comply with all relevant regulations and standards.
- To always be non-discriminatory (whether on grounds of gender, race, disability or other), and maintain the highest standards of equality and diversity in our employment practices.



Fostering our Community

- To create a positive impact for our stakeholders and the communities we serve through meaningful engagement, contribution, and volunteering.

Environmental Responsibility

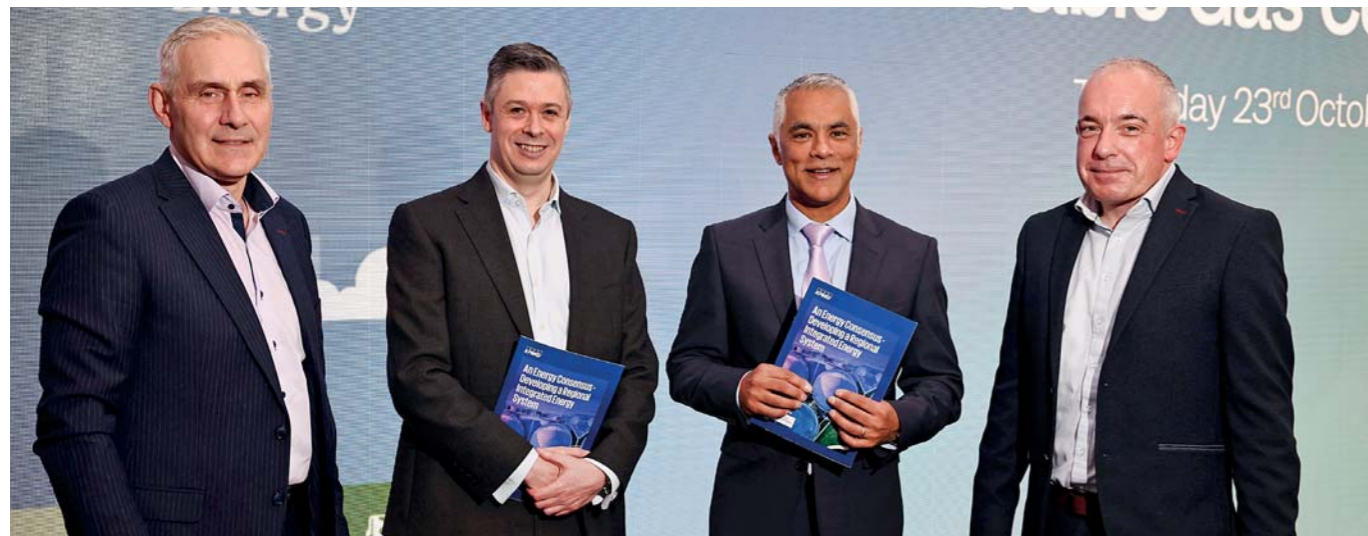
- To minimise the impact of our operations on the environment, aiming for a sustainable approach to the use of resources, reducing our use of energy, water, and paper, avoiding irresponsible disposal of hazardous products and unnecessary waste.
- To act as an environmentally responsible business by supporting biodiversity projects and initiatives within the community that we serve.



Leadership in the Marketplace

Having led the way in introducing natural gas to Northern Ireland in 1996, twenty-nine years on, Phoenix continues to set the standards for responsible business, leadership and collaborative working, within the energy industry and beyond.

Phoenix has delivered significant economic, social and environmental benefits locally, while playing a central role in supporting and developing the wider gas industry and independent trade. With a clear focus on decarbonisation, the company remains committed to advancing the future use of gas infrastructure to help deliver net-zero carbon solutions.



Gas network operators and electricity sector representatives launched a KPMG report 'An Energy Consensus', which promotes a collaborative approach to NI's future energy system. It sets out the shared positions and principles accepted by both the electricity and gas sectors, with the aim of strengthening the energy transition through collaboration.



Northern Ireland's gas industry came together for an evening of celebration at the Phoenix Energy Gala Ball at the Titanic Hotel, recognising the vital contribution local independent businesses have made since the introduction of natural gas in 1996.

Leadership in Action

Phoenix Energy held its 4th annual Renewable Gas Conference at Titanic Hotel Belfast.



National and international speakers addressed over 200 delegates across the energy, agriculture and transport sectors to discuss the vital role renewable gas will play in Northern Ireland's transition to net zero.

Discussions focused on the strategic role of renewable gas in decarbonising Northern Ireland's wider energy system, the development of a NI Biomethane Strategy to unlock investment and market growth and the showcasing of leading-edge projects from Northern Ireland, Great Britain and across Europe.

Speakers included Jonathan Martindale, Director of Business Development at Phoenix Energy; Russell Smyth, Partner and Head of Corporate Finance at KPMG Ireland; Helen Edwards, CEO of Ceres Energy; Carl Arntzen, CEO of Worcester Bosch and David Surplus OBE, CEO of B9 Energy Storage. This year the conference facilitated a cross-party panel of MLAs and MPs, who shared their perspectives on the policy and regulatory frameworks needed to accelerate the energy transition.

Spotlight on Standards

We benchmark our performance with local, national and internationally respected bodies. Our accreditations include:



GRESB

Phoenix retained its five-star GRESB rating, achieved two Sector Leader awards and was placed joint first globally in its sector. Phoenix's GRESB awards included Infrastructure Asset Super Class Leader - Network Utilities and Infrastructure Asset Class Leader - Network Utilities: Gas Distribution Companies. GRESB is the leading global benchmark used by institutional investors to assess Environmental, Social and Governance (ESG) sustainability performance of real estate and infrastructure assets.



NI Environmental Benchmarking Survey

For the fifth consecutive year, Phoenix achieved Platinum status in the Business in the Community NI Environmental Benchmarking Survey, reinforcing its position as one of the region's environmental leaders. The survey assesses organisations against sector peers and leading local organisations based on environmental management, performance and how sustainability is embedded within corporate strategies.



Employer of the Year

Phoenix is proud to have achieved the Highly Commended status for Employer of the Year at the 2025 Business Eye Awards. This achievement is a testament to Phoenix's fantastic workplace, exhibiting best practice in terms of people management and providing class-leading initiatives designed to make Phoenix a more inclusive employer.



CORE

CORE is NI's only corporate responsibility standard and is a framework for identifying and measuring corporate responsibility activity and performance across organisations. Phoenix successfully retained its Gold Standard CORE accreditation from Business in the Community, achieving higher scores across every area of the framework and earning an exemplary score in Stakeholder Engagement.

ISO Certifications

Phoenix Energy's greenhouse gas emissions, energy use and environmental performance data is independently verified annually against ISO 14064 by a third-party carbon consultant, providing assurance over the accuracy and completeness of our reported environmental footprint.

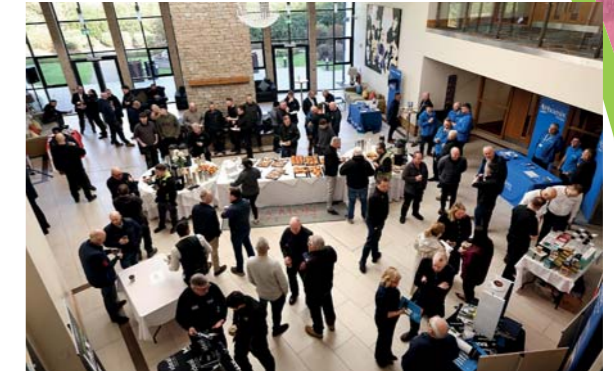


Spotlight on Partnerships

The local natural gas industry employs over 2,500 individuals from across the wider supply chain, primarily within small independently run businesses.

Whilst Phoenix is responsible for the installation and ongoing maintenance of the gas network across Greater Belfast, downstream activities, such as boiler installations and servicing are carried out by these customer-facing companies. It is therefore essential that Phoenix maintains strong working relationships with these organisations to help ensure a positive consumer experience.

Almost 30 years ago, Phoenix established the Northern Ireland Network Gas Association (NINGA), creating a platform to engage directly with consumer-facing companies. NINGA provides opportunities to network, share best practice and to contribute to key business strategies, and meets at least four times a year.



Joint Utilities Prepare for Winter

Helping customers prepare for the winter, Phoenix continues to work in partnership with leading local utilities including Openreach, NI Water and NI Electricity, to provide a range of information and guidance to support consumers during colder weather conditions. In 2025, our message reached over 750,000 people online during the winter months.



NI Chamber Public Affairs Forum

Recognising the importance of our relationships with other leading local businesses, Phoenix continued its sponsorship of the Public Affairs Forum series of events hosted by the Northern Ireland Chamber of Commerce and Industry. The platform allows us to tackle important public affairs issues and be at the helm of the discussion and ideas that are brought to the forefront by our peers.



Recognising Local Excellence

We recognise the importance of supporting local community awards. Phoenix sponsored the Eastside Award for Excellence in Health & Wellbeing, celebrating positive contributions to community health initiatives. Continuing its partnership with the Aisling Awards, Phoenix also supported the recognition of individuals who have made outstanding contributions to the Belfast community.

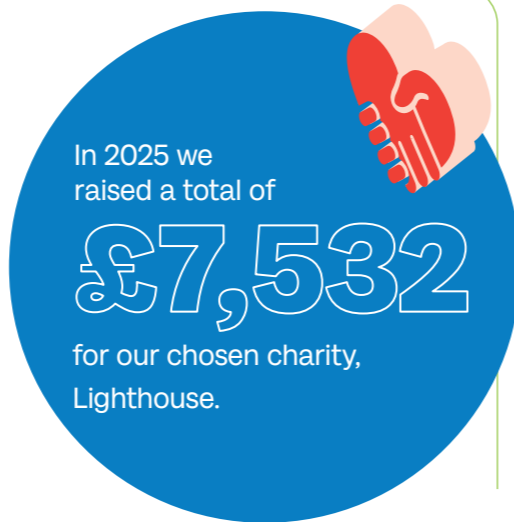


Employee Engagement: in action

Raising and Giving

Providing opportunities for staff to contribute and give back to their local communities is of great importance as it can promote social inclusion as well as giving a sense of pride and purpose.

In 2025, we selected a charity partner to continue for 2 consecutive years, shortlisted by our Life Committee and picked by our staff. The chosen charity was Lighthouse, an organisation committed to the prevention of suicide and the promotion of positive mental health. Over 80 colleagues actively engaged in fundraising activities which included Mourne Seven Sevens hike, Europa Abseil, an Easter Raffle and sponsored dog walk to name a few.



We continued to host monthly Phoenix 15 sessions where employees are invited to join together on a regular basis. Communicating with staff in this interactive way allows for regular business updates and interactive games to keep morale high.

Every month, staff can nominate colleagues from across the business for a 'Living Our Values' award. An internal judging panel selects winners each month who are recognised in front of their colleagues. The winners and highly commended throughout the year then get invited to an annual values lunch hosted by the CEO and management team.



Stronger Together: Working in Partnership with CKI



As part of the CKI Group, Phoenix Energy benefits from being part of a global network united by shared values, knowledge, and experience. Our partnership with our parent company, CKI, enables collaboration across a range of businesses of different sizes and geographies, creating opportunities to learn from one another and continuously improve how we operate. Through joint events, knowledge-sharing forums and collaborative initiatives, including the CKI International Family Day in Hong Kong, we are able to strengthen relationships and build mutual understanding. While CKI operates on a global scale, these interactions reflect a culture of openness, approachability, and camaraderie, reinforcing the value of partnership at every level and our pride in being part of the wider CKI family.



Healthy Life

Recognising the breadth of wider societal issues that colleagues are dealing with, in 2025 we ran a series of 'Lunch and Learn' sessions giving access to expert speakers across a range of different issues that our employees tell us matter most to them. From insights on finance and budgeting through to Randox health checks and flu vaccines, there was plenty on offer to suit everyone.



Great Place To Work

It is important that our employees feel valued, therefore we aim to make Phoenix a great place to work through various initiatives that serve to give back to our colleagues, inspire them, bring people together, and to reward their hard work on a regular basis. In late 2024, we were certified by our employees as a great place to work in the 'Great Place to Work' survey. Below are just some of the ways we said 'thank you' to our staff in 2025.



Values Lunch

We took 22 staff members out for lunch to celebrate winning a Values Award throughout 2025.



Christmas Pantomime

Working with our responsible business partners, the Grand Opera House, we provide an opportunity for staff and their family to experience the magic of the Christmas pantomime.



Diversity Day

The annual Phoenix Diversity Day was held in October 2025 with over 100 staff members taking part in the days activities. For the morning session, we invited Michael Holden, CEO of Accessoloo to tell his story and share key insights. In the afternoon, the Irish Entertainment Group and South Asian Dance Academy joined us for a collaborative dance to entertain staff alongside food from around the world.

Family Fun Day & BBQ

In August 2025, alongside our partners Sport Changes Life, we hosted a Family Fun day and BBQ in Cultra Manor grounds for colleagues and their families. Over 140 people turned out to enjoy the activities, magician and indoor animals from Bugs and Beasties.

Fostering Our Community

As a responsible business, we aim to deliver positive impacts, beyond our core business operations, across the communities we serve.

In fact, **Serving Community Needs** is one of our **5 Core Company Values**, and we deliver it by working in partnership with local communities, with a particular focus on:

- Taking time to understand the needs of each local community
- Identifying the areas where our skills can add value and leave legacy beyond our core business objectives
- Working with local experts to identify and deliver meaningful and impactful initiatives that enable communities development

In 2025, Phoenix supported a broad range of initiatives to deliver real benefit to communities. In this section of the report we look at just some of the ways we have invested in organisations and communities across our licensed area and beyond.



Activate Your Curiosity

In 2025, we were delighted to be a company sponsor of the Mid and East Antrim Council's 'Activate your Curiosity' event.

The Activate Your Curiosity Initiative offers a comprehensive series of activities aimed at sparking creativity, curiosity, and a passion for Science, Technology, Engineering, Arts and Maths (STEAM) subjects among post primary school students.

Students had the opportunity to engage in hands-on workshops with Deborah Buchanan (Assistant Engineer), Robert McConnell (Training and Development Operations Supervisor) and Katherine Crothers (GIS Asset Officer). Together, they demonstrated essential apparatus used daily to maintain our gas network.

Jonathan Martindale, Director of Business Development and Kelly McClintock, Operations Engineer, delivered a Ted Talk about the decarbonisation of the NI gas network, as well as sharing their life experiences and offering career advice to inspire the next generation of scientists, engineers and innovators.

In 2025 we held a total of

49

Community Engagements/Events

Attended by over

2,500

members of the local community



Spotlight On Our Community

Throughout 2025, the Phoenix Community Fund continued to support local communities by providing grant support to help organisations to support their service users.

Here are just some of the ways the Phoenix Community Fund helped fuel community connections:

Phoenix awarded a total of

11

community and biodiversity fund grants to grassroots organisations across 2025.



Sense Hub, Belfast

Phoenix Energy supported the launch event of the newly opened Sense NI hub, an area for children and adults with complex disabilities. The support for the launch funded sensory play zones, interactive art, music workshops and adapted sport sessions designed for people with complex needs.

The event showcased the hub's spaces and services, raised awareness of the needs and strengths of people with complex disabilities and those who are deafblind.



NBWISP Edible Hedge Garden

North Belfast Women's Initiative & Support Project (NBWISP) applied for the Phoenix Community fund for support to grow an edible hedge to be planted in their wider community garden.

The garden is accessible for the local community to use and volunteer their time in. Complete with a poly tunnel, the garden is used for education events for kids and young people.



Together 21 NI Pumpkin Patch

In 2025 Phoenix Energy supported Together 21 Northern Ireland through the Phoenix Community Fund.

The funds went towards a Halloween Pumpkin Patch event for children with complex needs, complete with music, arts & crafts and party treats.

Sport Changes Life



Phoenix Energy continued its partnership with the forward-thinking local health charity, Sport Changes Life.

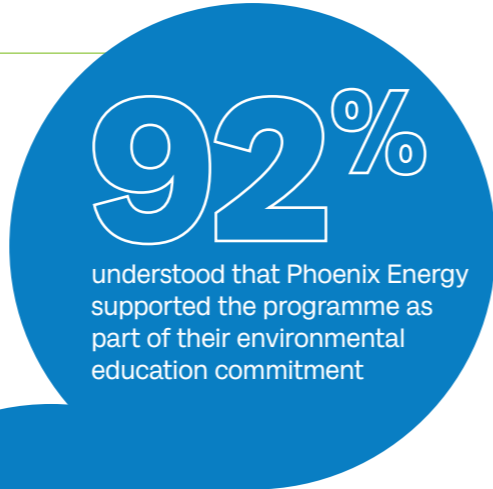
The charity works within a range of communities to help young people find a path to a brighter future. Their sporting programmes aim to promote both mental and physical wellbeing from a young age.

Aligning with Phoenix Energy's 'Environmental Education' pillar of responsibility, Sport Changes Life developed a distinctive enjoyable learning experience by integrating physical activity with a classroom based workshop designed to achieve learning outcomes. Recycled equipment were used in replacement of traditional sports equipment during practical sessions to convey the message of re-purposing and to advocate against excessive consumption in society.

Our P7 pupils thoroughly enjoyed taking part in the Phoenix Energy environmental education session. The activities were engaging, interactive, and sparked meaningful discussions about sustainability and energy use. The programme linked seamlessly with our curriculum, reinforcing key concepts in science and social responsibility, and complemented the environmental work we are already doing in school. It provided realworld context that helped deepen the children's understanding of how individual choices impact the planet.

We greatly value this initiative and believe it plays an important role in promoting environmental awareness among young learners.

**Michelle McCann, Vice Principal
St. Mary's Primary School, Newcastle**

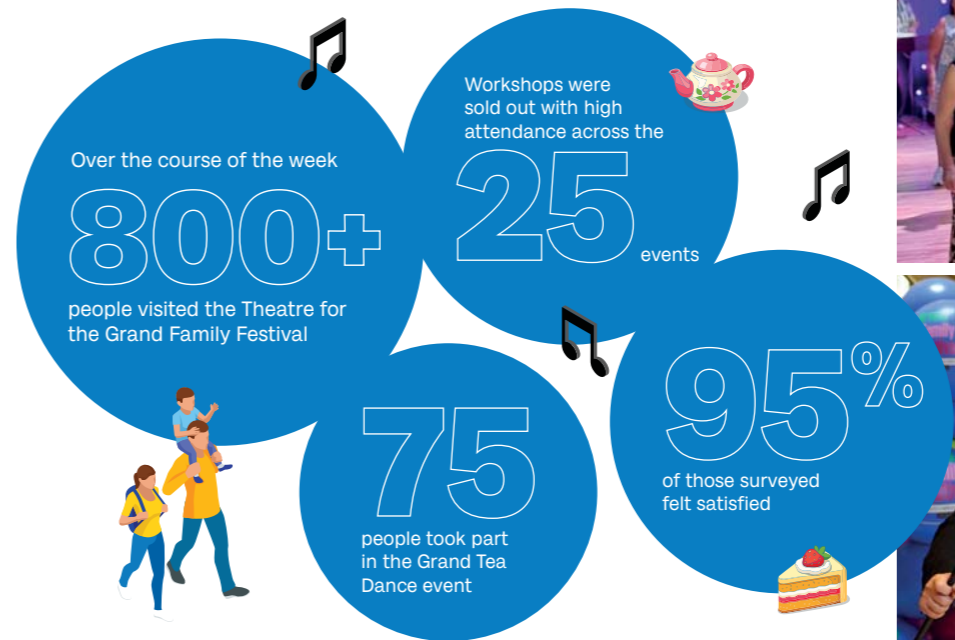


Arts & Educational Outreach

Phoenix continued its partnership with the Grand Opera House in support of their Grand Family Festival.

There was a broad variety of workshops and creative activities across the week, including origami, a family grand tea dance, sensory submarine, musical theatre dance workshops and as well as 'twinkle-toes' and 'silver swans' ballet classes.

"Very enjoyable event from my daughters perspective and her friend. Lots of new dramatic concepts introduced and creativity encouraged."



SistersIN

Phoenix Energy has joined forces with local charitable organisation, SistersIN to help inspire the next generation of female business leaders in Northern Ireland.

As part of the partnership, six employees took part in the SistersIN Leadership Programme 2025/26, offering mentorship and work experience opportunities to sixth form pupils over the course of an eight-month journey. Mentors will help students build confidence, broaden their career perspectives, and prepare them for future senior leadership roles.



Celebrating 20 years of the Energy for Children Charitable Trust

In 2025, the Energy for Children Charitable Trust announced the conclusion of its longstanding work supporting disadvantaged children and young people across Northern Ireland. Established to improve lives through targeted funding, the Trust played a meaningful role in empowering communities and addressing critical needs.

As part of the charity's closure, which reflects Phoenix Energy's renewed focus on expanding its broader charitable commitments, the Trustees confirmed the final distribution of funds. These were awarded to three organisations: Cancer Fund for Children, Solas, and the Patrician Youth Centre, whose missions closely align with the Trust's core values and legacy. This final allocation represents both a celebration of the Trust's impact and a commitment to ensuring its ethos continues through the work of these recipient organisations.



Since 2005
8,000
Children were reached through the Energy for Children Trust

The Charity Issued over
£540,000
in funding support



Cancer Fund for Children
Cancer Fund for Children were awarded funding to invest in a new minibus, ensuring children affected by cancer could access safe, accessible and free transport to residential short breaks. This service continues to remove barriers for families from across Northern Ireland, especially in rural and disadvantaged communities.



Solas
Funding awarded to Solas enabled them to provide a 14-week health and well-being programme for children and young people with disabilities as well as young carer siblings and adult carers. The programme engaged local social enterprises and facilitated creative learning workshops including animation, coding, and music production.



Patrician Youth Centre
Through Energy for Children, Patrician Youth Centre were able to sustain their satellite weekly youth club service in an area of high social need, delivering a diverse range of activities, sports, arts, culture and more, in a safe and secure environment.

Environmental Responsibility

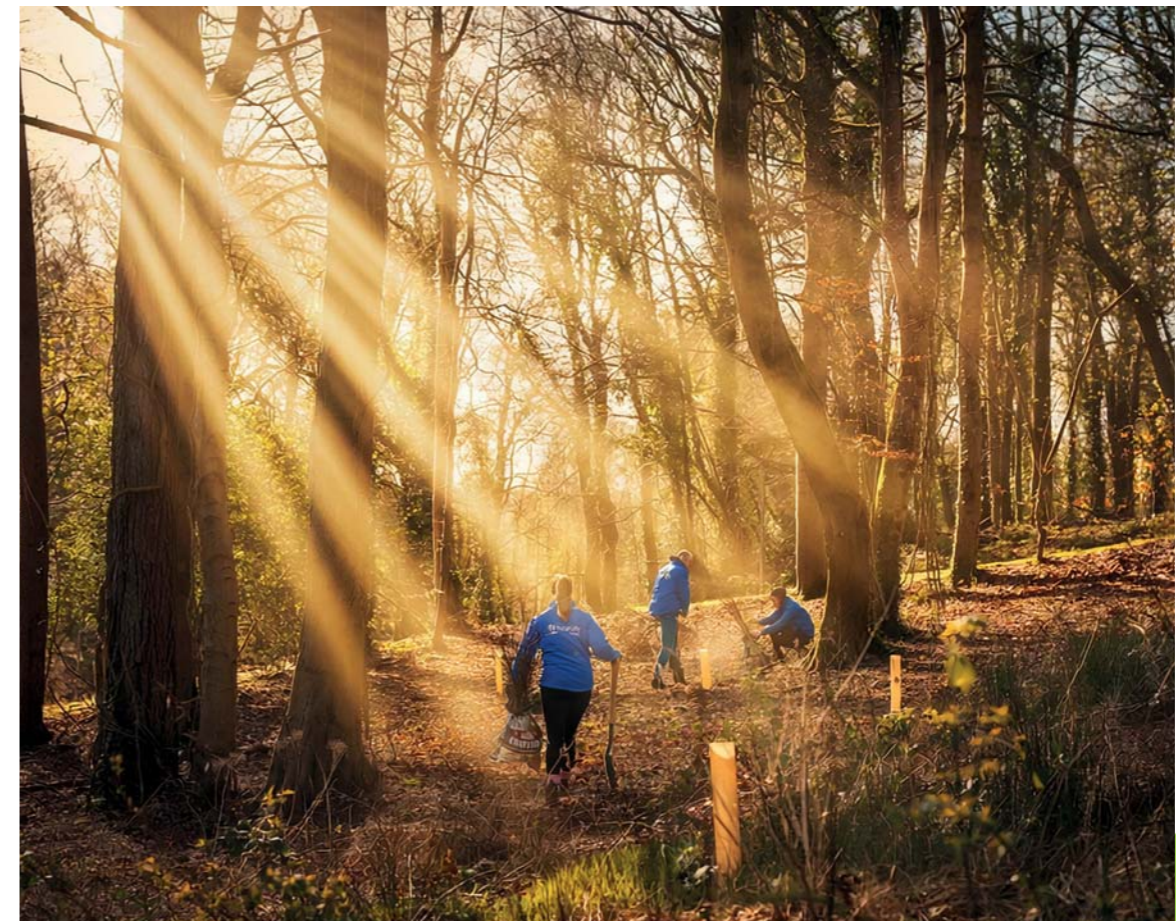
Operating in an environmentally responsible manner has been a core principle of how we do business. We have a longstanding commitment to ensure any impact on the environment is managed and mitigated.

Within our business we see our approach to environmental responsibility across three key strands:

1
Responsibility in our Product

2
Responsibility in our Operations

3
Responsibility in our Community



1. Responsibility in our Product

While many consumers move to natural gas to make the most of the lifestyle and convenience benefits, there are also significant carbon reduction outcomes when consumers make the move from coal and oil to natural gas, with households reducing their home heating carbon emissions by up to 50%.*

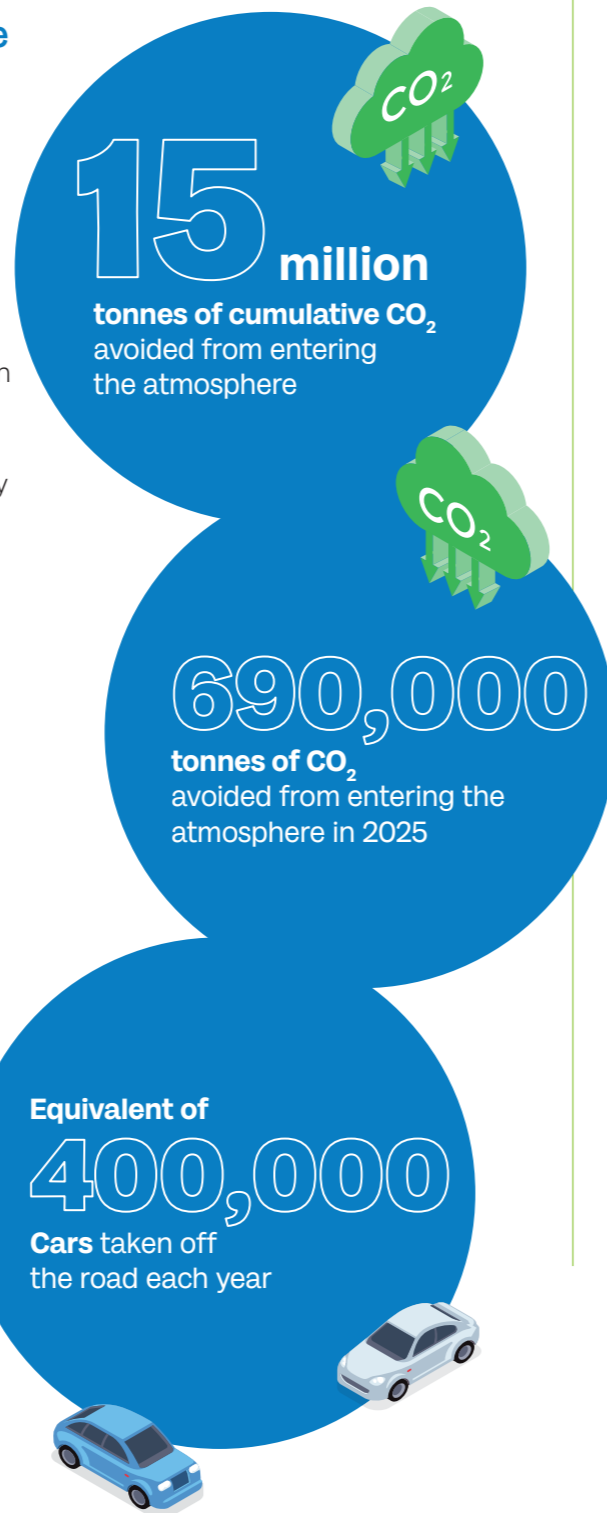
Energy efficiency is an important element in our service delivery, so much so that our City and Guilds qualified Energy Advisors conduct a Home Energy Audit to identify areas for efficiency improvements in every home they visit as part of the pre-connection process.

Consumers locally benefit from access to one of the most modern and efficient gas networks, and there remains a sizeable opportunity in NI to make further carbon emission reductions by supporting householders using high polluting fuel to switch to natural gas.

Environmental Contribution associated with consumers moving to Phoenix Energy:

We recognise that there is considerable opportunity to further reduce carbon emissions within the gas industry and are actively engaged in developing renewable solutions. This will result in further enhancing the environmental credentials of the gas network users, and in doing so play a key role in delivery of net-zero targets for heating.

With a modern gas network and access to indigenous resources that can produce renewable gas, we are well placed to support the energy needs of our connected customers now and into the future. Further insight on our journey to net-zero is available in the Our Pathway to Net-Zero section, p40.



* Based on carbon savings associated with the installation of natural gas and the displacement of existing fuel type, coupled with efficiency gains assumed on the installation of a high efficiency gas boiler and associated highly efficient heating controls.

2. Responsibility in our Operations

Across our operations Phoenix are targeting a reduction in energy consumption of over 50% by 2030*. This will be delivered across:



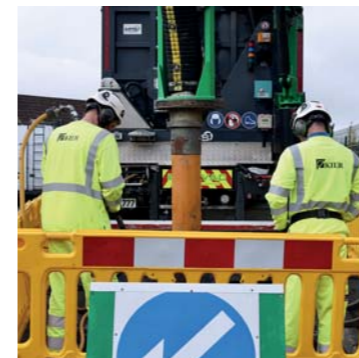
Fleet Management

- We are committed to transitioning our entire commercial fleet to renewable fuels by 2035.
- We have incentivised the selection of plug-in hybrid and fully Electric Vehicles (EVs) in the company car scheme supported by the provision of EV charge points at our office building.
- Introduction of electric vehicles into Phoenix's commercial fleet in 2025.



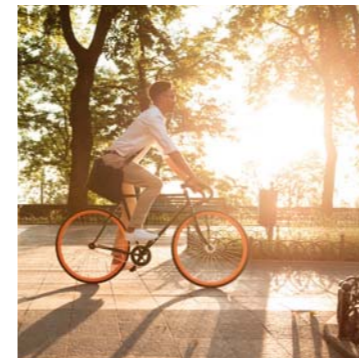
Business Delivery

- We help our customers reduce the energy they use and undertook over 3,500 Home Energy Audits with customers in 2025 as part of our pre-connection process.
- Working with our partners at Shredbank to ensure the safe disposal of paper records, we recycled 7.4 tonnes of paper. We continue to look at ways in which we can further reduce our paper usage.
- In 2025, we procured 434MWhs of renewable electricity. This equates to 99% of renewable electricity.



Partnership Working

- Working with our partners we are committed to reducing the volume of waste sent to landfill by more than 75% by 2030.
- In collaboration with our construction partners we ensure excess materials are reused where possible, and in 2025 we recycled or reused more than 900 tonnes of material.
- Alongside our construction partner and the other gas distribution network operators. We joined the NI Gas Cross Contract Sustainability Forum to identify and implement sustainability improvements right across the wider local natural gas industry.



Employee Support

- Helping employees make use of public transport, we provide a free shuttle bus between Belfast City Centre and our operational control centre each day.
- Helping to make cycling more cost effective for employees, we are part of the Bike to Work Scheme which provides tax savings on bikes and cycling equipment. We also provide a secure bike shelter, lockers and changing facilities for employees to make cycling to work as easy as possible.

* Excluding shrinkage

3. Responsibility in our Community

We recognise that our environmental and biodiversity responsibilities go far beyond our core business operations, and we take action to help protect the environment and enhance biodiversity for communities right across our licensed area and beyond.

In 2025, our partnership with leading local conservation charity, The Conservation Volunteers continued to thrive. It enabled us to deliver environmental and biodiversity impact in our community across three core themes:

We organised **19** different biodiversity initiatives during 2025

In 2025, we planted our **32,000th** tree

and we have pledged that by the year 2031, we will have planted **80,000** trees



Environmental Action

Trees play a vital role in removing CO₂ from the atmosphere, yet Northern Ireland remains the least wooded area in the UK. Working with The Conservation Volunteers, we supported the planting of a further 8,000 new native trees in community spaces and wooded areas throughout 2025.

As well as enhancing community spaces, the planting of native trees also supports the development of habitats, promotes native biodiversity and provides sustainability for many species such as wildlife, birds and insects which are essential for a healthy wooded ecosystem.



Environmental Volunteering

Spending time in green spaces has proven mental and physical health benefits and as part of our strategic partnership with The Conservation Volunteers our employees provided hands on support for tree planting and biodiversity projects alongside their existing community volunteers. Over the course of the year, our employees gave over 276 digging hours with the team from TCV and learned about the vital role of green spaces in supporting healthy communities.



Environmental Education

Engaging young people in the environment around them and giving them a sense of responsibility for biodiverse green spaces is an important element of our community environmental responsibility. Over the course of our 2025 partnership with TCV, we delivered 8 new Planet Protectors workshop for Primary School pupils. Planet Protectors provided opportunities for children to learn about carbon literacy and participate in hands-on biodiversity activities. Students gained a better understanding of the environment and discovered simple actions they can take to reduce their carbon footprint. The partnership also delivered 4 workshops to local community groups. The Planet Protector workshops engaged 171 pupils across 6 schools.

Environmental Volunteering: in Action



Our Pathway to Net-Zero

There is now established energy industry recognition that renewable gas solutions will be a key pillar of an affordable, resilient, future energy system due to gas networks' ability to effectively and efficiently meet peak winter heat demands.

The NI Gas Network's pathway therefore seeks to utilise our finite future supply of renewable gases in the most optimal manner. Supporting a net-zero NI economy by decarbonising those homes, businesses and industrial processes that aren't economically viable for electrification.

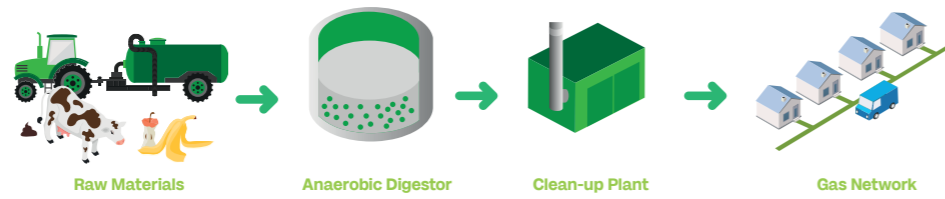
Combining renewable gases with consumer demand side solutions offers several energy system and consumer advantages. For example, a hybrid heating system combines the efficiency of an Air Source Heat Pump (ASHP) with the reliability and peak heating demand capabilities of a gas boiler at points when the ASHP is not able to operate efficiently and/or cost effectively. This approach makes it significantly easier for homes and businesses to decarbonise without facing prohibitive upfront costs.

An affordable transition to a net-zero energy system will require the utilisation of all infrastructure assets and all potential available sources of renewable energy. Phoenix stands ready to play our part.

Overview of Renewable Gases

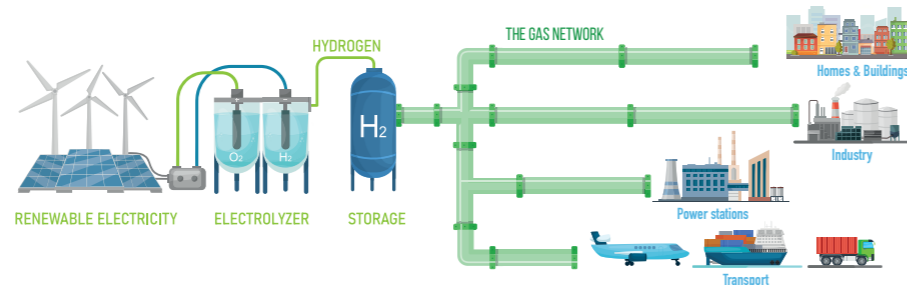
Biomethane

Derived from biogas produced by anaerobic digestion which has been upgraded to a quality similar to natural gas. It is a like-for-like replacement



Green Hydrogen

Produced via the electrolysis of water utilising renewable electricity. Potential opportunity to take advantage of NI's high levels of renewable electricity curtailment



Pillars of our Pathway to Net-Zero

1. Maximising available biomethane

- Like-for-like replacement which is ready now
- Supports agricultural emissions reduction and better nutrient management to support cleaner waterways.

2. Enabling the role of hydrogen

- Exploiting NI's natural advantages in H₂ production, transport and storage infrastructure
- Supporting e-fuel production with biogenic carbon from AD plants.

3. Promote Energy Efficiency

- Supporting the installation of insulation measures and Hybrid Heating Systems
- Reduces energy use and peak electrical demand on energy system.

4. Energy system integration

- Leverage benefits of renewable gas to provide system security
- Utilise smart systems to reduce infrastructure investment.

NI's Biomethane Opportunity

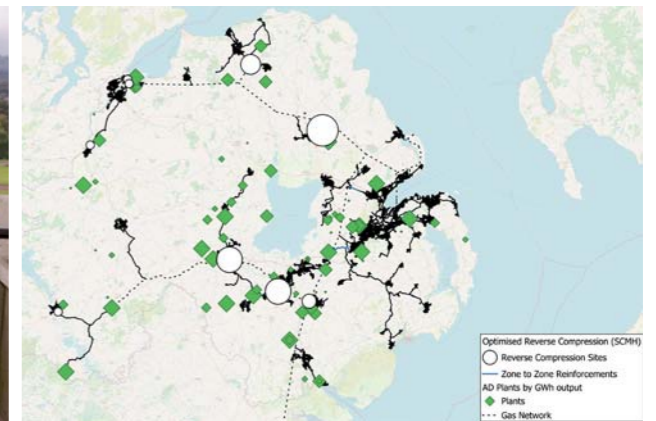


Throughout 2025 the five NI Gas Network Operators (GNOs) have continued to conduct research on how best to prepare our networks for the biomethane potential that NI can produce.

In 2024, we identified 3.6 TWh of biomethane production projects under development, through a Public Request for Information. For context, 3.6 TWh is sufficient to meet 90% of NI's current industrial and commercial gas demand.

With such a large potential supply identified, the five GNOs conducted further research in 2025 looking at how the network would manage such a large amount of biomethane, and what network reinforcement would be required to ensure biomethane can travel freely from producer to consumer without constraint.

With full results due in early 2026, the study has shown that with the right level of regulatory support and a joined up centralised approach to planning, the network can affordably accommodate all the projected biomethane production identified in 2024.



Map: Location of RfI respondents



84 Projects
Submissions received



3.6 TWh per year
Potential production



27 GWh per year
Median plant size



Enough to heat **290,000** homes or **90%** of industrial & commercial gas demand



Saving around **525,000 tonnes** of carbon dioxide equivalent per year

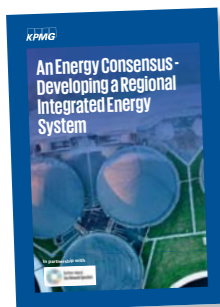
Influencing Net-Zero Policy Development

Throughout 2025, Phoenix has led the way in informing local policymakers and stakeholders about the economic, decarbonisation and sustainability opportunities associated with supporting the production of renewable gases and facilitating the continued switch of homes and businesses from oil to gas.



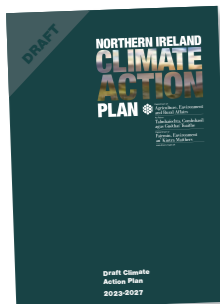
Responding to the Fuel Poverty Strategy for Northern Ireland

In March, Phoenix responded to the Department for the Communities consultation on a new Fuel Poverty Strategy for Northern Ireland. Our response focused on the need to balance the twin issues of tackling fuel poverty and achieving carbon reductions in the heating sector and encouraged the department to consider all solutions including gas boilers and hybrid heat pumps.



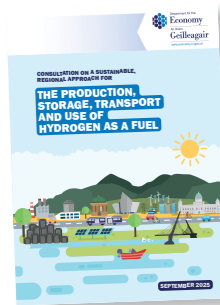
Launch of the Energy Consensus Report

In October, Phoenix teamed up with Kinecx Energy, Evolve, GNI(UK), Mutual Energy, SONI, NIE Networks and KPMG to launch a new report, An Energy Consensus – Developing a Regional Integrated Energy System. The report outlines the benefits of a joined up approach to decarbonisation that incorporates both the gas and electricity sectors working together.



Responding to the Climate Action Plan Consultation

In October, Phoenix responded to the Department of Agriculture, Environment and Rural Affairs (DAERA) consultation on the draft Climate Action Plan 2023-2027 for Northern Ireland. Our response focused on the carbon reduction benefits associated with the future utilisation of hydrogen, biomethane and hybrid heating systems plus the immediate carbon reduction benefits of switching homes off oil and onto gas, which provides immediate carbon reductions, at little cost to consumers.



Responding to the Hydrogen Consultation

In December, Phoenix responded to the Department for the Economy Consultation on Support for Low Carbon Heating in Residential Buildings. Our response focused on the need to target limited financial resources towards value for money decarbonisation options like hybrid heating systems.



Network Constraints Project

In 2025, Phoenix, in partnership with the four other Gas Network Operators, continued work on a large biomethane connections project, with consultancy firms ERM and Sue Ellwoods Ltd. This project is a key element in our pathway to net zero as it studied the potential for biomethane network injection constraints as biomethane producers begin to connect to the network and the potential means to alleviate them. Once complete, the knowledge gained from this project will be invaluable to NI gas network future planning.



Hybrid Trials

Throughout 2025, Phoenix have continued to trial hybrid heat pump technology in real homes across our licence area. These trials continue to prove the cost and carbon emission reduction advantages of the technology, and we continue to utilise the data generated to inform future policy development in NI, showing that hybrids have a role to play in our decarbonisation journey.



Large Scale Hybrid Heat Pump Project

In December 2025 we received permission to begin preparations for a large scale up to 115 home trial of hybrid heat pump technology across Northern Ireland. This trial will test the technology across a representative sample of home and occupant types, to test the technology in a real world owner occupier setting. The project aims to open to the public in Mid 2026.

Our 2030 Commitments

1

Research & Development

Continue to invest in research and demonstration projects to inform the lowest cost transition of NI's gas networks.

2

Advance No Regret Outcomes

Alongside growing the gas customer base, become a leader in the championing and facilitation of energy efficiency improvements.

3

Acceleration of Biomethane Injection Volumes

Support the development of a sustainable biomethane industry that provides competitive renewable energy solutions to NI Energy users.

4

Network ready for a Hydrogen Economy

Facilitate the growth of an indigenous hydrogen economy in NI that can support the decarbonisation of multiple sectors.

5

Develop integrated energy system solutions

Advance our pathway in conjunction with other energy system stakeholders to achieve the most optimal decarbonisation pathway for NI consumers.

Hybrid Heating Trials

Phoenix has continued to invest in several Hybrid Heating Trial homes in 2025 with our partners; Solv, Refresh NI, Alpha Housing and Radius Housing.

Hybrid heating systems offer several benefits:

- **No Expensive Upgrades needed.** Unlike an Air Source Heat Pump, a hybrid system does not require expensive and sometimes infeasible home upgrades such as extra insulation and mechanical ventilation. A hybrid system is 100% compatible with existing plumbing, requiring no upgrades there either, working with the existing plumbing and radiators within the home.
- **Carbon Savings.** A hybrid heat pump significantly reduces a home's carbon emissions. Our trial conducted in 2024 saw a 60% carbon reduction compared to an oil system and 49% less carbon emissions than a gas only system.
- **Space Saving.** As the combi boiler provides hot water there is no need for a hot water tank, saving space within the home.
- **Security and Choice.** A hybrid system has the ability to adjust utilisation based on gas and electricity tariffs, allowing it to run in the most cost effective setup.

CASE STUDY: Whitehead

In 2025, Phoenix worked with a private homeowner, alongside our partners Refresh NI and Alpha Heating Solutions. The homeowner had condensation issues and wanted consistent heating to help alleviate these problems.

The old oil boiler and tank were removed and replaced with an Alpha Magis 8kW Air Source Heat Pump, alongside an Alpha Boiler and hybrid manifold.

The homeowner has been pleased to date with the new system, which has helped alleviate her condensation problems, and is providing warm, consistent heating throughout the property.



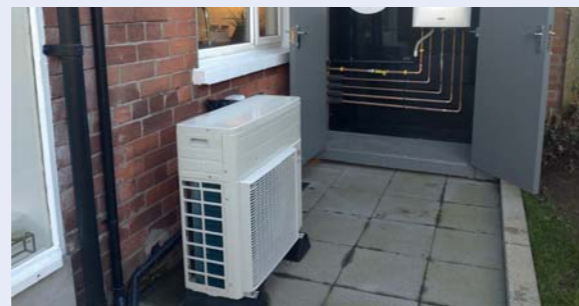
CASE STUDY: East Belfast

In 2025, Phoenix worked with our partner Solv to install an Alpha E-Tec hybrid system into a Victorian semi-detached home in East Belfast.

Due to the home's age, it is of solid brick construction, with no cavity which can be insulated. This has made the home difficult to upgrade and remains an EPC of E. The property is therefore challenging to heat with a standalone Air Source Heat Pump.

A hybrid system however has the benefit of having a gas boiler to provide backup heat during colder periods, and the hybrid system has performed well to date.

The home remains warm and comfortable all year round, even with an EPC of E, and the occupants have been pleased with the overall performance and running costs.



COMING UP:

2026 sees the launch of a large scale hybrid heating programme, supported by all three NI gas distribution networks, that will seek to provide funding to up to 115 private homeowners to install hybrid heat pumps in their homes.

Risk Management

Risk Management is a fundamental component of sound corporate governance and remains central to how Phoenix Energy operates and delivers long-term success.

Management within Phoenix approach risk mitigation proactively, utilising risk management processes to identify and implement measurable actions to address identified risks.

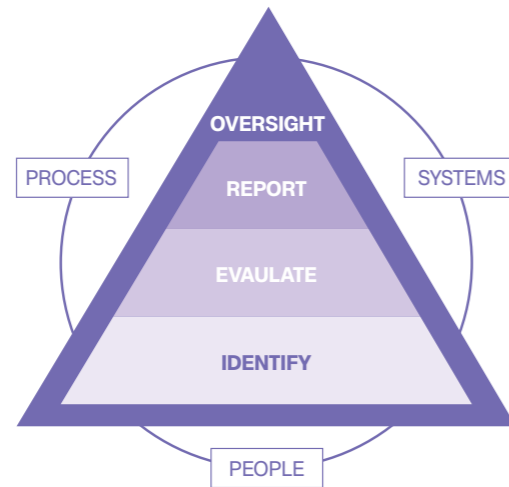
Management within Phoenix see the mitigation of risk as a challenge and utilise risk management processes to identify and implement measurable actions to mitigate against identified risks. This has enabled us to deal appropriately with changes in the economic, social and regulatory context in which we operate, contributing to the progress of people and businesses. Risk management is therefore one of the key functions in ensuring that Phoenix remains a robust, safe and sustainable company, that is aligned with the interests of our employees, customers, shareholders and our community. Risk management is as much about identifying opportunities as avoiding or mitigating losses.

By incorporating assurance activities into our risk management framework, we improve decision-making, enhance operational efficiency, and ensure adherence to both regulatory and internal policies. This cultivates a culture of accountability and transparency, ultimately strengthening Phoenix's capacity to address emerging risks.

Our Risk Management Assurance Model offers a robust framework for ensuring the effectiveness of risk management processes at every level of the organisation. It outlines the contributions of each level to the overall assurance, with a broad spectrum of assurance activities across all lines of defence, reinforcing our risk control, supervision, and review. This, in turn, provides stakeholders with confidence in the integrity of our processes.



A summary of risk management activities within our Risk Management Process Model include:



OVERSIGHT

Board of Directors

The Board of Directors plays a critical role in our risk management process by maintaining oversight of our overall risk management framework. They ensure that risk management processes are effective, aligned with organisational goals and adequately address emerging risks. The Board promote a strong risk culture internally and safeguards Phoenix's long-term success.

REPORT

Internal Audit

The Internal Audit Function provides an impartial assessment of systems and processes established to help Phoenix manage risk, delivering assurance and recommendations for improvement to the Audit Committee as an independent entity.

Committees

Our Risk Management & Compliance and Audit Committees monitor risks and internal controls respectively, ensuring compliance with policies and regulatory requirements, enhancing transparency and accountability in our risk management framework.

Risk Groups

The Risk Review Group and Network Performance Group are responsible for the risks relating to the safe management and operation of the Distribution Network through the Asset Management System.

Information Security Risk Group is responsible for managing the information security implications to the compromise of information that is stored, processed and transmitted by Phoenix, including oversight of cyber security risk.

EVALUATE

Risk Strategy Statement

Our Risk Strategy Statement outlines Phoenix's approach to managing risks, setting clear objectives and priorities to ensure proactive risk identification, assessment and mitigation across all levels.

Risk Policies

Our Risk Policies provide formalised guidelines that outline how our risks are identified, assessed and managed, ensuring consistency compliance and effective mitigation strategies. Our risk policies provide clear direction and establish accountability, aiding decision making a protection of our assets and reputation.

Risk Appetite

Our Risk Appetite defines the level of risk Phoenix is willing to tolerate in pursuit of our objectives, helping guide decision-making and ensure alignment with our overall strategy and goals.

IDENTIFY

Risk Registers

Our Risk Registers are detailed records used to systematically capture and track our identified risks, their likelihood, potential impact, controls and responsible parties. We maintain a series of robust registers across the organisation, ensuring our risks and consistently monitored, assessed and managed appropriately.

Risk Assessments

The risk assessment process is fundamental in ensuring both an environment that is safe for staff and members of the public and for facilitating effective and productive working practices within Phoenix. We conduct thorough and comprehensive risk assessments across all areas of the organisation to ensure risks are proactively identified and managed.

Environmental Governance & Climate Action

ESG

To improve the transparency of our sustainability reporting, Phoenix has performed a sustainability reporting gap analysis against Global Reporting Initiative (GRI) sustainability standards. The outcomes of the gap analysis have been utilised to improve our sustainability reporting in this Responsible Business Report.

Material Topics

Materiality in Environment, Social & Governance ('ESG'), refers to the business importance, financial significance, and stakeholder value of a specific ESG topic. On a regular basis Phoenix reviews the relevance of individual ESG topics and assigns a materiality level for each topic:



The process for assigning levels of materiality for each ESG topic includes Management's internal assessment of materiality as well as incorporating the views of relevant stakeholders, including views from shareholders, suppliers and employees. The appropriateness of Phoenix's assessment of material ESG topics is also cross checked against independent external ESG tools tailored for Phoenix's industry, operations and geographical location (e.g. ESG materiality assessment tool within the GRESB Global ESG Benchmarking Assessment).

Through these assessments and discussions, we have strengthened climate-related intelligence across our leadership, operational, and technical teams, driving internal change and embedding climate considerations into decision-making processes at all levels. This approach enhances our resilience and positions us as a responsible business, ready to tackle future challenges.

Material ESG topics¹:

Environment	Materiality	Social	Materiality	Governance	Materiality
Air pollution	Medium	Child labour	No Relevance	Audit Committee structure	Low
Biodiversity & habitat protection	Medium	Community development	Medium	Board composition	Medium
Climate Change ('Net Zero')	High	Customer satisfaction	Medium	Board oversight of sustainability	Medium
Contamination	No Relevance	Employee engagement	Medium	Bribery prevention	Low
Deforestation	No Relevance	Equality, Diversity & Inclusion	High	Conflicts of Interest	Low
Energy	Medium	Forced or Compulsory Labour	Low	Cybersecurity	Medium
Greenhouse gas emissions	High	Freedom of Association	Low	Data protection & Privacy	Medium
Hazardous Substances	Medium	Health & safety: Employees	High	Delegated Authority	Low
Light pollution	No Relevance	Health & safety: Customers	High	Ethical business practices	Medium
Noise pollution	Low	Health & safety: Community	High	Executive compensation	Low
Sourcing of materials	Medium	Health & safety: Contractors	High	Fiduciary Duty	Low
Use of paper	Low	Health & safety: Supply chain	Medium	Fraud prevention and fraud response	Low
Waste produced	Medium	Health & wellbeing: Employees	Medium	Independence of the Board Chair	Medium
Water pollution	Low	Local Employment	Medium	Lobbying activities	Low
Water use	No Relevance	Staff development & training	Medium	Money laundering	Low
Resilience to catastrophe/ disaster	High	Safe working conditions	High	Political contributions	Low
		Social Enterprise Partnering	Low	Remuneration Committee independence	Low
		Stakeholder relations	Medium	Shareholder Rights	Low
				Tax evasion prevention	Low
				Whistleblower protection	Medium

A full breakdown of each material ESG topic, including the impact Phoenix's operations may have and the policies, commitments and actions we have in place to address them, is provided in Appendix².

¹ There have been no changes in materiality since YE 2024.
² Pages 80-83.

Sustainable Development Goals

Phoenix are committed to contributing to the United Nation's Sustainable Development Goals ('SDGs'). We have aligned our ESG strategy with the UN SDGs, focusing on nine key goals where we believe we can achieve the most impact within our areas of control and influence.



We monitor progress continuously, adapting to emerging challenges and opportunities through regular materiality assessments and stakeholder engagement.

This approach embeds sustainability across all organisational levels, from leadership to operations, strengthening our resilience while creating shared value that extends beyond our business to support global sustainability goals and community needs.

SDG Performance 2025

The pages that follow set out our 2025 performance against each of the nine SDGs that we can meaningfully contribute to, detailing the specific commitments we have made, the key performance indicators we track, and the progress achieved during the year. Together, they reflect the breadth of Phoenix's responsible business activity — from employee health and wellbeing, gender equality and community inclusion, through to renewable energy innovation, climate action, and biodiversity conservation.

3 Good Health and Wellbeing

Ensure healthy lives and promote wellbeing for all at all ages



Our Commitments	Key Performance Indicators	2025 Performance
Delivering a comprehensive range of Healthy Life initiatives and events to support staff wellbeing.	<ul style="list-style-type: none"> Deliver Healthy Life initiatives and events for staff annually. 	<ul style="list-style-type: none"> Delivered 50 Healthy Life initiatives in 2025 across the four programme pillars - Cancer Awareness, Healthy Eating, Physical Activity, and Mental Health - including the Spring Step Challenge and Stress Awareness lunch and learn sessions.
Providing staff with access to health screenings and comprehensive wellbeing benefits.	<ul style="list-style-type: none"> Provide all staff with access to annual health screenings. Offer flu inoculations to all staff annually. Provide all staff with complimentary fresh fruit. 	<ul style="list-style-type: none"> Health screenings offered to all employees, with an uptake rate of 51% in 2025. Flu inoculations offered to all employees, with an uptake rate of 29% in 2025. Complimentary fresh fruit provided to all office-based staff twice weekly throughout 2025, with additional provision during Healthy Eating Week in June.
Amplifying employee voice through the LIFE Committee's systematic integration of feedback and ideas into organisational strategy.	<ul style="list-style-type: none"> Continue to implement assessed and practical 'You Said We Did' initiatives. 	<ul style="list-style-type: none"> 9 'You Said We Did' initiatives delivered in 2025 in response to staff feedback, including flexible Phoenix 15 early start times for site-based staff, the Phoenix Awards recognition programme, implementation of an Annual Leave Purchase Scheme, extended charity partnership, and additional fresh fruit provision.
Undertaking regular independent assessments to continuously improve best practice standards and strengthen strategic alignment with workforce wellbeing priorities.	<ul style="list-style-type: none"> Perform regularly assessments of workplace health & wellbeing to evaluate current performance and identify areas for improvement 	<ul style="list-style-type: none"> N/A — Company health & wellbeing assessment is conducted triennially; next assessment due Q4 2026.
Providing holistic mental health support to employees through various programmes and resources.	<ul style="list-style-type: none"> Provide comprehensive mental health support through trained mental health first aiders and Employee Assistance Programme (EAP) access for all staff Provide regular mental health awareness training to all employees and managers. 	<ul style="list-style-type: none"> EAP access provide to all staff throughout 2025. 3 additional employees trained as Mental Health First Aiders, bringing the total to 6. Mental health awareness training delivered to 20 new staff and 31 managers in 2025 through the Mental Health Awareness and Mindful Manager programmes respectively.

5 Gender Equality

Achieve gender equality and empower all women and girls



Our Commitments	Key Performance Indicators	2025 Performance
Monitoring and reporting gender representation metrics across our workforce.	<ul style="list-style-type: none"> Track gender representation across all organisational levels. 	<ul style="list-style-type: none"> Gender representation monitored across all organisational levels via the PeopleHR system
Strengthening gender equality through comprehensive policy frameworks that promote empowerment and equal opportunities.	<ul style="list-style-type: none"> Maintain up-to-date policies that support empowerment and equal opportunities. 	<ul style="list-style-type: none"> A suite of policies maintained and kept current in 2025 to support empowerment and equal opportunities, including the Equality, Diversity & Inclusion, Dignity at Work, Flexible Working, and Equal Pay policies
Fostering a culture that empowers every individual to voice concerns regarding inappropriate conduct without fear of retaliation or dismissal.	<ul style="list-style-type: none"> Maintain robust policies that support employees raising concerns regarding inappropriate conduct without fear of retaliation. 	<ul style="list-style-type: none"> Dignity at Work, Grievance, and Whistleblowing policies maintained and kept current in 2025 to ensure all employees can raise concerns regarding inappropriate conduct without fear of retaliation.
Supporting leadership programmes that enable, empower and develop women and girls in education and employment.	<ul style="list-style-type: none"> Develop and maintain partnerships with leadership development programmes for women and girls. 	<ul style="list-style-type: none"> Partnership developed with the SistersIN Leadership Programme in 2025, a development journey for sixth form girls focused on building confidence and broadening career perspectives; 6 Phoenix Energy female employees participated as mentors, each paired with a female mentee aged 16–17 from local schools.
Advancing gender equality by supporting initiatives that promote women's success and leadership in STEM fields.	<ul style="list-style-type: none"> Provide ongoing support for women's STEM career advancement programmes. 	<ul style="list-style-type: none"> Phoenix Energy supported the Women'sTEC programme as a #notjustforboys champion in 2025, backing skills training in trades and complementary personal development, employability, and wellbeing activities; the programme also worked with young women to explore career opportunities in sectors where female representation is low, creating supported pathways into non-traditional careers through partnerships with schools, colleges, and industry.

7 Affordable and Clean Energy

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



Our Commitments	Key Performance Indicators	2025 Performance
Enabling customers to transition from oil to lower-emission natural gas heating systems.	<ul style="list-style-type: none"> Convert customer heating systems from oil to natural gas. 	<ul style="list-style-type: none"> A further c.3,000 customers converted from oil-fired heating systems to lower-emission natural gas alternatives in 2025 - achieved through targeted customer outreach and resulting in reductions in fuel-related greenhouse gas emissions.
Supporting customers to improve energy efficiency in their homes.	<ul style="list-style-type: none"> Provide free Home Energy Audits to customers. 	<ul style="list-style-type: none"> c.3,500 free Home Energy Audits provided to domestic households in 2025, offering advice on energy saving measures including insulation, draught proofing, and heating controls.
Providing guidance to customers in accessing available financial support for home energy efficiency upgrades.	<ul style="list-style-type: none"> Support customers to access energy efficiency funding. 	<ul style="list-style-type: none"> As a Primary Bidder in the NI Sustainable Energy Programme (NISEP) in 2025, Phoenix Energy supported the provision of c.£1.5m of direct grant assistance to 585 households, delivering 4,899 energy saving measures across six schemes; a further 363 properties accessed c.£165k of funding for boiler replacements through direct Phoenix Energy funded incentive schemes.
Advance renewable gas innovation programmes to secure long-term affordable and sustainable energy supply for Northern Ireland (NI).	<ul style="list-style-type: none"> Invest in renewable gas innovation programmes. 	<ul style="list-style-type: none"> Phoenix Energy led the development of a large Gas Distribution Network Operators (DNOs) NI Hybrid Heating Trial project plan in 2025, securing regulatory funding approval to carry out the trial in 2026–28; alongside the other NI gas distribution network operators. Phoenix, in partnership with the other regional gas DNOs, also secured funding from the Utility Regulator to undertake a review of the NI gas distribution network's readiness to accommodate a hydrogen blend.

8 Good Jobs and Economic Growth

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



Our Commitments	Key Performance Indicators	2025 Performance
Fostering a supportive workplace culture and investing in our people's growth through structured employee and manager development initiatives.	<ul style="list-style-type: none"> Provide all staff with access to Employee and Manager Development Programmes. 	<ul style="list-style-type: none"> Employee and Manager Development Programmes maintained and available to 100% of staff in 2025, with uptake to be actively promoted in 2026.
Supporting employee professional growth through structured accreditation pathways and continuous development initiatives.	<ul style="list-style-type: none"> Maintain comprehensive policies supporting employee accreditation and professional development. 	<ul style="list-style-type: none"> Further Education Policy maintained in 2025, with 2 employees availing of the policy to undertake professional development during the year. Phoenix Energy continues to support employee professional growth through a suite of development schemes, including the Engineering Officer Programme, the PES Apprenticeship Programme, and the PES Engineer Development Scheme.
Uphold high employment standards as demonstrated by employee satisfaction, retention rates, and industry benchmarking.	<ul style="list-style-type: none"> Achieve Great Place to Work Accreditation (or equivalent) while maintaining strong staff retention performance. 	<ul style="list-style-type: none"> N/A — Great Place to Work survey is biennial; last completed in 2024 and scheduled to run again in 2026.

9 Industry, Innovation & Infrastructure

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



Our Commitments	Key Performance Indicators	2025 Performance
Enhancing the long-term sustainability of NI's gas network by developing renewable gas infrastructure readiness and supporting indigenous fuel supply capabilities.	<ul style="list-style-type: none"> Progress research programmes to confirm the readiness of the gas network to facilitate the displacement of natural gas with green gases. 	<ul style="list-style-type: none"> Phoenix managed delivery of the joint NI Gas Network Operator Network Constraint project in 2025, exploring the potential injection constraints arising from large-scale biomethane injection into the NI gas network, cost-effective means of alleviating identified constraints, and the regulatory implications of socialising associated costs.
Building sustainable network resilience through strategic gas network reinforcement, upgrades, and capacity improvements.	<ul style="list-style-type: none"> Complete reinforcement and resilience upgrades as approved under regulatory price controls. 	<ul style="list-style-type: none"> The fourth and final GD23 reinforcement project was completed in 2025, with all four projects delivered one year ahead of regulatory targets; post-completion pressure monitoring analysis has verified that the reinforced network is performing as designed, confirming the expected improvements in network capacity and resilience.
Continuously evaluating and adopting new and sustainable technologies into our operations to enhance efficiency and environmental performance.	<ul style="list-style-type: none"> Implement sustainable technology solutions that deliver measurable improvements. 	<ul style="list-style-type: none"> Phoenix continued to implement sustainability improvements in 2025, becoming the first utility in NI to fully deploy a Vacuum Excavator across network operations. In the first five months of use, the technology prevented an estimated 500 tonnes of spoil from being generated, eliminating the equivalent demand for virgin aggregate and significantly reducing landfill waste in support of more sustainable construction practices.
Maintaining operational excellence by upholding relevant quality, safety and environmental certifications.	<ul style="list-style-type: none"> Maintain relevant ISO certifications (including ISO 14001, ISO 45001, ISO 55001). 	<ul style="list-style-type: none"> Phoenix Energy's suite of ISO certifications successfully retained in 2025 following independent surveillance audits: ISO 45001 (Occupational Health & Safety), ISO 14001 (Environmental Management), ISO 55001 (Asset Management), and ISO 22458 (Consumer Vulnerability).
Fostering knowledge sharing and sector partnerships through strategic renewable energy collaboration.	<ul style="list-style-type: none"> Develop and take forward collaborative research projects with the other NI Gas Network Operators (GNOs) and with relevant companies in the wider CK Group. 	<ul style="list-style-type: none"> Phoenix managed delivery of the KPMG Energy Consensus report in 2025, which recognised the need for an integrated approach to decarbonisation incorporating both electricity and gaseous molecules to meet NI's final energy demand through to 2050, securing support from all NI gas and electricity transmission and distribution network operators. Phoenix also became an associate member of Future Energy Networks, enabling regular engagement with GB counterparts on research and innovation projects.

10 Reduced Inequalities

Reduce inequality within and among our local communities



Our Commitments	Key Performance Indicators	2025 Performance
Monitoring and reporting on workforce diversity representation to drive equality improvements and track inclusion progress.	<ul style="list-style-type: none"> Track diversity representation across all organisational levels. 	<ul style="list-style-type: none"> Diversity representation monitored across the workforce in 2025, including employment status, sex, and religion as part of annual Equality Commission submissions; A dedicated diversity logbook was launched within the PeopleHR system in 2025 to broaden the range of diversity data captured, with employee engagement in completing the logbook continuing.
Continuously developing enhanced policy frameworks that promote greater inclusivity and support diverse talent across all levels.	<ul style="list-style-type: none"> Maintain comprehensive policy frameworks that support diverse talent across all levels. 	<ul style="list-style-type: none"> A suite of policies maintained in 2025 to support diverse talent across all organisational levels, including Equality Diversity & Inclusion and Recruitment Policies.
Supporting local communities through charity partnerships and engagement activities that tackle inequality and promote inclusion.	<ul style="list-style-type: none"> Maintain charity partnerships and community engagement programmes that address inequality and promote inclusion. 	<ul style="list-style-type: none"> Phoenix Energy launched a two-year charity partnership with Lighthouse, the dedicated mental health and suicide awareness charity, in 2025, with staff raising over £7,500 in the first year; A further 11 community groups were supported through the Phoenix Community Fund, with just under £6,000 distributed to local grassroots organisations delivering activities that reduce social isolation, remove barriers to inclusion, and promote equality. Phoenix Energy supported the Trussell Trust North Belfast Foodbank through warehouse volunteering days & an internal Christmas hamper collection.
Providing inclusive customer service that meets the diverse needs of all customers.	<ul style="list-style-type: none"> Maintain inclusive customer service training for all customer-facing staff Maintain relevant ISO certifications (including ISO 22458). 	<ul style="list-style-type: none"> Inclusive customer service training delivered to the relevant customer facing staff in 2025, including customer services, field staff, call centre handlers, sub-contractors, and senior staff; a structured programme of training was delivered throughout the year covering mental health and suicide awareness, deaf awareness, empathy-based customer care, and vulnerability identification, aligning with ISO 22458 requirements. ISO 22458 (Consumer Vulnerability) certification successfully retained in 2025 following an independent annual assessment. Phoenix Energy remains the only gas utility in NI to hold this certification.

12 Responsible Consumption & Production

Ensure sustainable consumption and production patterns



Our Commitments	Key Performance Indicators	2025 Performance
Minimising waste to landfill through recycling, reuse, and responsible construction and consumption initiatives.	<ul style="list-style-type: none"> Divert operational waste from landfill through recycling, reuse and responsible consumption programmes. 	<ul style="list-style-type: none"> Over 750 tonnes of operational waste diverted from landfill through recycling in 2025, including 694 tonnes of bituminous mixtures, 34 tonnes of end-of-life meters, 11 tonnes of paper, 4 tonnes of cardboard, 4 tonnes of PE pipe offcuts, 3 tonnes of lithium batteries, 1 tonne of circuit boards, and 1 tonne of dry mixed recyclables. Over 31,000 tonnes of waste avoided in 2025 through the continued use of trenchless technologies such as thrust bore mole, alongside the introduction of the vacuum excavator.
Reducing carbon footprint through renewable energy adoption and strategic energy use reduction initiatives.	<ul style="list-style-type: none"> Deploy innovative technologies and methods to reduce operational waste. Procure electricity required for our operations from renewable sources. 	<ul style="list-style-type: none"> 99% of electricity procured from renewable sources in 2025, verified through Renewable Electricity Guarantees of Origin (REGO) statements from Phoenix Energy's electricity suppliers. LED lighting upgrade programme continued across Phoenix Energy's office building in 2025, with all external car park lighting and circulation areas converted, and the programme extended to include cellular offices and meeting rooms throughout the building, continuing into 2026.
Enhancing our supply chain sustainability through procurement policies that prioritise environmental and social responsibility.	<ul style="list-style-type: none"> Implement energy reduction initiatives and technologies at our offices. Maintain procurement policies that prioritise environmental and social responsibility. 	<ul style="list-style-type: none"> A Supplier Code of Conduct was introduced in 2025 to guide supply chain partners in improving sustainability practices across the communities Phoenix Energy serves, complementing the company's wider suite of governance and compliance policies to form a comprehensive responsible procurement framework.

13 Climate Action

Take urgent action to combat climate change and its impacts



Our Commitments	Key Performance Indicators	2025 Performance
Demonstrating climate leadership through science-based Greenhouse Gas (GHG) emission targets and transparent public reporting.	<ul style="list-style-type: none"> Progress towards net zero emissions through science-based interim targets. Publicly report annually on GHG emissions reduction performance, including successes, failures, and areas for improvement Reduce GHG emissions across operations, fleet, and offices and implement energy efficiency measures 	<ul style="list-style-type: none"> Phoenix Energy delivered strong performance against its sustainability targets in 2025, with significant progress recorded across all key metrics. Highlights include: <ul style="list-style-type: none"> Scope 1 & 2 carbon emissions (excluding shrinkage) reduced by 40% against the 2019 base year, on track towards the >60% reduction target by 2030. Energy consumed from operations (excluding shrinkage) reduced by 40% against the 2019 base year, on track towards the >50% reduction target by 2030. Operational waste to landfill reduced by 78% against the 2019 base year, exceeding the >75% reduction target set for 2030 — five years ahead of schedule. 99% of electricity procured from renewable sources, on track to achieve the 100% target by 2030. All GHG emissions and energy use data independently verified in line with ISO14064 and performance publicly reported in Phoenix Energy's Responsible Business Report, available on the company website. GHG emissions reduced across operations and fleet in 2025 through the partial transition of plant-based vehicles from diesel to Hydrogenated Vegetable Oil (HVO) in collaboration with principal contractor Kier, with over 55,000 litres consumed during the year saving c.100 tCO₂e; Phoenix Energy also commenced a trial of electric vehicles across a combination of commercial vans and cars in 2025, with results informing future fleet decarbonisation strategy and regulatory submissions.
Performing comprehensive climate risk assessment to enhance operational resilience and maintain progressive risk management standards	<ul style="list-style-type: none"> Perform regular climate risk assessments to inform strategic planning and maintain best practice risk management. 	<ul style="list-style-type: none"> A comprehensive review of Phoenix Energy's Climate Change Risk & Opportunities Register was undertaken in 2025, with EY facilitating climate risk and opportunity workshops with the Management Team to ensure alignment with best practice and the company's 5x5 risk management framework.

15 Life on Land

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



Our Commitments	Key Performance Indicators	2025 Performance
Supporting land conservation through native tree planting and environmental partnership programmes.	<ul style="list-style-type: none"> Deliver annual native tree planting programmes to support environmental conservation. 	<ul style="list-style-type: none"> Phoenix Energy planted a further 8,000 native trees in 2025 through its ongoing partnership with The Conservation Volunteers (TCV), reaching a cumulative milestone of 32,000 trees planted across Northern Ireland's woodland areas and green spaces, supporting the company's target of 80,000 trees by 2031. In 2025, the partnership also provided 4 local community workshops to groups, and 4 staff volunteering events.
Fostering climate awareness and environmental understanding by facilitating educational initiatives in local primary schools.	<ul style="list-style-type: none"> Support educational initiatives on climate awareness in primary schools. 	<ul style="list-style-type: none"> Phoenix Energy supported the delivery of 8 Planet Protector climate awareness workshops in local primary schools in 2025 through its TCV partnership, reaching 171 pupils across 6 schools with hands-on biodiversity activities and carbon literacy education, helping students understand simple actions they can take to reduce their carbon footprint. Through the Sport Changes Life environmental programme, Phoenix Energy engaged 596 primary 7 pupils across 15 schools in East Down and Greater Belfast, combining classroom learning with sports-based practical activities using recyclable materials to reinforce sustainability practices and conservation skills.
Conducting external assessments to benchmark biodiversity performance and responsible business practice standards.	<ul style="list-style-type: none"> Complete regular external assessments of biodiversity performance and responsible business practice standards (e.g. BITC's Biodiversity Charter etc). 	<ul style="list-style-type: none"> Phoenix Energy retained its Platinum Award in the BITC NI Environmental Benchmarking Survey in 2025, NI's principal benchmarking exercise assessing organisations' environmental management and performance across climate, circular economy, resource use, and biodiversity. Phoenix Energy's BITC Business & Biodiversity Charter Silver status was maintained in 2025.
Maintaining and enhancing biodiversity across our facilities to support local wildlife habitats and ecosystem conservation.	<ul style="list-style-type: none"> Maintain and develop wildlife-supporting biodiversity features across our facilities. 	<ul style="list-style-type: none"> Biodiversity garden and handmade bug hotels maintained at Phoenix Energy's main office in 2025 to support local wildlife habitats and ecosystems.
Integrating biodiversity protection, restoration, and enhancement into operational activities wherever feasible.	<ul style="list-style-type: none"> Train operational staff on biodiversity practices and implement protection measures across operations. 	<ul style="list-style-type: none"> Biodiversity awareness training provided to all new staff joining Phoenix Energy in 2025 through an in-house programme, with ongoing training delivered to all staff in line with the requirements of Phoenix Energy's BITC Biodiversity Charter commitments.

Climate Change

We recognise climate change as the biggest environmental threat the world faces, and one which poses particular challenges to our business, most notably in the role that Phoenix continues to play in the transition to net zero emissions.

The transition to a low carbon economy is vital for a sustainable future. In order to make progress, it is necessary that we understand the material financial implications of climate change on businesses and investments. Therefore, measurement and integration of comparable, consistent, and reliable ESG factors is fundamental to making more informed decisions to facilitate long term sustainable growth.

The Taskforce on Climate related Financial Disclosures

To encourage company disclosure of material climate-related risks and opportunities, the Financial Stability Board created the Taskforce on Climate related Financial Disclosures (‘TCFD’). In 2017, the TCFD published their recommendations for all sectors, with additional disclosures for the energy sector.

This framework encourages action and transparency in the following areas:

- Governance
- Risk management
- Strategy
- Metrics and Targets

Phoenix is committed to implementing the recommendations of the TCFD, and the information outlined in this report, alongside disclosures contained within Phoenix’s Financial Statements represent our fifth disclosure. In 2024 we have fully complied with the recommendations of the TCFD.

Governance

Phoenix has developed a tiered governance framework to provide oversight and management of our environmental, social and governance (ESG) strategy and targets. This involves our Board of Directors, ESG Committee, Executive Management Team, senior management and operational personnel from across the business.



The Board of Directors is responsible for governing, directing and monitoring Phoenix’s operations, including our sustainability performance. The Board, in combination with the Executive Management Team (EMT), are responsible for ensuring that ESG issues, including climate change and climate change mitigation, are appropriately considered when reviewing company strategy, risk management policies and setting annual budgets. The Board also ensures systems are in place to enable EMT to meet its legal, regulatory and other obligations and ensure that business risks are managed appropriately. The Board provides the ultimate approval of sustainability and climate-related strategy, targets and performance.

The ESG Committee is responsible for supporting the Board in fulfilling its duties and responsibilities. This involves overseeing the company’s ESG Strategy, endorsing ESG targets and commitments, maintaining the effectiveness of policies, procedures and objectives and assessing ESG performance. The ESG Committee reports to the Board on sustainability and climate related issues, including the management of climate related risks and opportunities.

The EMT is responsible for ensuring the business has clear direction, objectives and resources in relation to sustainability and climate risk matters. The EMT also provide the ESG Committee and Board with regular updates on Phoenix’s ESG priorities, commitments, and performance. In addition, there is regular engagement on energy transition risks and opportunities, associated stakeholder engagement and communication strategy to position Phoenix as part of the decarbonisation solution.

The Responsible Business Group is chaired by the Director of Business Services and is responsible for leading on the delivery of Phoenix’s ESG Strategy. This includes the development and delivery of sustainability programmes and initiatives, recommendation of ESG Targets, monitoring of performance in relation to ESG matters, including materiality assessments, the publication of the annual Responsible Business Report and tracking performance against set targets.

Phoenix’s risk management framework includes the performance of climate change workshops to both identify, monitor and manage climate change risks and opportunities for Phoenix. The Management Team actively participate in climate change workshops (‘Risk & Opportunities’ and ‘Scenario Analysis’ workshops). The outputs of the workshops are utilised to populate risk registers which are managed through the risk management groups and internal control systems.

Phoenix maintain three relevant risk registers:

- Net Zero & Climate Change Risks & Opportunities Register;
- Operational Risk Register;
- Corporate Risk Register; and
- Directorate Risk Registers.

The Net Zero & Climate Change Risks & Opportunities Register, Corporate Risk Register, and Directorate Risk Registers are reviewed in detail at least annually. Material risks from the Directorate Risk Registers feed into the Corporate Risk Register. The more significant climate-related risks are included within the Corporate Risk Register and managed through the group’s risk management and internal control systems, which includes a full review by the Board and ESG Committee on at least an annual basis.

The Operational Risk Register details risks identified that could impact on the ongoing safe management and operation of the Distribution Network (including physical risks that could impact our network). The Operational Risk Register is reviewed on at least an annual basis and is managed by the Network Performance Group.

Strategy

Addressing the challenge of climate change and facilitating the transition to green energy is core to Phoenix's strategy. Phoenix's approach to help address climate change is centred on:

1

Reducing the carbon impact of our business operations; and

2

Playing a key role in the UK's transition to net zero

Due to the nature of our business and operations, we recognise the impact climate change could have on our operations and the importance of being transparent and proactive to identify, assess, and manage those risks and opportunities that directly impact our business.

Our Approach

It is Phoenix's ambition to be a net zero gas distribution network by 2050 or sooner. Phoenix has made a strong commitment to addressing climate-related risks and to accelerating the energy transition.

Our long-term strategies include a defined governance structure on addressing climate-related risks and improving our disclosures to provide clear and reliable information to our stakeholders. The outputs from Phoenix's net zero & climate change risks and opportunities processes serve as an input to Phoenix's strategic and financial planning processes, including consideration of:

- Regulatory planning;
- Revenues;
- Operating costs;
- Capital expenditures (including R&D);
- Acquisitions / investments;
- Impairment or assets / write downs; and
- Access to capital (including green lending).

In 2022, Phoenix developed a Greenhouse Gas ('GHG') Emissions Reduction Plan (Scope 1 & Scope 2 carbon emissions) that outlined a realistic and attainable pathway for Phoenix to reach net zero. The Plan includes meaningful actions to reduce the impact of our operations on the environment and sets challenging targets that progress can be monitored against.

In 2023, the GHG Emissions Reduction Plan was extended to include Scope 3 carbon emissions and now provides a realistic pathway for reaching net zero GHG emissions including Scope 3.

Phoenix have elected not to set a carbon price. However, this is something that may be revisited in the future.

Our Climate Change Commitments

Phoenix are committed to:

1. Supporting the United Nation's Sustainable Development Goals ('SDGs'). For example, by taking urgent action to combat climate change and its impacts (SDG 13) while providing affordable and clean energy for generations to come (SDG 7).
2. Adopting the recommendations of the Financial Stability Board's ('FSB') Task force on Climate Change-related Financial Disclosures ('TCFD') and reporting on progress made;
3. Aligning our operations to the goals of the Paris Agreement to attempt to limit the increase in global average temperature to well below 2°C above pre-industrial levels, and preferably 1.5°C;
4. Integrating the assessments of both physical and transition climate change risks into our corporate reporting as well as corporate risk management systems;
5. The implementation of ambitious, effective and incremental targets for enabling the transition to a low carbon economy;
6. Reporting our Greenhouse Gas ('GHG') emissions targets, results and activities openly and in accordance with the Greenhouse Gas Protocol;
7. Minimising the environmental impact of our own business operations;
8. Establishing strategies and programs to reduce the carbon footprint of our business operations, supply chain, and services by improving energy efficiency; and
9. Engaging our suppliers to improve transparency and collaboration, and minimise the environmental impact, including the carbon footprint, of our purchased goods and our services and products;

Delivering Low Carbon Solutions

Phoenix recognise the important role that the gas infrastructure in NI will play in realising net carbon zero solutions locally and are committed to:

- Optimising new connections to the gas network recognising that householders converting an older oil boiler to a natural gas system with high efficiency controls reduce their carbon footprint by up to 50%*;
- Promoting and educating energy users on the importance of 'whole house solutions' and the key role that energy efficiency plays in lowering carbon emissions;
- Working with key stakeholders across industry, regulation, academia, business and consumer bodies to progress renewable gas solutions in NI to include the introduction of renewable gas solutions (biomethane and hydrogen) into the existing gas infrastructure;
- Seeking out trial and demonstration projects with industry partners that help to shape a low carbon future and accelerating the energy transition in a manner that recognises the existing energy landscape in NI; and
- Realising the ambition to transition to a gas network that distributes net zero carbon solutions by 2050.

* Based on carbon savings associated with the installation of natural gas and the displacement of existing fuel type, coupled with efficiency gains assumed on the installation of a high efficiency gas boiler and associated highly efficient heating controls.

Scenarios Analysis

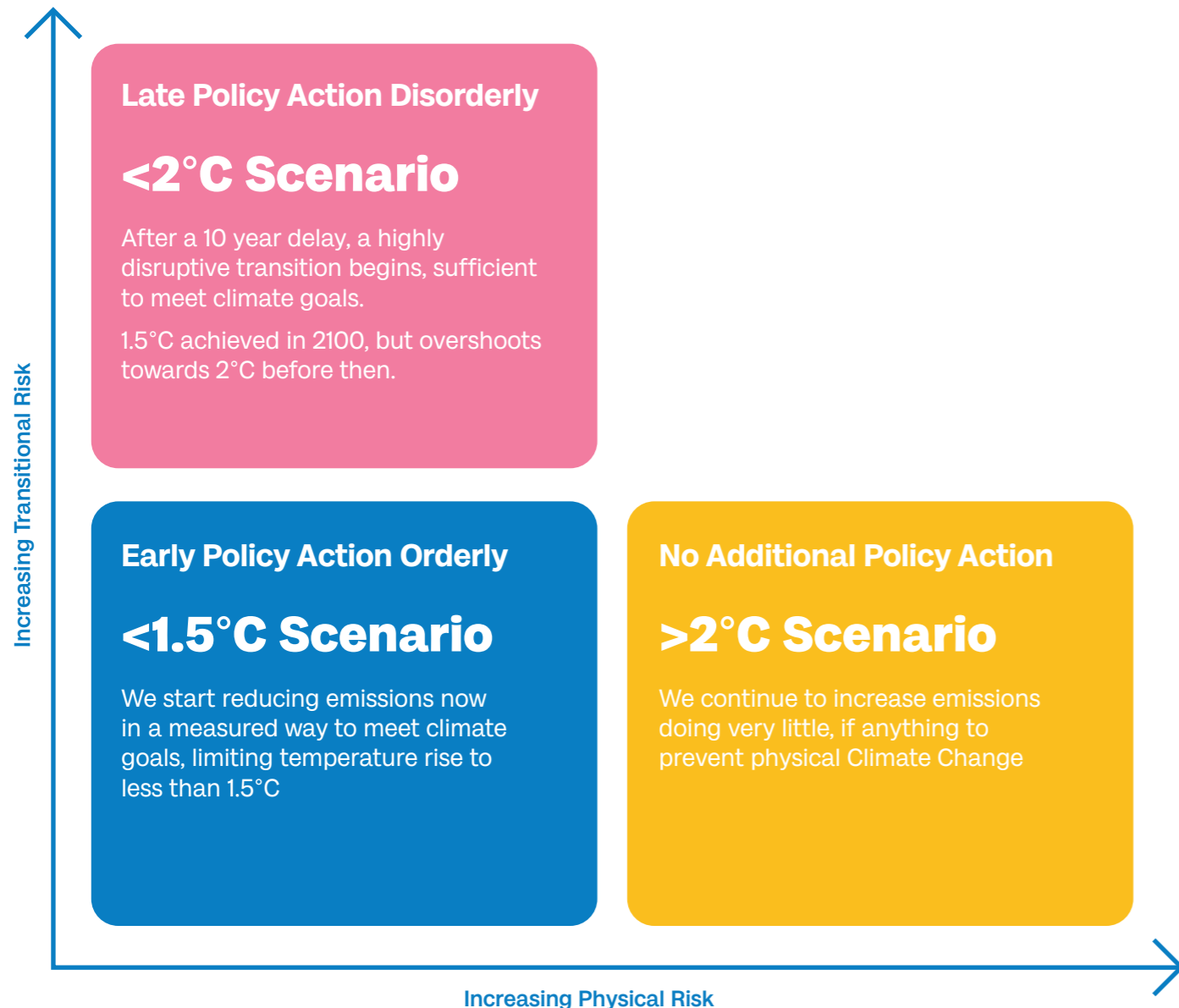
Phoenix engaged with a specialist provider of climate change scenario analysis to help understand the resilience of our business to different climate change scenarios and the impact of different scenarios on our products and investment strategies.

The scenarios utilised were based on the Network for Greening of the Financial System (NGFS) reference scenarios, with additional detail for the natural gas distribution sector, the UK, and Northern Ireland specifically.

Together with the specialist advisors, Phoenix used qualitative analysis to develop 3 potential scenarios for Phoenix for the period to 2050. A narrative was created for each of the following scenarios:

- No Additional Policy Action** - resulting in temperature rise greater than 2°C;
- Late Policy Action** - (Disorderly) after a period of inaction, a sharp transition is needed, resulting in temperature rise of below 2°C; and
- Early Policy Adoption/Steady Progress** - (Orderly) - resulting in temperature rise of below 1.5°C.

The three scenarios are shown below, arranged by the level of physical and transition risk that exists in each.



Quantitative Scenario Analysis

To further understand the financial impact that climate change risks (physical and transitional) and opportunities could have on our business, we have undertaken additional detailed quantitative climate change scenario analysis using our in-house scenario analysis model. The quantitative analysis undertaken continued to utilise the NGFS reference scenarios, which include plausible pathways to net zero, and has built upon the qualitative analysis previously performed.

The in-house scenario analysis model was utilised to assess the potential positive and negative implications of each climate change scenario on company valuation, the distribution price charged to consumers and business activities and spending (operating expenditure and capital expenditure). The quantitative scenario analysis modelling included consideration short (<10 years), medium (between 10 – 20 years) and long term (20 – 50 years) time horizons.

The quantitative analysis demonstrated that Phoenix’s operations are resilient to, and have a key role to play in, all scenarios. Phoenix is well positioned to mitigate the risks associated with climate change and to avail of the significant opportunities that arise, most notably the potential role Phoenix can play in the decarbonisation of heating in Northern Ireland.

RISK MANAGEMENT

Phoenix acknowledges the material risk to our business associated with climate change and the implementation of net zero carbon emissions.

Climate related risks (physical and transitional) are managed through our embedded risk management framework and across our governance and reporting processes. Our approach ensures the identification, assessment and management of climate change risks to reduce the impact and likelihood and maximise opportunities.

Phoenix utilise climate change workshops to identify and assess climate change risks and opportunities relevant to Phoenix’s operations. The workshops are attended by senior Phoenix personnel, including the Executive Management Team, and include the performance of a specific climate related risk assessment process to identify and assess relevant climate risks and opportunities under the climate change scenarios utilised for Phoenix’s qualitative and quantitative climate change scenarios analysis:

- No Additional Policy Action** – resulting in temperature rise greater than 2°C;
- Late Policy Action (Disorderly)** after a period of inaction, a sharp transition is needed, resulting in temperature rise of below 2°C; and
- Early Policy Adoption/Steady Progress (Orderly)** – resulting in temperature rise of below 1.5°C.

The outputs of the workshops are utilised to review and update the Net Zero & Climate Change Risks & Opportunities Register.

Time Horizons

The following time horizons are utilised by Phoenix to consider and assess identified climate change risks and opportunities:

- **Short Term – <10 years;**
- **Medium Term – from 10 – 20 years; and**
- **Long Term – 20 – 50 years**

When developing appropriate time horizons for assessing Climate Change risk and opportunities, consideration was given to:

- **The useful life of Phoenix’s assets and infrastructure – some of which are depreciated over 40 years;**
- **The length of Phoenix’s gas distribution licence (currently runs until 2046); and**
- **The fact that climate related issues often manifest themselves over considerable time periods (for example energy transition of the gas network is likely to take decades rather than years).**

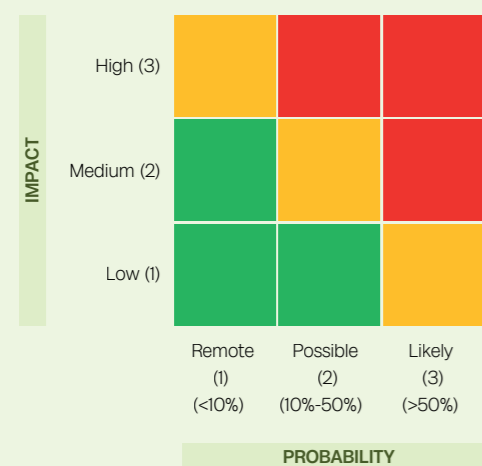
Potential financial impact

Identified risks and opportunities were then assessed in terms of potential financial impact, including consideration of the potential impact on the Phoenix’s.

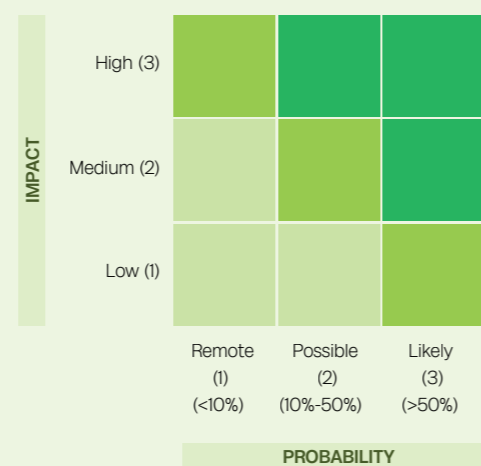
- **Products and services;**
- **Supply chain;**
- **Adaptation and mitigation;**
- **Investments and research and development;**
- **Operations;**
- **Finance; and**
- **Carbon footprint and energy use.**

In line with Phoenix’s existing risk and internal control framework, risk and opportunities rating matrices provide the framework to rank each risk and opportunity by likelihood of impact and significance of potential financial impact. This helps to identify the importance and materiality of each material risk or opportunity to the business.

Risk Matrix



Opportunity Matrix



Climate Related Risks and Opportunities

Following the completion of climate related risks and opportunities workshops facilitated by external climate change experts, Phoenix developed our Net Zero Climate Change Risks & Opportunities Register. The register is reviewed and updated by EMT on a regular basis to maintain accuracy and mitigate any newly identified risks.

Risks are categorised into two categories as outlined by the TCFD:

1. **Transition risks** – created by the world’s transition to a low-carbon economy as a result of carbon policy changes; and
2. **Physical risks** – created from a changing climate.

As part of our risk management activities, we have assessed our risks to identify those most adversely impacted by climate change. While the most significant are all transition risks, physical risks are also managed through our risk management framework.



Phoenix's key climate-related risks and opportunities are summarised below:

Category	Risks	Timeframe	Opportunities	Our Response
Transition (Policy & Legal)	Phoenix's gas distribution network may not form part of Northern Ireland's long-term net zero solution, potentially resulting in premature asset stranding and constrained investment opportunities due to absence of clear government policy supporting the gas network's role in achieving net zero.	Medium-term (10-20 years) / Long-term (20-50 years)	Establish a progressive biomethane transition pathway as a cost-effective alternative to electrification of heat, securing the network's role in Northern Ireland's net zero future whilst leveraging existing infrastructure. Additionally, deliver immediate carbon reductions (up to 50%) by connecting oil heating customers to the gas network.	Phoenix actively engages with government and the Utility Regulator to influence policy frameworks and secure regulatory support for green gas investment. Detailed technical feasibility assessments of network biomethane readiness are being conducted (including the recently completed Network Constraints project), alongside the development of commercial partnerships with biomethane producers. Network expansion continues to connect oil heating customers whilst building the foundation for future biomethane transition.
Transition (Technology)	Phoenix's existing gas infrastructure may prove technically or economically unsuitable for conversion to zero-carbon gas, whilst alternative heating technologies may emerge as more cost-effective solutions, resulting in the gas network being displaced from the long-term heating market.	Medium-term (10-20 years) / Long-term (20-50 years)	Phoenix's existing polyethylene network (99%+ of infrastructure) is already compatible with biomethane and hydrogen, eliminating costly pipe replacement requirements and providing significant cost advantage over electrification alternatives requiring expensive heat pump installations and electrical grid upgrades.	Phoenix commenced feasibility studies and regulatory processes in 2024 to facilitate biomethane injection into our natural gas network, with the first connection expected in late 2027. The Network Constraints project confirmed that no additional network reinforcements are required in the Phoenix network to accommodate known potential connecting AD plants. A Hydrogen blend readiness project is progressing under Energy Strategy Funding (ESF) from the Utility Regulator and will be completed in late 2026. Several small-scale Hybrid heat pump trials have been undertaken. Between 2026 -2028 a large-scale NI-wide ESF trial will be taken forward to demonstrate impact on carbon emissions.
Transition (Technology)	The biomethane and green gas market remains significantly underdeveloped compared to renewable electricity generation, with insufficient policy support, supply chain infrastructure, and production capacity. Continued slow progress in scaling green gas supply may result in alternative electrification technologies becoming the established decarbonised heating solution by default, effectively excluding green gas networks from Northern Ireland's long-term heating strategy.	Medium-term (10-20 years) / Long-term (20-50 years)	Gas opportunities, such as biomethane and hydrogen, represent opportunities for Phoenix, as do integrated demand-side solutions such as hybrid heating systems. Energy transition provides a range of upstream investment opportunities for Phoenix, e.g. Anaerobic Digestion plants, biomethane production, hydrogen production/pipelines. Demand for green gas solutions for the transport sector also provides potential sector/volume growth potential.	Phoenix has established a dedicated Energy Transition team to specifically manage energy transition and key enabling and market implementation workstreams. Active engagement with industry and academia continues to progress trials and demonstration projects. Phoenix continues to enhance the green credentials of gas in heating through the utilisation of biomethane as well as solutions for other sectors such as agriculture and transport. Phoenix continues to feed into government calls for evidence and consultation processes to ensure that NI policy is shaped by industry evidence and examples of best practice in other regions.

Category	Risks	Timeframe	Opportunities	Our Response
Transition (Market)	The commercial viability of green gas remains uncertain due to high production costs, limited supply chain infrastructure, and insufficient biomethane volumes, potentially rendering green gas uncompetitive compared to alternative heating technologies.	Medium-term (10-20 years) / Long-term (20-50 years)	Expand into net zero heating solutions and energy services, including hybrid heat pump systems and energy efficiency measures. Potential to expand into new market segments by supplying green fuels to heavy transport and agricultural sectors.	Phoenix is optimising partnership delivery models based on trial learnings and developing commercial business cases for hybrid heating services. Partnerships with biomethane producers are being established and opportunities across the green gas value chain explored, whilst active engagement with government on transport decarbonisation and agricultural emissions reduction policy continues.
Physical (Acute)	Increased frequency and severity of extreme weather events threaten gas network infrastructure integrity, with flooding of underground installations and storm damage posing risks of equipment failure and supply interruptions.	Medium-term (10-20 years) / Long-term (20-50 years)	Climate resilience capital investment in flood defences and storm-hardening infrastructure generates regulatory asset base growth whilst protecting long-term network viability and demonstrating proactive climate adaptation.	The majority of Phoenix's network utilises polyethylene pipe which is resilient to corrosion and submersion. Phoenix has engaged drainage consultants to implement flood risk reduction measures at governor installations, with new installations featuring permanent vent stacks more resilient to flooding. Comprehensive climate risk assessments are being developed to prioritise infrastructure requiring protection, with installations being relocated to above-ground locations where appropriate.

Metrics & Targets

The disclosures in this section constitute Phoenix Energy's Streamlined Energy and Carbon Reporting (SECR) disclosure for the year ended 31 December 2025, prepared in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Our approach to the low carbon transition will be guided by our GHG emission reduction targets and our commitment to achieving net zero emissions from our operations by 2050 or sooner.

Carbon Footprint

We have quantified and reported our organisational greenhouse gas (GHG) emissions in accordance with the GHG Reporting Protocol. Energy use data has been collected and converted into Carbon Dioxide equivalent (CO₂e) using the most up-to-date sources, including the March 2019 HM Government Environmental Reporting Guidelines and the 2025 UK Government Conversion Factors for Company Reporting (DESNZ). All data used is reliable, obtainable, and representative of typical operational activities.

In addition to these, other conversion factors based on spend and inventory have been applied, depending on data availability, across Scopes 1, 2, and 3 emissions. These include updated sources published within the UK and globally, such as DEFRA - Department for Environment, Food & Rural Affairs, the Environmentally Extended Input-Output (E.E.I.O) model, the Inventory of Carbon and Energy (I.C.E) database, the Circular Ecology - Inventory of Carbon & Energy (ICE) and lastly the Consumer Price Index (CPI).

We have used the operational boundary approach.

Emissions are categorised as direct or indirect. Direct emissions (Scope 1) are those from activities we own or control including those from company vehicles and burning of fossil fuels for heating. Indirect emissions, known as Scope 2 and 3 emissions, result from operational activities we do not own or control. These include emissions produced as a consequence of electricity we purchase (Scope 2) and other indirect emissions such as travel on company business (Scope 3).

Summary information on Phoenix's Carbon Footprint is provided in the table below:

CARBON EMISSIONS	Current Year 2025 ² tCO ₂ e	Baseline Year 2019 ¹ tCO ₂ e
Scope 1 Direct Emissions		
Fossil Fuels	267	581
Bio Energy	2	-
Transport	1,171	1,704
Fugitive emissions from refrigerants	1	1
Total Scope 1 Direct Emissions (excluding shrinkage factor)	1,441	2,286
Fugitive emissions from shrinkage (network leakage, own use and theft)	11,087	10,580
Total Scope 1 Direct Emissions	12,528	12,867

¹ The Fixed Base Year of 2019 is used for compliance reporting. 2019 is the first year that we quantified our carbon footprint and is the Base Year used by the company for other compliance reporting purposes, including carbon reduction targets.

² The carbon emissions associated with end users burning natural gas that has been distributed through the PEGL network have not been included in PEGL's Scope 1-3 emissions.

CARBON EMISSIONS	Current Year 2025 ² tCO ₂ e	Baseline Year 2019 ¹ tCO ₂ e
Scope 2 Indirect Emissions Electricity		
Purchased electricity (Location Based)	78	114
Purchased electricity (Market Based) ³	1	n/a
Total Scope 2 Indirect Emissions Electricity	1	114
Total Scope 1 & 2 Emissions	12,529	12,981
Total Scope 1 & 2 Emissions (excluding shrinkage factor)	1,442	2,401

Scope 3 Other Indirect Emissions		
Business travel	91	18
Employee Commuting	205	264
Fuel Related Activities	390	506
Energy Related Activities	8	27
Waste	54	176
Purchased Goods & Services ⁴	2,014	2,701
Total Scope 3 Other Indirect Emissions	2,762	3,692
Total Carbon Emissions	15,291	16,673
Total Carbon Emissions (excluding shrinkage)	4,204	6,093

¹ The Fixed Base Year of 2019 is used for compliance reporting. 2019 is the first year that we quantified our carbon footprint and is the Base Year used by the company for other compliance reporting purposes, including carbon reduction targets.

² The carbon emissions associated with end users burning natural gas that has been distributed through the PEGL network have not been included in PEGL's Scope 1-3 emissions.

³ Scope 2 Dual Reporting confirms there is allowance as per guidance to display a reduced figure associated to market-based electricity rather than location-based electricity. Phoenix have elected to utilise the market-based approach when accounting for Scope 2 emissions.

⁴ Phoenix has a number of Hybrid / Battery Electric Vehicles under our operations which are charged onsite with a renewable energy supply in place. Thus, emissions where applicable are accounted for in Scope 2 & 3 respectively.

The principal reasons for the decrease in Phoenix's carbon emissions excluding shrinkage (Scopes 1, 2 & 3), when compared with our Base Year 2019, was from initiatives introduced by Phoenix to reduce our emissions (see 'Low Carbon Projects & Environmental Actions Taken' section on page 76).

The total amount of estimated information calculated is within the 0-5% banding Phoenix Energy's greenhouse gas emissions, energy use, air pollution, waste and water data has been independently verified by a third-party carbon consultant in accordance with ISO 14064, covering the period 1 January to 31 December 2025.

Shrinkage in The Gas Network

Shrinkage in the gas network refers to gas losses that occur during distribution, including leakage, operational use, and theft. Shrinkage is a calculated estimate of gas lost through distribution networks and therefore shrinkage increases as the size of the Phoenix network increases. Unlike GB gas networks, which are replacing older steel pipes prone to higher leakage, Phoenix Energy's network in Northern Ireland is already built with polyethylene (PE) pipes, making it more efficient from the outset. Phoenix Energy reports emissions both including and excluding shrinkage (dual reporting), ensuring full transparency. This approach allows for accurate tracking of all emissions while also enabling Phoenix to focus on controllable reductions, such as fleet and operational energy use. Importantly, Phoenix's Net Zero strategy includes shrinkage, reinforcing its commitment to long-term reductions. As the energy transition progresses, shrinkage will be addressed through the combination of the introduction of renewable gases into the network and the offsetting of any associated residual emissions. Thus, aligning with Phoenix Energy's Net Zero commitments and ensuring a sustainable and transparent approach to carbon reduction.

GHG Emissions Intensity Metric

As Phoenix is continuing to grow the gas market, we believe carbon per customer connected to our network to be the most meaningful measure of our carbon performance.

GHG Emissions Intensity Metric	Current Year 2025 tCO ₂ e	Baseline Year 2019 tCO ₂ e
Scope 1 & 2 carbon emissions per connected customer (excluding shrinkage)	0.047	0.058
Total Carbon emissions per connected customer	0.058	0.073

Energy

Phoenix acknowledge that globally, the use of energy represents by far the largest source of GHG emissions from human activities. About two thirds of global greenhouse gas emissions are linked to burning fossil fuels for energy to be used for heating, electricity, transport and industry. To that end, Phoenix is targeting reducing our energy consumption (excluding shrinkage) by over 50% by 2030. This includes transitioning from fossil fuel energy sources to greener energy sources (e.g. renewable electricity, green gas etc).

Summary information on Phoenix's Energy Use is provided in the table below:

Energy	Current Year 2025 MWh	Baseline Year 2019 MWh
Fossil Fuels	1,281	2,457
Transport	5,296	8,724
Electricity	438	447
Shrinkage factor	10,653	10,165
TOTAL	17,668	21,792

The principal reasons for the decrease in energy use in 2025, when compared with our Base Year 2019, was as a consequence of initiatives introduced by Phoenix to reduce our environmental impact (see 'Low Carbon Projects & Environmental Actions Taken' section on page 76).

* Scope 3 emissions from Purchased Goods & Services that account for a significant element for Phoenix's Total Emissions, were not quantified in our Base Year 2019. As such, Total Emissions 2024 per connected customer is not directly comparable to the Base Year 2019.

Air Pollution

Air pollution refers to the release of pollutants into the air, such as extremely small particles and gases, that are detrimental to human health and the planet as a whole. These include:

- gases such as nitrogen dioxide, ozone, sulphur dioxide and carbon monoxide; and
- particulate matter (PM), made up of solid and liquid particles such as soot and dust.

As part of the process to attempt to quantify the impact we have on the environment, Phoenix have calculated the volumes of air pollution generated by our operations. The majority of air pollution produced by Phoenix relates to pollutants produced through the use of our commercial fleet. In order to reduce the volume of air population Phoenix generates, we have committed to transition our entire commercial fleet to green fuels that do not raise any air pollution by 2035.

Summary information on Phoenix's Air Pollution levels is provided in the table below:

Air Pollution	Current Year 2025 kg	Baseline Year 2019 kg
Sulphur Oxides (SO _x)	3	4
Nitrous Oxides (NO _x)	2,100	3,354
Particle Matter 2.5 (PM _{2.5})	34	61
Particle Matter 10 (PM ₁₀)	34	61

Waste

At a global scale, the waste management sector makes a relatively minor contribution to greenhouse gas emissions. However, the waste sector is in a unique position to move from being a minor source of global emissions to becoming a major saver of emissions. Although minor levels of emissions are released through waste treatment and disposal, the prevention and recovery of waste (i.e. as secondary materials or energy) avoids emissions in all other sectors of the economy.

Phoenix has achieved its target of reducing the volume of waste sent to landfill as a consequence of our operations by over 75% by 2030.

Summary information on Phoenix's waste sent to landfill is provided in the table below:

Waste	Current Year 2025 tonnes	Baseline Year 2019 tonnes
Total Waste	30,574	125,498
Re-use	-14	17
Re-cycling	-928	-851
Diverted from Landfill	-19,612	-78,524
WASTE TO LANDFILL	10,020	46,140

Water

The water cycle is expected to undergo significant change as a consequence of climate change. Water availability is becoming less predictable in many places, and increased incidences of flooding threaten to destroy water points and sanitation facilities and contaminate water sources. Phoenix recognises that ensuring that everyone has access to sustainable water and sanitation services is a critical component of climate change mitigation.

Phoenix has committed to investigating improvement measures to reduce the volume of water consumed as consequence of our operations and to consider means for water re-cycling / re-use (e.g. rain water capture).

Summary information on Phoenix's water use is provided in the table below:

Water	Current Year 2025 Megalitres	Baseline Year 2019 Megalitres
Water Consumption (potable)	0.9	1.3
TOTAL	0.9	1.3

Low Carbon Projects & Environmental Actions Taken

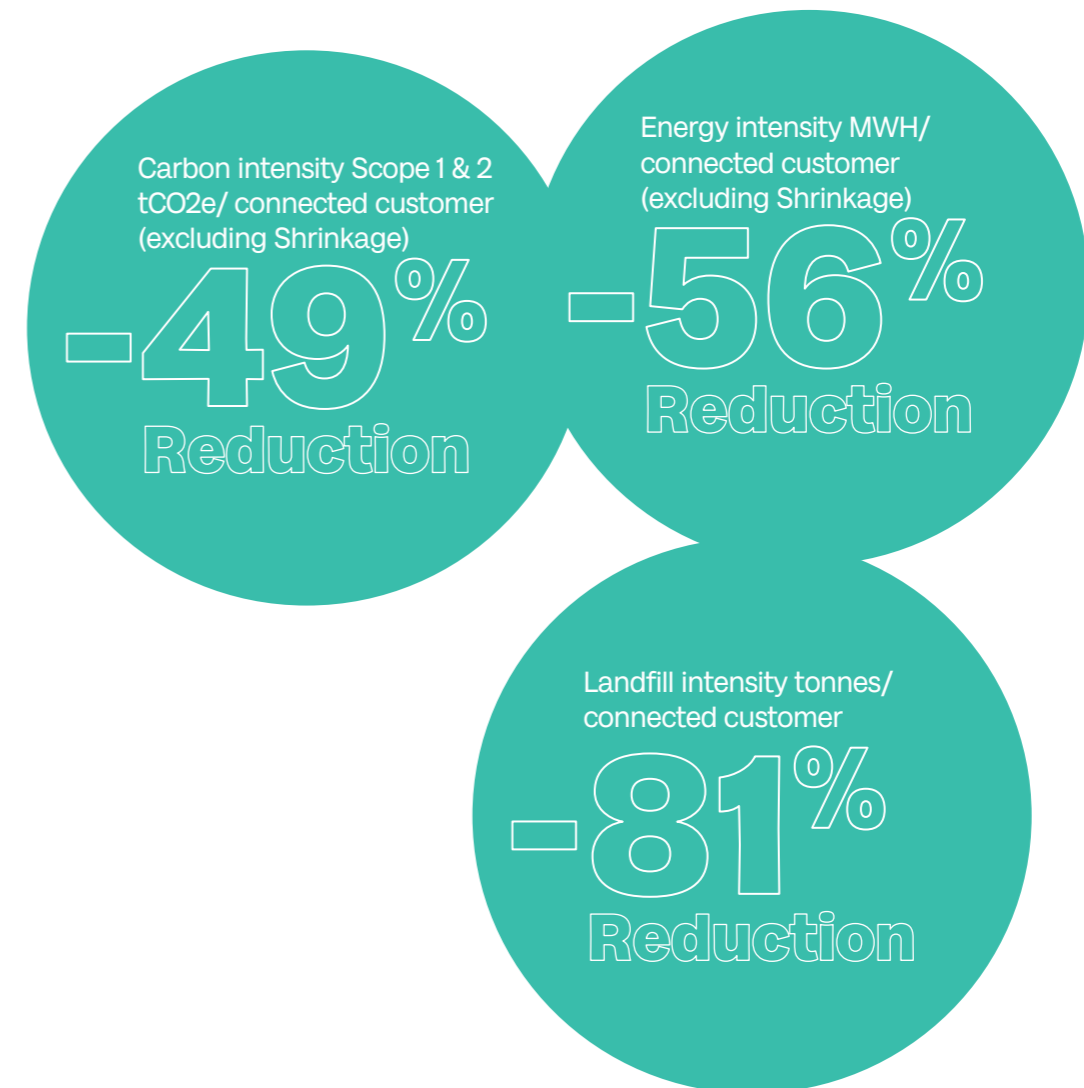
- Ongoing engagement with over 90% of Phoenix's supply chain to quantify and address Scope 3 indirect emissions from purchased goods and services.
- Following a successful trial, Phoenix has implemented processes in collaboration with Kier Construction to permanently integrate Hydrotreated Vegetable Oil (HVO) as a fuel alternative for vehicles used in Phoenix operations, with plans to further adapt operational processes enabling increased year-on-year uptake;
- Introduction of electric vehicles into Phoenix's commercial fleet in 2025, with trials of various vehicle types under operational conditions informing future decarbonisation strategy, alongside installation of additional EV charge points and continued incentivisation of plug-in hybrid and electric vehicles in the company car scheme;
- Delivery of multiple hybrid heat pump trials across private rented and social housing sectors, with a large-scale trial of 115 hybrid systems and 55 comparison boilers approved in December 2025 for installation from April 2026, led by Phoenix on behalf of NI gas distribution network operators;
- Supporting the development of NI Executive biomethane policy through the provision of high-quality research into the costs associated with injecting large volumes of biomethane into the NI Gas Network;
- Energy efficiency upgrades across offices and depots, including LED lighting replacements, energy-efficient desktop PC upgrades, and installation of water-saving devices to reduce water consumption; and
- Promotion of sustainability initiatives to reduce single-use plastics, including provision of reusable products to staff.

Carbon Offsets

Together with the low carbon projects indicated above, we are actively progressing carbon offsetting projects year on year.

These include:

- Continued partnership with the Conservation Volunteers, supporting the planting of 8,000 native trees annually until 2031;
- Continuing to reduce the carbon footprint of heating in NI in the short-term by converting customers from more polluting fuels to natural gas, and in doing so, provide a vehicle towards the long term move to net zero options;
- Performing c. 3,400 energy audits with domestic householders each year, providing a range of energy efficiency advice to encourage property owners to take action to improve the efficiency of their homes, help reduce their homes carbon footprint and reduce running costs by cutting fuel wastage. Advice includes guidance on appropriate insulation levels, draft proofing, efficient use of household appliances and the importance of a correctly functioning, fully controlled central heating and hot water system; and
- As a Primary Bidder in the Northern Ireland Sustainable Energy Programme ('NISEP'), Phoenix provided Whole House solutions to 137 households via our Efficiency Plus Heating and Insulation NISEP schemes, completing 1,869 measures, saving an estimated c.700 tonnes of tCO₂e per annum. In addition, Phoenix provided 433 households with Insulation measures via our Efficiency Plus Insulation Only Schemes, completing 3,030 measures, saving an estimated 439 tonnes of tCO₂e per annum.



Climate Action Targets

We have set ambitious climate action goals with science-based targets for our own operations (Scope 1 & 2 emissions).

Our own operations targets are aligned with the Paris Agreement's aspiration to limit global warming to 1.5°C and demonstrate our leadership in Climate Action.

We strive to reduce our environmental footprint by seeking opportunities for increased efficiency and resource conservation.

Targets include:

- Eliminating all emissions except for 'residual emissions'¹ by 2048;
- Reducing our scope 1 & 2 carbon emissions by >60% (excluding shrinkage) by 2030;
- Reducing our scope 1 & 2 carbon emissions by >90% (excluding shrinkage) by 2035;
- Reducing the energy consumed from our operations by >50% by 2030 (excluding shrinkage);
- Reducing the energy consumed from our operations by >75% by 2040 (excluding shrinkage);
- Reducing Scope 3 emissions by >60% by 2030;
- Reducing Scope 3 emissions by >80% by 2040;
- Eliminating all air pollution emissions from Sulphur Dioxide (SO_x) and Particulate Matters (PM_{2.5} & PM₁₀) by 2035;
- Eliminating all but residual emissions for Nitrous Oxide (NO_x) by 2048;
- Be Net Zero (including shrinkage) by 2050²;
- Transitioning our entire commercial fleet to green fuels by 2035;
- Engaging with our supply chain to further improve the quantification of our Scope 3 indirect emissions associated with purchased goods and services;
- Partnering with The Conservation Volunteers to plant 8,000 native trees each year until 2031;
- Introduction of 20% green gas (hydrogen / biogas blended) into the Phoenix Network by 2030³;
- Facilitate the distribution of biomethane in the Phoenix network by 2025⁴;
- Facilitate the distribution of hydrogen in the Phoenix network by 2027⁵;
- Procurement of 100% of electricity required for our operations from renewable sources by 2030;
- Reducing the volume of waste sent to landfill because of our operations by over 75% by 2030; and
- Commitment to investigating improvement measures to reduce the volume of water consumed as consequence of our operations and to consider means for water re-cycling / re-use (e.g. rain water capture).

In 2023, Phoenix in conjunction with the other NI Gas Network Operators, issued several decarbonisation commitments including:

- By 2030 1.5TWh of Biomethane will be injected into the NI Gas Network annually; and
- By 2028 the gas network in NI will meet all relevant technical and regulatory standards to accept both hydrogen blend imports and locally produced hydrogen injection.

An important part of Phoenix's strategy to support the net zero transition is to measure and report performance against stretching carbon targets. Phoenix will report annual progress against these targets and Phoenix reviewed and refined its targets in 2025 according to the latest scientific evidence. Phoenix will review the targets again by 2030 to ensure they remain in line with the latest scientific evidence.

¹ Residual emissions are GHG Emissions that are emitted after all reasonable efforts have been made to reduce GHG Emissions. In Phoenix's case these will relate to the continued distribution of biomethane.
² It is anticipated that Phoenix will be required to offset residual emissions.
³ The achievement of this target is dependent on government policy, the wider development of green gas infrastructure, and the availability of market-based mechanisms to allocate renewable gas to Phoenix network users.
⁴ Facilitating the distribution of biomethane requires the establishment of technical, commercial and regulatory readiness ahead of physical gas flows. By the end of 2025, Phoenix had substantially achieved this: the joint NI Gas Network Operators Network Constraints project was completed, confirming the network's readiness to accommodate biomethane injection, and the technical and regulatory frameworks necessary to enable biomethane injection into the distribution network had been established. The remaining element, finalisation of the commercial frameworks to support first connections, is progressing and expected to be completed by the end of 2026. The pace of physical gas flows into the network continues to be constrained by the slow development of a dedicated government policy framework for biomethane in Northern Ireland, a factor outside Phoenix's direct control.
⁵ Facilitating the distribution of hydrogen requires the establishment of technical, commercial and regulatory readiness ahead of physical gas flows. By the end of 2025, Phoenix had made significant progress towards this: the regulatory framework that will allow the distribution of blended hydrogen has been confirmed to be in place, and the hydrogen blend preparedness project is well underway with completion expected by the end of 2026. The outcomes of the project will determine what further actions, if any, are required to achieve full readiness for blended hydrogen distribution. Phoenix's ability to meet the 2027 target is therefore dependent on those findings, alongside the pace of policy and infrastructure development across Great Britain and Northern Ireland.

Carbon Targets

60%
Reduction in Scope 1 & 2 carbon emissions (excluding shrinkage) by 2030

100%
Zero emission commercial vehicles by 2035

90%
Reduction in Scope 1 & 2 carbon emissions (excluding shrinkage) by 2035

Net Zero
Scope 1 & 2 carbon emissions (including shrinkage) by 2050¹

Energy Targets

50%
Reduction in energy consumed by our operations (excluding shrinkage) by 2030

100%
Renewable electricity to run our operations by 2030

75%
Reduction in energy consumed by our operations (excluding shrinkage) by 2040

20%
Green gas introduced in the Gas Distribution Network by 2030²

Circular Targets

75% **TARGET ACHIEVED**
Reduction in waste sent to landfill as a consequence of our operations by 2030

8,000
New Native trees planted each year until 2031

¹ It is anticipated that Phoenix Energy will be required to offset residual emissions.
² The introduction of hydrogen blended mix of gas into the Phoenix Energy Distribution Network is likely to be dependent on government policy and on the introduction of hydrogen blended gas into the UK Gas Distribution network.

Management of Material Topics: Environment

Topic	Materiality	Impact	Policies / Commitments / Actions
Climate Change	High	As the largest gas distribution network operator in NI, Phoenix requires significant volumes of energy to operate and generates greenhouse gas emissions (GHG) from its operations. Further information on Phoenix's energy use and GHG emissions is provided at pages 72 – 74.	It is Phoenix's ambition to be a Net Zero gas distribution network by 2050 or sooner. Phoenix has made a strong commitment to addressing climate-related risks and to accelerating the energy transition. Our long-term strategies include a defined governance structure on addressing climate-related risks and improving our disclosures to provide clear and reliable information to our stakeholders.
Greenhouse Gas Emissions	High	In line with the UK's 2050 net zero target, Phoenix is playing a leading role in the development and implementation of solutions to reduce the GHG emissions associated with heating in NI. This includes: <ul style="list-style-type: none"> Continuing to convert consumers heating systems from traditional fossil fuels to natural gas, and thereby reducing driving carbon reductions; and The development and introduction of green gas solutions to replace natural gas. 	Phoenix has taken the proactive steps to: <ul style="list-style-type: none"> Develop a Net zero and Climate Change Policy; Voluntarily disclosing in line with the requirements of the Taskforce on Climates Related Financial Disclosures Support relevant United Nation's Sustainable Development Goals ('SDGs'). Quantify its carbon footprint (Scopes 1-3), including its energy use and greenhouse gas (GHG) emissions; Develop a GHG Emissions Reduction Plan, that provides a meaningful and realistic pathway for Phoenix to reach net zero; and Publicly report on its progress against targets, including on failures
Air Pollution	Medium		
Energy	Medium		
Resilience to Catastrophe/ Disaster	High	As an operator of an essential service, namely the distribution of gas primarily utilised for heating, it is imperative that Phoenix is appropriately resilient to catastrophe / disaster.	Phoenix maintains a suite of business continuity and disaster recovery (DR) procedures and plans that are designed to help maintain continuity of service and that we can respond to disasters or other emergencies. The business continuity plans and DR procedures are routinely reviewed and updated, and are regularly tested to ensure Phoenix can recover operations successfully and in a timely manner.
Biodiversity & Habitat Protection	Medium	Phoenix recognises the potential negative impacts that our operations (e.g. the continued construction of the gas network) could have on biodiversity. Preserving biodiversity is essential to minimise environmental impacts, maintain ecosystem functions, and ensure the long-term sustainability of natural resources.	Through its Environmental & Biodiversity Policy, Phoenix aims to continually assess and manage the environmental implications of our activities by complying with all relevant environmental legislation in order to promote the protection, conservation, and sustainable use of biologically diverse ecosystems and habitats. Phoenix's certified Environment Management System (EMS) embraces the need to protect habitats and promote bio-diversity. Our construction works are planned taking account of the requirements to protect local features and site-specific risk assessments and methodologies are created and implemented to ensure that we protect the existing habitats found in the areas in which we work.
Hazardous Substances	Medium	Phoenix is required to utilise hazardous substances as part of its operations. Controlling hazardous substances is critically important for ensuring workers health and safety, for ensuring Phoenix comply with relevant legal compliance and to protect the environment.	Phoenix are compliant with the Control of Substances Hazardous to Health Regulations 2002. Where possible, Phoenix eliminates hazardous materials from the workplace (e.g. by substituting with less hazardous materials). Where this is not possible, Control of Substances Hazardous to Health (COSHH) risk assessments are performed to ensure appropriate control measures are put in place to reduce exposure to hazardous substances to as low as reasonably practicable.
Sourcing of Materials	Medium	Ethical sourcing of materials is not only a moral imperative but also a strategic business decision taken by Phoenix. By prioritising ethical considerations in its supply chains, Phoenix helps safeguard its reputation, mitigate risks, promote sustainability, and meet the evolving expectations of its consumers and stakeholders.	Phoenix's Procurement Policy: <ul style="list-style-type: none"> Outlines our commitment to procure goods and services from sources with known ethical standards to prevent exploitation of labour and ensure that the environmental impact is minimised; and Mandates that sustainability be considered as part of the procurement process. Contractors and members of the Phoenix supply chain are challenged to provide information on the sustainability of materials purchased.
Waste Produced	Medium	Environmentally, it contributes to pollution, land degradation, and resource depletion. Economically, it leads to increased disposal costs, project delays, and loss of potential revenue from salvaged materials. Additionally, it can harm Phoenix's reputation and lead to legal consequences if waste management regulations are violated.	Through careful planning during our construction and maintenance works, all possible opportunities are taken to minimise waste. All elements of the business seek to reduce, re-use and recycle waste and to conserve scarce natural resources where possible. Phoenix's strategy includes applying the waste hierarchy of prevention, preparing for re-use, recycling, other recovery and as a last resort responsible disposal method, when dealing with all types of waste, including hazardous waste.

Management of Material Topics: Social

Topic	Materiality	Impact	Policies / Commitments / Actions
Health & Safety: Employees	High	Health and safety considerations are critically important for Phoenix due to the inherent risks associated with handling and distributing gas and those associated with constructing a gas network.	Phoenix ensures strict adherence to safety regulations, conducting regular inspections and maintenance, providing comprehensive training to employees, and investing in advanced safety technologies.
Health & Safety: Customers	High		
Health & Safety: Community	High	Neglecting health and safety protocols can lead to severe consequences, including gas leaks, explosions, fires, exposure to toxic substances and increased accidents and injuries. These incidents can result in loss of life, property damage, environmental harm, legal liabilities, and damage to Phoenix's reputation.	Phoenix's Occupational Health & Safety Management system is certified to ISO45001 and compliance is measured as part of the internal audit programme managed within the business and is externally verified on a 6-monthly basis.
Health & Safety: Contractors	High		
Health & Safety: Supply Chain	Medium		
Safe Working Conditions	High		
Equality, Diversity & Inclusion	High	Equality, diversity, and inclusion (EDI) are essential for fostering a positive work environment, driving innovation, improving customer service, attracting top talent, ensuring legal compliance, enhancing brand reputation, and fulfilling Phoenix's social responsibility obligations. By prioritising EDI, Phoenix can create a more inclusive and equitable workplace and contribute to long-term business success and sustainability.	Phoenix recognises that prioritising EDI is not only the right thing to do ethically but is also strategically important to drive sustainable growth, innovation, and competitive advantage in an increasingly diverse and dynamic business environment. We maintain an Equality, Diversity and Inclusion Policy that outlines our commitment to promoting equality and to operating fairly and equitably in our dealings with employees, prospective employees and in all our external relations. Phoenix promotes a good and harmonious working environment where every individual is treated with respect and dignity and in which no worker feels threatened or intimidated for any reason.
Community Development	Medium	As a leading NI utility, Phoenix has the potential to play a pivotal role in community development by leveraging our resources, expertise, and influence to create positive social, economic, and environmental outcomes that contribute to the overall well-being and prosperity of the communities we serve.	The importance of community development within the Phoenix CSR Plan is demonstrated by its positioning with the LIFE programme, the F standing for 'Fostering our Community'. Phoenix has an active and visible presence in the local communities within our Licence areas. Positive impacts for our stakeholders and the community we serve are delivered through meaningful engagement, contribution and volunteering that reflect the needs of each community.
Customer Satisfaction	Medium	Customer satisfaction is a critical success factor for Phoenix, impacting reputation, regulatory compliance, competitive position, revenue growth, and operational efficiency. By prioritising customer needs and delivering exceptional service experiences, Phoenix can build trust, loyalty, and long-term relationships with our customers, driving sustainable business performance and shareholder value.	Phoenix regularly performs customer satisfaction surveys to assess customer's perception of the services provided Phoenix and independent installer companies. The feedback obtained from customer surveys are utilised to improve our service offering, thus ensuring that high levels of service continue to be provided to our customers. Phoenix holds certification to ISO 22458 Consumer Vulnerability, awarded by BSI. Phoenix Energy is only the third company in NI and the first utility network operator in NI (across electricity, water and gas) to achieve this certification.
Employee Engagement	Medium	Employee engagement is a critical driver of success for Phoenix, impacting safety, service quality, innovation, productivity, talent retention, and organisational culture. By prioritising employee engagement and creating a supportive work environment, Phoenix can unlock the full potential of our workforce and achieve sustainable growth and success in the long term.	Phoenix's Employee Engagement Policy outlines our commitment to effective staff engagement and recognises the benefits this can bring in securing commitment and delivery of the Company's aims and objectives. Phoenix Energy has earned certification as a Great Place To Work™ following employee participation in the survey.

Management of Material Topics: Social (contd)

Topic	Materiality	Impact	Policies / Commitments / Actions
Health & Wellbeing: Employees	Medium	Investing in employee health and wellbeing is not only a moral imperative but also a strategic business decision for Phoenix. By prioritising the health and wellbeing of employees, Phoenix can improve operational performance, enhance customer satisfaction, mitigate risks, ensure regulatory compliance, and strengthen its corporate reputation, ultimately driving long-term success and sustainability.	<ul style="list-style-type: none"> Phoenix's Health and Wellbeing Policy outlines a number of initiatives that we employ to safeguard the health and wellbeing of our employees. These include: <ul style="list-style-type: none"> Promoting work / life balance; Promoting good nutrition; Promoting our Employee Assistance Programme (EAP); and Promotion of a dedicated Health and Wellbeing Staff Programme. Phoenix has implemented a series of health and wellbeing initiatives, championed by our 'LIFE Committee', that is based on the four main health priorities: <ul style="list-style-type: none"> Physical activity. Healthy eating. Mental health; and Cancer awareness
Local Employment	Medium	Phoenix can play a vital role in supporting local employment by creating job opportunities, stimulating economic growth, investing in training and development, engaging with local communities, and promoting diversity and inclusion in the workforce. By prioritising local employment, Phoenix will contribute to the prosperity and well-being of the communities it serves while driving its own success and sustainability.	<p>Phoenix directly employs a significant number of people locally and recognises that investing in an engaged workplace encourages commitment, motivation, and productivity.</p> <p>Phoenix invests in the training and development of its employees, enabling them to reach their potential and recognise opportunities for progression within Phoenix and across the wider gas industry.</p>
Staff Development & Training	Medium	Staff development and training are essential investments for Phoenix, impacting safety, service quality, operational efficiency, innovation, talent retention, regulatory compliance, and reputation management. By prioritising employee development, Phoenix can build a skilled and motivated workforce capable of driving sustainable business success and delivering value to customers and stakeholders.	<p>A dedicated focus is given to developing staff and forms part of our CSR programme, known as 'LIFE', with 'I' standing for 'Investing in Our People'.</p> <p>Phoenix has a dedicated HR function that looks after staff, their wellbeing and their personal development in a structured way, through an effective Learning & Development Strategy designed to help people perform to their best. This includes a number of structured activities including:</p> <ul style="list-style-type: none"> Engineering Officer Programme: a structured training and development programme for assistant engineers to be developed in stages to become Engineering Officers. Apprenticeship Schemes: A blended learning approach to studies and on-the-job learning as part of the route-to-employment with the company. Employee Development Programme: Offers employees the opportunity to avail of training courses that do not necessarily form part of their job role requirement. HR Training Cycle. Appraisal process for all staff; and Further Education Policy to support employees who wish to continue their development through formal education.
Stakeholder Relations	Medium	Effective stakeholder relations are essential for the success and sustainability of Phoenix. By prioritising relationships with regulators, communities, customers, investors, suppliers, and employees, Phoenix builds trust, fosters collaboration, and creates shared value for all stakeholders, ultimately driving long-term business growth and prosperity.	<p>Phoenix has developed and implemented a structured Stakeholder Engagement Strategy. This has allowed Phoenix not only to identify who its stakeholder groups are, but to execute a specific engagement plan to best capture the needs and opinions of these groups, which ultimately informs internal decision making. The key aspects of our Stakeholder Engagement Strategy include:</p> <ul style="list-style-type: none"> the identification of relevant stakeholders including their key contacts. assignment of personnel to manage the relationship with each relevant stakeholder; and development of a programme for engaging with relevant stakeholders.

Management of Material Topics: Governance

Topic	Materiality	Impact	Policies / Commitments / Actions
Board Composition	Medium	The composition of the board significantly impacts governance, strategy, risk management, stakeholder relations, and corporate performance. By ensuring a well-balanced board (including having an independent chairperson) with diverse skills, expertise, and perspectives, Phoenix can enhance its ability to navigate complex challenges, seize opportunities for growth and innovation, and create long-term value for shareholders and stakeholders.	<p>The Phoenix Board is responsible for promoting the highest standards of corporate governance. The tone is set at the top by the Board and is embodied by our Executive Management Team (EMT).</p> <p>Under the terms of our license, Phoenix energy must ensure that our Board comprises a majority of Independent Non-Executive Directors and who possess relevant experience and knowledge of regulated industry and at least one Independent Non-Executive Director must have experience of the energy industry. The Board currently comprises two independent Non-Executive Directors, one of which is the Chair, together with the CEO as an Executive Director.</p>
Independence of the Board Chair	Medium		
Cybersecurity	Medium	Cybersecurity is a critical priority for gas distribution companies to protect critical infrastructure, safeguard sensitive data, ensure regulatory compliance, manage supply chain risks, maintain operational resilience, and preserve reputation and trust among customers and stakeholders. By prioritising cybersecurity investments and implementing comprehensive security measures, Phoenix can mitigate cyber risks and enhance their ability to deliver safe, reliable, and resilient gas services to customers.	<p>Phoenix adopts a policy of security and privacy first. We have adopted a multi layered approach to security where software and hardware controls are in place to minimise the risk of threat ingress.</p> <p>Phoenix proactively reviews its risk to cybersecurity and ensures that controls required to mitigate against risks identified are implemented. Cyber and IT security training is regularly provided to all Phoenix personnel. Regular simulated phishing attack testing is performed. The Board receives regular reporting on cybersecurity matters, and Phoenix maintains comprehensive cyber incident response plans to ensure business resilience.</p>
Data Protection & Privacy	Medium	Data protection is a critical priority for Phoenix to safeguard customer data, ensure regulatory compliance, maintain operational efficiency, protect reputation and brand image, mitigate legal liabilities, and secure supply chain relationships. By prioritising data protection and implementing robust security measures, Phoenix can protect sensitive information, build customer trust, and mitigate risks associated with data breaches and cybersecurity threats.	Phoenix regularly reviews and refreshes our data protection policies, procedures and controls to ensure that we remain compliant with relevant legislation and that our systems in place are significantly robust to ensure that data we hold is held and processed securely. Regular audits on compliance with data protection legislation are performed across the business and with relevant sub-contractors.
Ethical Business Practices	Medium	Ethical business practices are essential for the success and sustainability of Phoenix. By prioritising integrity, transparency, and social responsibility in all aspects of business operations, Phoenix builds trust with customers, complies with regulatory requirements, enhances its reputation, engages employees, attracts investors, and mitigates risks, ultimately driving long-term value creation and stakeholder satisfaction.	<p>Along with good corporate governance, ethical behaviour is an integral part of everything that Phoenix does. Phoenix is committed to sound business ethics in all our business activities and relations with stakeholders. We build relationships through honesty and integrity, and we respect laws and regulations.</p> <p>Ensuring that employees understand the company's corporate values is achieved by our Code of Business Ethics which makes clear the behaviour we seek from employees.</p>
Board oversight of sustainability	Medium	Board oversight of sustainability is fundamental to ensuring that environmental, social and governance considerations are embedded at the highest level of organisational governance. Effective board-level oversight drives accountability, long-term resilience and sustainable value creation, ensuring Phoenix's sustainability strategy is aligned with its purpose, risk appetite and stakeholder expectations.	<p>The Phoenix Board has overall responsibility for the oversight of sustainability performance. This includes the setting of performance targets for the organisation and for assessing performance.</p> <p>The ESG Committee is responsible for supporting the Board in fulfilling its duties and responsibilities. This involves overseeing the company's ESG Strategy, endorsing ESG targets and commitments, maintaining the effectiveness of policies, procedures and objectives and assessing sustainability performance.</p> <p>The Phoenix EMT are required to provide the Board with regular updates on the sustainability performance.</p>
Whistleblower Protection	Medium	Whistleblower protection is essential for promoting ethical conduct, corporate governance, risk management, reputation management, legal compliance, and employee engagement. By implementing robust whistleblower protection policies and procedures, Phoenix can create a safe and supportive environment for employees to raise concerns, prevent misconduct, and uphold the company's values and integrity.	<p>Phoenix is committed to the highest standards of quality, honesty, openness and accountability. In line with that commitment, we encourage employees and others with genuine concerns about any aspect of Phoenix's business to come forward and voice those concerns.</p> <p>The Board and EMT promote whistleblowing and the protection of whistleblowers as an important part of our business culture. Phoenix's whistleblowing arrangements are in line with best practice and include:</p> <ul style="list-style-type: none"> Commitment from the Board and EMT to encourage whistleblowing (where appropriate); Clear reporting channels for employees to report concerns; and A robust regime of Whistleblower protections.

Progress Against Targets

	Metric	Units	Base Yr 2019	2025	Change	Phoenix Target	Target Year	Progress
Green House Gas Emissions 	Carbon - Scope 1 & 2 (excluding shrinkage)	tCO2e	2,401	1,442	-40%	60% reduction	2030	67%
	Carbon - Scope 1 & 2 (excluding shrinkage)	tCO2e	2,401	1,442	-40%	90% reduction	2035	44%
	Carbon - Scope 1 & 2 ¹	tCO2e	12,981	12,529	-3%	Net Zero	2050	3%
	Zero emission commercial vehicles	count	-	5	-	100%	2035	9%
	Sulphur Dioxide	kg	4	3	-25%	100% reduction	2035	25%
	Particulate Matters	kg	61	34	-45%	100% reduction	2035	45%
	Nitrous Oxide	kg	3,354	2,100	-37%	100% reduction	2048	37%
Energy 	Renewable electricity	%	0%	99%	99%	100%	2030	99%
	Energy consumed (excluding shrinkage)	MWH	11,627	7,015	-40%	50% reduction	2030	79%
	Energy consumed (excluding shrinkage)	MWH	11,627	7,015	-40%	75% reduction	2040	53%
	Green gas introduced in the gas distribution network ²	%	-	-	-	20%	2030	0%
Circularity 	Waste sent to landfill	tonnes	46,104	10,020	-78%	75% reduction	2030	100%
	Native trees planted	count cumulative	0	32,000	0%	80,000 trees	2030	40%

¹ It is anticipated that Phoenix will be required to offset residual emissions.

² The introduction of hydrogen blended mix of gas into the Phoenix Distribution Network is likely to be dependent on government policy and on the introduction of hydrogen blended gas into the UK Gas Distribution network.

