



Responsible Business Report 2025

Reporting on 2024 activity



Foreword from our CEO

I am immensely proud to be part of a business that continually strives to enhance our responsible business credentials. By doing so, we hope to create an excellent working environment that establishes a platform from which our people can deliver economic, social, and environmental value to the communities we serve.



The energy sector is now at an important phase of transition globally, as it seeks to evolve our current energy systems to deliver lower carbon emissions, reinforce regional energy security and protect the needs of all consumers. Whilst the complexity of this challenge at a global level should not be understated, our regional landscape presents us with as many opportunities as it does challenges.

Phoenix Energy are actively embracing these opportunities and relishing the opportunity to work with likeminded partners across many different sectors to develop practical decarbonisation solutions that will serve the current and future needs of NI energy users. In 2024 continued investment in research and development projects to help support regional policy development was a key focus. One of the highlights during the year was the successful installation of a number of hybrid heating systems across our customer base, taking established technology being rolled out at scale across Europe, and piloting these in a local setting. The initial results from these installations very much support the considerable consumer and system value associated with an increased level of integration across our gas and electricity assets locally.

Whilst our business is increasingly focused on supporting regional net zero ambitions, our core vision remains *"being recognised for excellence as a world leading energy utility"*. A central pillar to this vision is the delivery of our business objectives in a socially responsible manner, that recognises the needs of the c.260,000 homes and businesses that are connected to the Phoenix Network, seeks to enrich our communities through effective community partnerships and provides both industry and business leadership to emerging marketplace needs.

Delivering a high performing Responsible Business programme is very much embedded into our business culture across a number of established workplace initiatives, however the sheer scale of outcomes captured in this report are only made possible by the extent to which colleagues and likeminded partners are committed to the delivery of positive outcomes.

As you will see in this report, the scope of responsible business activity stretches across every aspect of our business, from how we carry out reinforcement construction works across our network, engage with stakeholders and invest in our staff.

Our commitment to providing an inclusive service that best serves all consumer needs was recognised through the award of the Consumer Vulnerability ISO 22458 accreditation in September 2024. A considerable amount of work has been advanced in this space, led by our internal vulnerability champions and I am pleased that we continue to set new benchmarks in this area.

In 2024 we constructed over 9km of reinforcement works on our pipe network across several main arterial routes close to Belfast City Centre, a project that was essential to maintaining a resilient supply of gas across the city and neighbouring towns. Whilst such works have the potential to inconvenience residents and commuters, I am pleased that our commitment to minimise disruption during these projects was delivered by the efficiency of the construction works coupled with an extensive communications campaign that was helpfully supported by local stakeholder organisations.

In 2024 Phoenix Staff chose the Air Ambulance as the business charity of the year, with the combined efforts of many across the business helping to fundraise over £10,000 for this wonderful cause whilst also having a lot of fun through fundraising initiatives along the way.

Our commitment to excellence in responsible business continues to be recognised both by peers and external accreditation bodies locally and internationally. In 2024 Phoenix were once again awarded a 5-star rating GRESB Infrastructure Asset Benchmark Report. We also retained the Platinum award for Environmental Benchmarking through Business in the Community, achieved a silver award in the first year of applying for the Business in the Community Biodiversity Charter and were certified as a Great Place to Work following an independent internal engagement survey.

I would like to thank all those organisations, public representatives and stakeholder partners who have supported the Phoenix Energy Responsible Business programme in 2024. We value long term partnerships and look forward to working with many of you in 2025, whilst remaining agile in our business delivery to respond to emerging societal needs.

Kailash Chada
Chief Executive Officer

Responsible Business 2024

Key Environment, Social & Governance (ESG) Highlights



This 2024 Responsible Business Report provides an overview of Phoenix Energy's sustainability performance and achievements from 1 January to 31 December 2024.

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).

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

Contents

6	Company Information
8	Overview of Phoenix Energy Availability
10	Customer and Network Growth
12	Our Vision and Values
14	Health and Safety Management
16	Stakeholder and Consumer Engagement
17	Looking after our Network
18	How we have Performed
20	Leadership in the Marketplace
26	Investing in our People
30	Fostering our Community
35	Environmental Responsibility
40	Our Pathway to Net-Zero
44	Risk Management
46	Environment Governance and Climate Action
68	Progress Against Targets

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 2025.

COPYRIGHT NOTICE

All rights reserved. This publication is subject to the laws of copyright. This publication may not be reproduced or transmitted in any form or by any means, electronic or manual, including photocopying without the prior written consent of Phoenix Energy.

Company Information

Phoenix Energy has been providing fuel choice to homes and businesses across its licensed area since it was first established in 1996. Since then it has created considerable environmental, social and economic value to the region and customer base it serves.

The company owns and operates the largest gas distribution network locally, providing the safe and secure distribution of natural gas to the 261,500 domestic and business customers connected to its network. With a gas pipeline that extends across more than 4,000km, 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.

Phoenix is actively working to further decarbonise home heating for consumers, enabling them to continue to

enjoy all the flexibility of gas with minimum disruption, by using its existing infrastructure to deliver renewable gas solutions such as biomethane and hydrogen direct to consumers. Phoenix is regulated under licence by the Northern Ireland Authority for Utility Regulation and operates under a framework similar to other UK regulated entities which includes regular price control reviews and compliance with a range of licence obligations.

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 is responsible not only for the development of gas infrastructure within its licensed area, but also for the continued growth of our customer base.

Whilst natural gas is available to over 370,000 properties within the Phoenix licenced area, around 110,000 properties 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 recognise that changing heating sources within a property is an important decision for energy users and therefore are committed to a range of initiatives that ensure that information is readily available and our team of Energy Advisors are on hand to assist new customers with the connection process. Our Energy Advisors carry out over 3,500 energy audits in domestic properties per annum and in 2024 carried out 44 external energy efficiency advice events, using our energy efficiency advice hub as 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.



Would you recommend installing gas to a friend?

'YES' 97%*

'Instant hot water'*

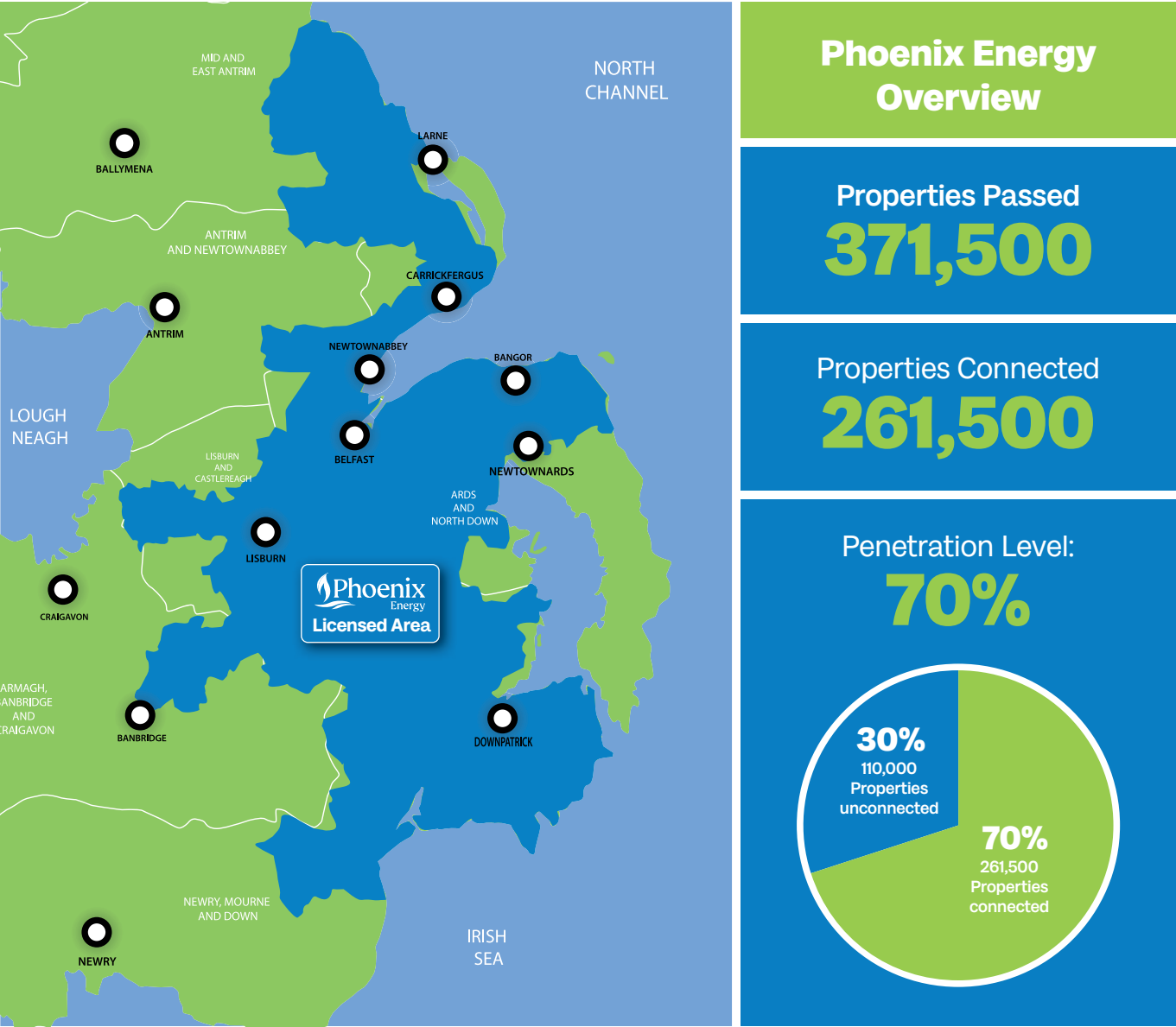
ranked as the most beneficial aspect of natural gas for connected consumers.

*MRNI April 2024

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:

Figures as at end of December 2024



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 2024

Area	Total Gas Availability	Connected	Penetration
Bangor	31,100	22,200	71%
Belfast	185,000	143,300	77%
Carrickfergus	17,800	12,800	72%
Carryduff	3,500	2,500	71%
Donaghadee	4,000	2,800	70%
Dundonald	8,850	6,500	73%
Hollywood	6,100	5,000	82%
Larne	10,400	6,400	62%
Lisburn	25,000	17,500	70%
Newtownabbey	33,400	23,300	70%
Newtownards	22,300	14,000	63%
Whitehead	1,650	650	39%
East Down	22,400	4,550	20%
Total	371,500	261,500	70%

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 – 2024

the number of customers connected to Phoenix Energy

Fig 1. Cumulative connections from 1996 - 2024

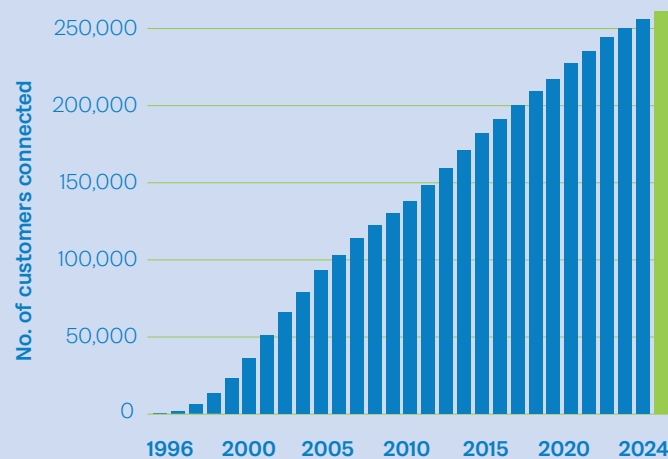
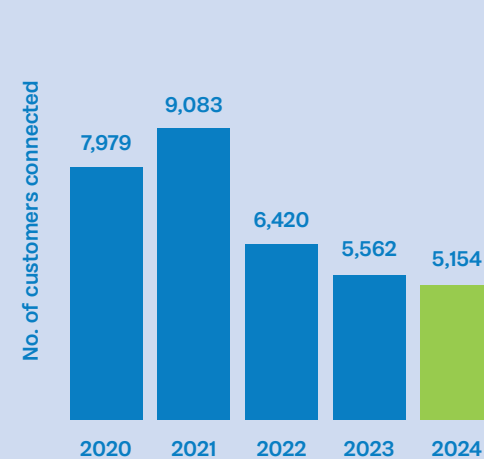


Fig 2. Annual New Connections



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 4,000km of Phoenix pipeline across the licence area, with a further 33km constructed in 2024.

Network Build (km)

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

Fig 3. Cumulative Network Build 1996 - 2024

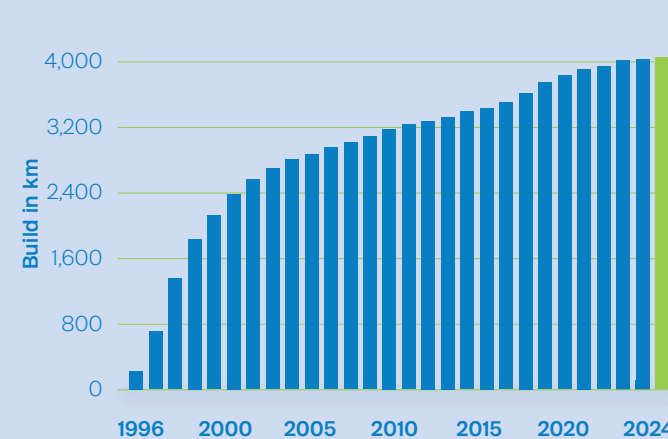
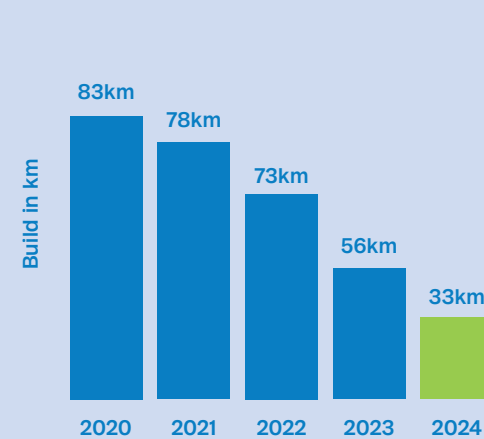


Fig 4. Annual Network Build Constructed



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.

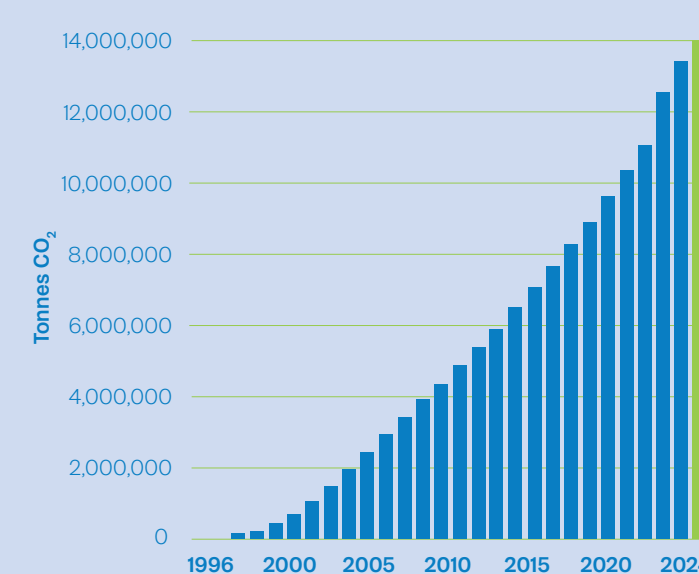
As a result of switching to natural gas, consumers have cumulatively helped prevent up to

14 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, 2024



* 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.

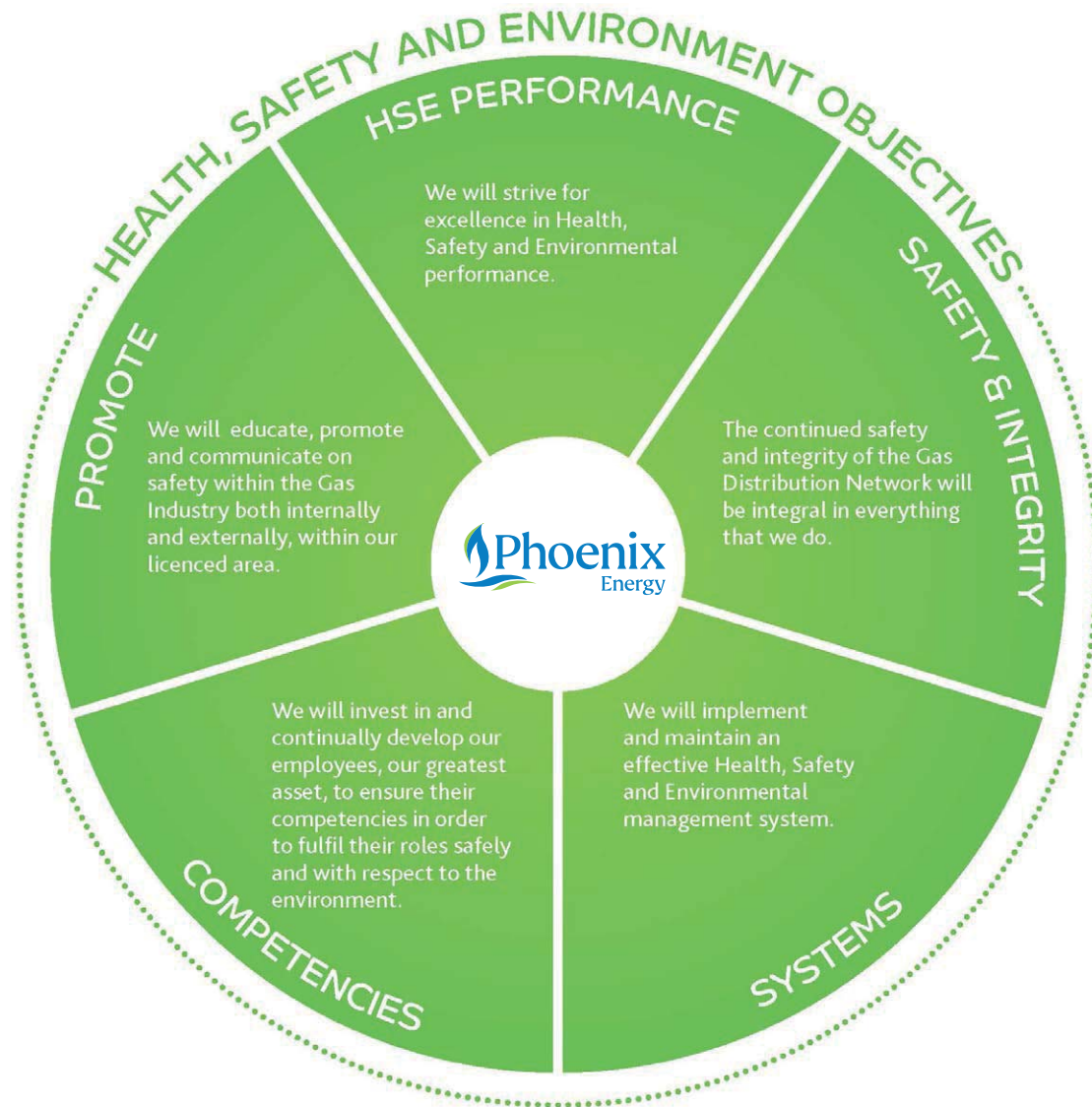
This partnership approach ensured that the values reflected and resonated at all levels of the business.



Health & 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.

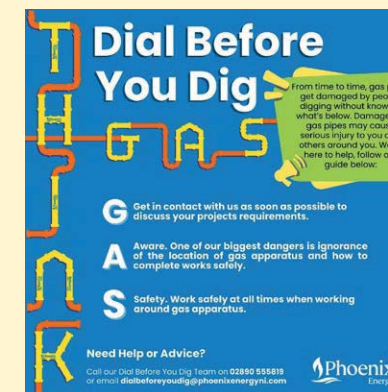
Our Performance

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 2024 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.

Promoting Health & 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@phoenixenergy.com

Phone: 028 9055 5819



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 2024 we supported this campaign by running a social media awareness campaign. Which included a colouring competition encouraging children to point out any hazards in a kitchen colouring page.

Stakeholder and Consumer Engagement

Given the considerable breadth and influence our business activities have to local communities, the environment and the regional economy, engagement with our customers and key stakeholders is an integral part of our business strategy, operational activity and Responsible Business programme.

The importance of a coordinated engagement strategy has been further reinforced by the development of Renewable Gas solutions, both in terms of educating stakeholders, energy users and the increased importance of effective partnerships with likeminded organisations.

It is critical therefore for Phoenix to operate a clear and informed Stakeholder Engagement plan that captures the opinions of stakeholders and ultimately helps to inform our own internal decision making to maximise support across the political, community and businesses sphere.

As our business has matured, we have increasingly been able to fine tune our activity in this area moving from a practical position of stakeholder engagement simply being the right thing to do, to a strategy that has allowed us not only to identify who our stakeholder groups are but importantly to execute a specific engagement plan to best capture the needs and opinions of all groups.

A snapshot of organisations we regularly engage with:



Stakeholder Engagement in Action

In addition to Phoenix's regular engagement with Stakeholders, we recognise that there are business activities that require targeted engagement with local communities to ensure that our work activities are delivered in a manner that is shaped by the community and minimises impact.

In 2024, we undertook essential construction to reinforce our gas network across a number of busy arterial routes in Belfast to support the continued safe and reliable supply of gas as our customer base and gas volumes continue to grow.

We carried out extensive engagement pre, during and post construction works to ensure that those impacted by these works were kept well informed, and our teams were made aware of specific considerations that we could build into the programme to support the effective delivery of works.



We hosted Public information sessions



We issued over 150,000 public information postcards



Over 1,000 people viewed the weekly construction updates on our website

Looking after our Network

The Phoenix Energy network comprises over 4,000km of pipeline making gas available to more than 261,500 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 2024, we completed 19,000 asset replacement jobs across the year.

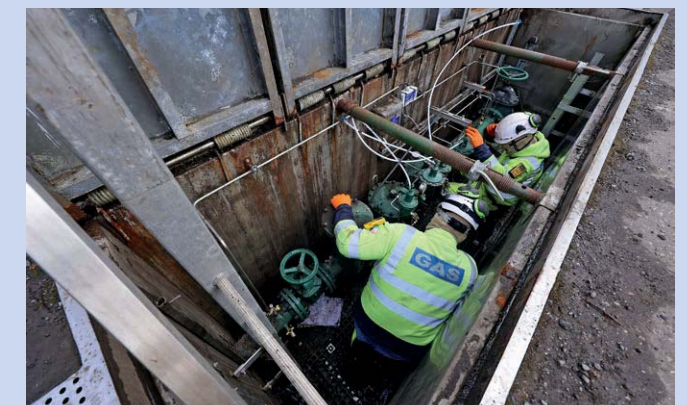


Network Operation

- 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 2024.
- 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 2024, we completed 57,000 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 2024.

STANDARD 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 one 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 two 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.	100%	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 twenty-four 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 2024 are outlined below:

STANDARD 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 one working day.	99.9%
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 four 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 four working hours.	99.8%
APPOINTMENTS	
Distribution companies and supply companies must offer and keep an appointment within a maximum two 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	99.9%
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.	97.6%
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.	99.8%
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.	100%
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.	81.8%*
RESPONDING TO COMPLAINTS	
Distribution companies must provide a substantive response to written or verbal complaints within 10 working days.	99.2%

*On two occasions in 2024, Phoenix Energy failed to provide customers with sufficient notice of a planned interruption



Responsible Business Approach

The principles of responsible business have been at the core of our business since its beginning 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.

Fostering our Community

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

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 eight years on, Phoenix continues to set the standards for responsible business, leadership and collaborative working, within the energy industry and beyond.

Phoenix has generated significant economic, social and environmental returns locally and continues to play a pivotal role in leading, supporting and nurturing the wider gas industry and independent trade, with particular focus on decarbonisation and the future utilisation of gas infrastructure in delivering net-zero carbon solutions.



Above: In March 2024, two Northern Ireland Executive Ministers came together with Northern Ireland's five Gas Network Operators, to support the production of biomethane using organic and agricultural waste streams. Minister for Agriculture, Environment and Rural Affairs, Andrew Muir, and Economy Minister, Conor Murphy, met with the Gas Network Operators at Stormont to launch a Request for Information to support the production of biomethane utilising organic and agricultural waste streams.



Above: The five actions (listed above) included commitments from the NI Gas Industry which will enable the progression of renewable gas, and outlined the support required from various stakeholders, including the NI Executive. You can read the actions and commitments in full on page 41.

Leadership in Action

In 2024 Phoenix Energy held it's third annual Renewable Gas Conference.



- The conference, which was focused on Market delivery to support 2030 near term targets and to attract green investment into the region, saw contributions from leading local and international speakers. Over 250 delegates learned more about the opportunity to decarbonise the gas network with the advancing market ready solutions such as biomethane and green hydrogen.
- Speakers at the conference included Noyona Chunder, CEO of Consumer Council NI and Simon Fitzpatrick from the NI Food and Drink Association who represented the views of domestic and business energy users respectively and the importance of the timely delivery of affordable, resilient low carbon energy solutions locally.
- Founder of Econic Energy, Christoph Grossbaier highlighted the important role that emerging technologies were playing across other countries, whilst European Biogas Association's CEO Harmen Dekker gave delegates an insight into the successful role out of the biomethane economy across Europe and provided lessons learned that can be applied to NI's emerging biomethane sector.



Spotlight on Standards

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

Biodiversity Charter

Phoenix obtained its first award in the Biodiversity Space; Silver Level in Business in the Community Northern Ireland's Business & Biodiversity Charter, an external recognition of its commitment to responsible business practices that improve biodiversity conservation locally.



ISO Certifications



NI Environmental Benchmarking Survey

In 2024, Phoenix retained its Platinum status in the Business in the Community NI Environmental Benchmarking Survey. The Survey recognises positive environmental influencers by helping organisations to measure and improve their environmental impacts, benchmark themselves against others and be recognised for green leadership.



ESG

For the seventh year in succession, Phoenix was recognised as a leader in Europe for its environmental, social and governance performance by GRESB in its Infrastructure Assessment. GRESB is an industry-driven organisation committed to assessing the Environmental, Social and Governance (ESG) performance of Real Estate and Infrastructure assets around the globe. During 2024 Phoenix was once again awarded 5 stars, the highest grade achievable and increased its GRESB score to 99%. This placed Phoenix as one of the top performing gas distribution networks in Europe.



CORE

Business in the Community NI's CORE assessment is recognised as the standard for responsible business in NI. In 2024, Phoenix were successful in retaining our Gold Standard, demonstrating Phoenix's commitment to integrating corporate responsibility into the way we do business. The standard remains attributed to the company until 2027.

Spotlight on Partnership

The local natural gas industry employs over 2,500 individuals from across the wider supply chain in what tend to be smaller independently run businesses.

Whilst Phoenix is responsible for the installation and ongoing maintenance of the gas network within Greater Belfast, downstream activities, for example, boiler installation and boiler servicing, are carried out by these consumer-facing companies. It is therefore imperative that Phoenix has strong working relationships with these organisations, to ensure positive consumer experiences.

Phoenix established the Northern Ireland Network Gas Association (NINGA) almost 30 years ago which created a platform to both communicate directly with consumer-facing companies and to provide a hub for them to network, share best practice and to input into key business strategies of Phoenix. NINGA meets at least 4 times per year.



Joint Utilities prepare for Winter

Helping customers prepare for the winter, Phoenix, in 2024, once again worked in partnership with other leading local utilities, including Openreach, NI Water and NI Electricity, to provide a range of information to help consumers be prepared for colder weather conditions.



NI Chamber Public Affairs Forum

Recognising the importance of our relationships with other leading local businesses, in 2024, 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 value of supporting local community awards and in 2024 Phoenix sponsored the Eastside Award for Excellence in Health & Wellbeing. Continuing its partnership with the Aisling Awards, Phoenix helped support the recognition for outstanding contributions by people in the Belfast Community.



Investing in our People

Our people are a fundamental driver of our business success, and their engagement and development is of critical importance to us.

We recognise that investing in an engaged workplace encourages commitment, motivation and productivity. We foster a great place to work that puts people and their wellbeing at its core by ensuring our programmes are led and supported by our employees.

This is delivered by the Phoenix LIFE Committee, a representative group of employees from all areas of our business, ensuring the ideas and feedback from right across our business are acted upon and included in our employee engagement activity.



The Phoenix LIFE Committee which represent all areas of the wider Phoenix business.

Healthy Life Programme



The Phoenix Healthy LIFE Programme recognises the importance of delivering targeted, relevant and holistic wellbeing initiatives that go beyond the boundaries of the workplace and provides real and tangible benefits for employees at all levels of the organisation.

Through the Britain's Healthiest Workplace Survey, we ensure a relevant approach to our wellbeing programme by asking our employees what matters most to them, using their responses to shape and inform our Healthy LIFE activity.

The key wellbeing issues, and some of the ways in which we work to support employees in these areas are outlined below:



Cancer Awareness

Through our workplace cancer awareness programme Phoenix aims to help our employees take positive action for their health by raising awareness of how they can reduce their cancer risk and identify the signs to help spot cancer early. We deliver sessions in partnership with cancer charities as well as through regular spotlight information sessions on our intranet.



Physical Activity

Essential for good health, physical activity contributes to positive wellbeing. We invite colleagues to sign up to our annual Step Challenge, encouraging them to get active, with weekly check ins and a 'buddy' to keep morale high. In 2024, 19 participants walked a total of just over 4,500,000 steps! In 2024, we continued with our series of Fitness Friday events. Available on most Fridays throughout the year, colleagues were invited to finish work early to take part in classes such as yoga, high intensity interval training, weight training and pilates.



Mental Health

In 2024, Phoenix continued working with expert partners in mental health management to ensure our employees know there are accessible sources of support for any mental wellbeing issues they or their families may face. We have a dedicated Employee Assistance Programme whereby employees or members of their family can access, by telephone, an anonymous counsellor, should they need discuss any mental health issues.

As a responsible business, we also profiled the role of our 5 Mental Health First Aiders across the organisation, ensuring employees know there is access to immediate mental health support when they need it.

All employees of Phoenix receive Mental Health Awareness Training, and managers receive our 'Mindful Manager' training, ensuring they are equipped to assist staff who need mental health support.



Healthy Eating

As a responsible employer, we encourage healthy eating and the importance of a balanced diet, including increased fruit and vegetable consumption. Throughout 2024, Phoenix continued to provide free fresh fruit to staff through our 'Tutti Fruity Tuesdays' campaign. Additionally, we shared a series of informative healthy options for eating over festive seasons as well as advice on healthy eating and drinking as part of our 'Healthy LIFE' calendar of activities.

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 2024, we selected a Charity partner of the year, shortlisted by our Life Committee and picked by our staff. The chosen charity was the Air Ambulance NI. Over 60 colleagues actively engaged in fundraising activities which included a bake sale, car wash, bag pack and a dragon boat race to name a few.

In the year
we raised a total of
£10,034.50
for our chosen charity.



Phoenix Fifteen

We 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.

In 2024, we continued with our Phoenix Values segment. 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.

**In 2024 we had over 60 nominations
with 25 being crowned Values winners.**

Healthy Life

Recognising the breadth of wider societal issues that colleagues are dealing with, in 2024 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 The British Heart Foundation's basic CPR training, there was plenty on offer to suit everyone.



Phoenix Champions an Inclusive Service!

In 2024, our Vulnerability Champions from across all areas of our operations, continued to provide colleagues with specialist guidance and advice on assisting customers with additional needs. Continued amplification of our Signs, Consider, Adjust campaign, ensures customer-facing staff to consider who may need additional support, and how to adjust their approach accordingly.

Speaking about the role, Michael McCollam, Phoenix Vulnerability Champion explains

"We have a no one-size-fits-all approach to supporting vulnerable customers, no two customers are the same. We have a company wide vulnerability strategy which ensures that all customer-facing operatives are properly equipped to support vulnerable customers effectively and sensitively. All teams are aware they can call me for advice if they are unsure on how to best deal with the situation they find themselves in. Nothing is so important we can't take the time to consider others around us."



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 2024:



Panto

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 2024 with over 90 staff members taking part in the days activities. The theme was "Towards Inclusion and Belonging" and we invited David Johnston ex Head of Equality, Diversity and Inclusion with the PSNI to the office to tell his story and share key insights.



This was followed with some live entertainment with a Hip Hop performance from Dance United and a Dhumbuke Drum performance. Arts Ekta provided us with food and we also had a Henna art station.

Family Fun Day & BBQ

In August 2024, 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 Olympic style activities, bouncy castles and face painting.



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 2024, 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.

In 2024 we held a total of

30

Community Engagements/Events

Attended by over

2,500

members of the local community.



In 2024, Phoenix Energy were thrilled to be a company sponsor of the Mid and East Antrim Council's STEAM Science Summer School event.

Headlined with a keynote address from Professor Brian Cox, this event sparked the curiosity of around 400 young people, highlighting dynamic career pathways within Science, Technology, Engineering, Arts, and Mathematics (STEAM).

The students had the opportunity to engage in hands-on workshops with Deborah Buchanan, Assistant Engineer, and Robert McConnell, Training and Development Operations Supervisor. Together, they demonstrated how natural gas is safely transported through buried mains pipelines directly to our homes.

Lachlan Nally, Renewable Energy Projects Manager, and Amy McCormick, Assistant Engineer, delivered a Ted Talk about the decarbonisation of the NI gas network, as well as offering career advice to inspire the next generation of scientists, engineers and innovators.

We're proud to support initiatives like this that foster learning and inspire the leaders of tomorrow.



Spotlight on Community

Throughout 2024, the Phoenix Community and Biodiversity 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 and Biodiversity fund helped fuel community connections:



Mae Murray Foundation

Using accessible instruments and adaptive methods, the project ensures everyone, including those with additional complex needs can participate and express themselves.

“Thank you Phoenix for coming along and supporting our much loved all-ability music and dance project with The Music Yard. We thoroughly enjoyed meeting Emma and showcasing our members incredible talents!”

Jade Stewart,
Fundraising and Communications Officer

Community Garden Launch at Belfast YMCA

Belfast YMCA have been serving children, young people and communities across Belfast for 170 years. Based in Stranmillis, YMCA provide a wide array of school and community based activities and services to meet local needs. Belfast YMCA created a community garden in 2024 for a fully accessible hub. Phoenix funded a launch event and workshops for the community garden. This gave the opportunity to promote their garden on social media for use by the local community.



CI Sixers, Dads and Daughters Cricket programme

Dads and Daughters Cricket is a program for girls aged 5-12 years and their dad/father figure designed to address the barrier to girls participating in cricket, and enhance their physical well-being. The first of its scheme in the UK and Ireland, Cricket Australia gladly agreed to grant CI Sixers a license to run this exciting new sports concept.

Phoenix were proud to fund the license for this program and the sports gear for the event.



Phoenix awarded a total of **13 community and biodiversity fund grants** to grassroots organisations across 2024.

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.

"This was a great experience for our pupils, helping them grasp the importance of environmental sustainability in alignment with Phoenix Energy's goals. This is the second year we've had the privilege of receiving this programme, and once again, it delivered a fun and engaging session.

Thanks to the expertise of Sport Changes Life, it was clear the staff had extensive experience working with children. The workshop was thoughtfully planned and smoothly executed, blending education with enjoyment. The team effectively communicated how pupils can protect the environment by adopting simple practices, such as reusing items in their daily lives. This message was reinforced through creative and interactive games, ensuring the educational content was both engaging and memorable."

- Rory Mason, P7 teacher, St. McCartan's Primary School, Loughrinisland

Sport Changes Life Statistics: Following the sessions

95%

Understood that Phoenix Energy supported the programme as part of their Environment Education commitment

80%

Had Increased knowledge and understanding of environmental issues.

93%

Had a greater understanding of practical skills for environmental conservation

Supporting the Arts

Phoenix started a new partnership in 2024 with the Grand Opera House supporting the Grand Family Festival. The Festival offered a range of activities to entertain, educate, engage, and inspire, for a week of excitement that the whole family could get involved in.

There was a broad variety of workshops and creative activities across the week, including magic and puppetry, family ballet and Bollywood Baba dance classes, creative writing and 'play in a day' workshops, as well as family-focussed tours and technical classes in stage sound and lighting.

Event Feedback

"Our daughter was engaged and active during the workshop and loved learning something new."

"Thank you for the High Energy Dance Workshop. The girls loved it and had a complete ball taking part. The dance teacher was fab and really interesting. Our girls are still taking about it saying how great it was."

"Professional, fun and well-pitched - loved it!"



Over the course of the week,
570 people visited the Theatre for the Grand Family Festival

Workshops were **sold out** with high attendance across the **37** events

30 young people took part in the Phoenix High Energy Dance Workshop

98% of those surveyed felt satisfied



Energy for Children Charitable Trust

The Energy for Children Charitable Trust provides funding support to improve the lives of disadvantaged children and young people across Northern Ireland. Established by the natural gas industry in 2005, the Trust has made a positive difference to the lives of more than 8,000 children and young people.

The charity issued over
£6,000
in awards in 2024

Energy for Children
NI Registered Charity No.106132

Since 2005
322 awards
were donated,
amounting to over
£500,000

Energy for Children in Action

Conor, Aged 15, County Tyrone

Conor's mother contacted Energy for Children and explained that Conor has a diagnosis of ASD and a learning disability. He regularly attended the Iveagh Centre in Belfast since 2021, an inpatient centre that provides care for children with learning disabilities and mental health needs.

Conor's needs required a sensory room to keep him regulated to a degree that his family can manage his care at home. Energy for Children was delighted to provide the funding for Conor's mum to purchase a Vibroacoustic waterbed that he used previously in the Iveagh Centre. This helped Conor at home and prevented further hospital admissions. Conor can now get sensory stimulation and provide him with a better quality of life that also benefits the family as a whole.



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:



14m tonnes of
cumulative CO₂
avoided from entering
the atmosphere



800,000
tonnes of CO₂ avoided
from entering the
atmosphere in 2024



Equivalent of
450,000
cars taken off the
road each year

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:



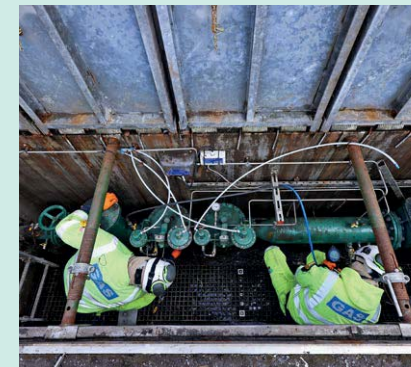
Fleet Management

- 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.



Business Delivery

- We help our customers reduce the energy they use and undertook over 3,500 Home Energy Audits with customers in 2024 as part of our pre-connection process.
- Working with our partners at Shredbank to ensure the safe disposal of paper records, we recycled 12 tonnes of paper. We continue to look at ways in which we can further reduce our paper usage.
- In 2024, we procured 446MWhs 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 2024 we recycled or reused more than 1,600 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 2024, 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:



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 2024. This brought our total number of trees planted throughout the duration of our partnership with The Conservation Volunteers to 24,000.

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 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 2024 partnership with TCV, we delivered a new Planet Protectors workshop for Primary School pupils. This was designed to increase learning of how to be planet friendly; small steps to reduce our carbon footprint and of course included planting trees. Through TCV, we delivered 7 workshops in local primary schools, engaging 223 pupils. In addition to this, we also reached 72 family volunteers across 5 Summer Scheme workshops at TCV's Tree Nursery in Cultra.



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 185 digging hours with the team from TCV and learned about the vital role of green spaces in supporting healthy communities.

We organised
19 different
biodiversity initiatives
during 2024



In 2024,
we planted
8,000
trees



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



Environmental Volunteering: in Action



Our Pathway to Net-Zero

In 2022, the five NI Gas Network Operators (NI GNOs) – Phoenix, firmus energy networks, Evolve, Mutual Energy and GNI(UK) - launched a joint plan to fully decarbonise the region’s gas network by 2050. This Pathway to Net Zero sets out how the gas network will transition away from natural gas to renewable alternatives such as biomethane and hydrogen to support NI’s emission targets.

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.

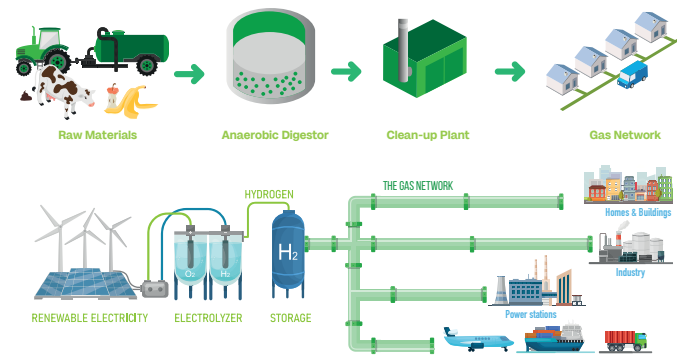
Overview of Renewable Gases

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

Influencing Net-Zero Policy Development

Throughout 2024, 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 Biomethane Call for Evidence

In August, Phoenix responded to the Department for the Economy Call for Evidence on Developing Biomethane Production in Northern Ireland. Our response focused on the need to introduce a Biomethane Pathfinder Scheme to bridge the gap to the introduction of a bespoke NI biomethane support scheme and maintain momentum/encourage innovation in the sector.



Launch of the Biomethane Pathfinder Concept

In October, Phoenix joined with firmus energy networks, Evolve, Action Renewables and KPMG to launch a paper outlining the positive economic, sustainability and decarbonisation benefits that could be realised by urgently progressing a Biomethane Pathfinder in Northern Ireland.



Launch of Enabling a Greener Energy Future

In October, Phoenix joined with firmus energy networks, Evolve, GNI(UK) and Mutual Energy to launch a new paper which called on the NI Executive to progress three key steps to capitalise on biomethane’s enormous potential in NI. The launch was attended by over 50 key stakeholders including the DAERA minister and over 15 MLAs.



Responding to Low Carbon Heat 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.

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

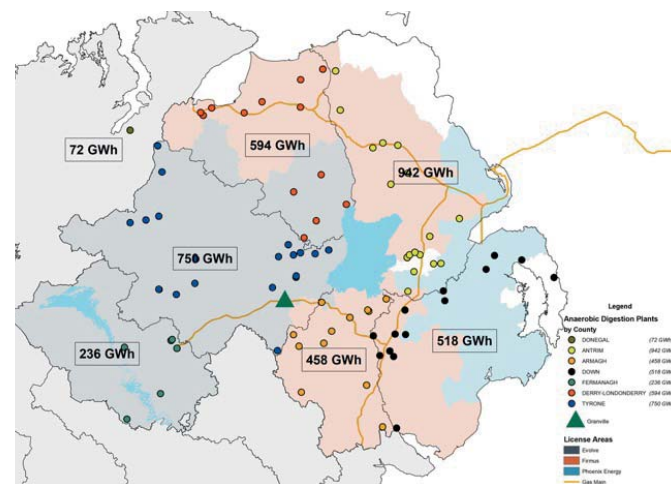
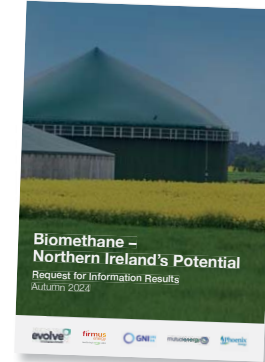
NI's Biomethane Opportunity

In early 2024, the five NI Gas Network Operators (GNOs) released a Request for Information (RfI) to potential biomethane producers to identify potential AD plants that may seek to connect to the gas network.

The project identified 3.6 TWh of potential biomethane production, spread out across all six counties of Northern Ireland. For context, 3.6 TWh of biomethane is sufficient to meet 90% of current NI industrial and commercial gas demand.

The plants surveyed varied in size, and in advancement, with some in early stages of planning and others ready to hit the ground running. The RfI also helped identify some of the problems the sector was facing such as planning issues, and cost issues regarding capital expenditure and the cost of network connections.

Ultimately the RfI proved that not only is there significant theoretical biomethane feedstock in NI, there is a strong desire from potential producers across NI to supply biomethane at scale.



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

Hybrid Heating Trials

Phoenix has invested in several Hybrid Heating Trials in 2024 with our partners 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. The hybrid heat pump significantly reduces a home's carbon emissions, releasing 60% less carbon than 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 based on gas and electricity tariffs, allowing it to run in the most cost effective setup.



With Refresh NI, Phoenix have been conducting a hybrid heating trial in South Belfast throughout 2024.

The trial features a Mid-Terraced house with a relatively low EPC rating of C71. The home has two occupants and in December 2023 took delivery of a new hybrid heating system developed by Alpha, comprising a 4kW Heat Pump combined with a 33kW Combi Boiler.

Throughout the trial period, the total cost for heating (not including domestic hot water) was £936.83, averaging £2.56 per day. If the same heat was provided by an air source heat pump with an efficiency of 280%, the annual fuel cost would have totalled £1,120.18 or £3.06 per day.



Utility Regulator visits hybrid heating trial open house.

Visit phoenixenergyni.com/fuelling-the-future for energy transition updates

Risk Management

Risk Management is a fundamental component of sound corporate governance. It is a crucial aspect of Phoenix Energy’s operation and is key to our success.

Risk management has been embedded as part of the culture at Phoenix and is integrated at a strategic and operational level.

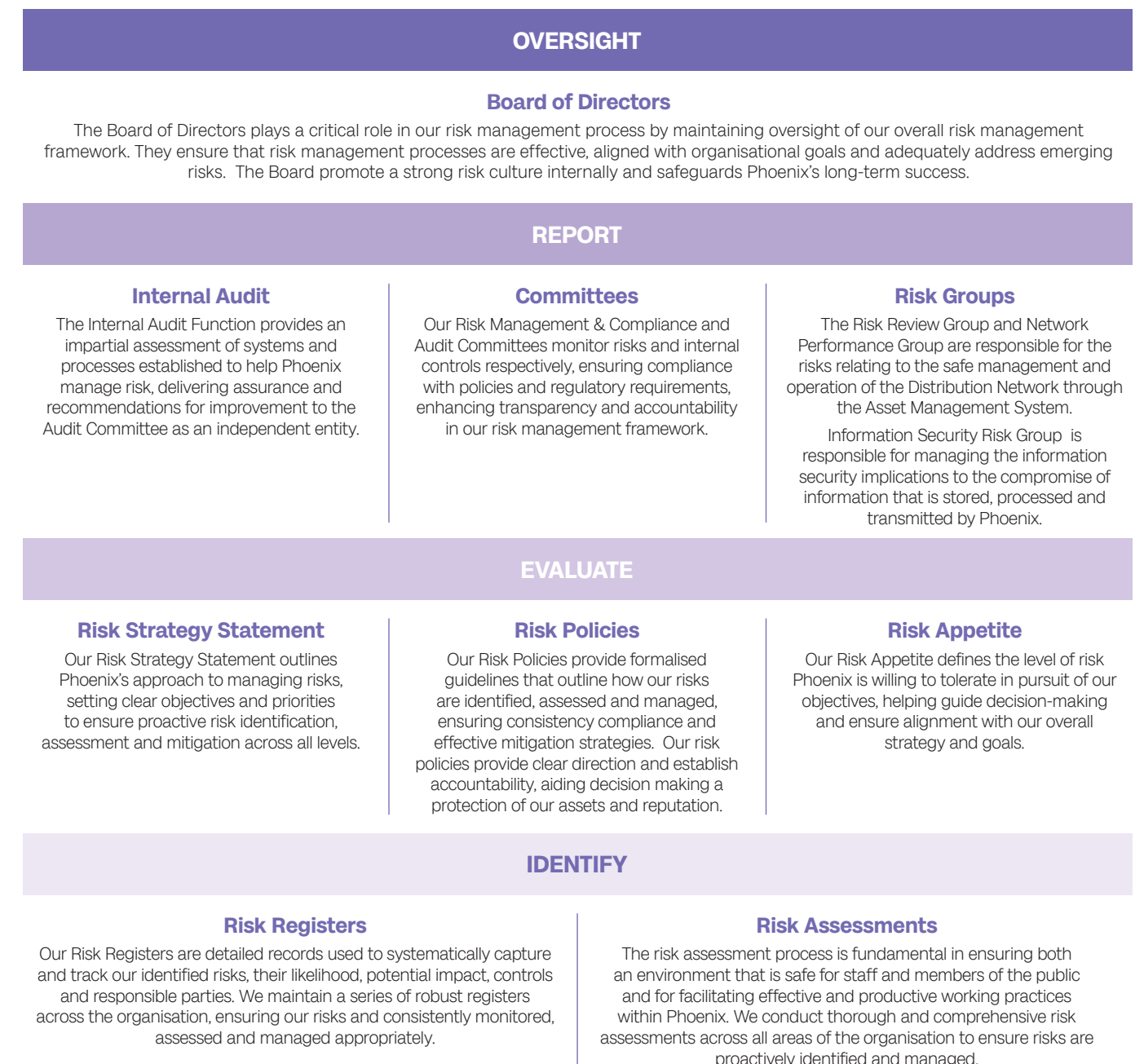
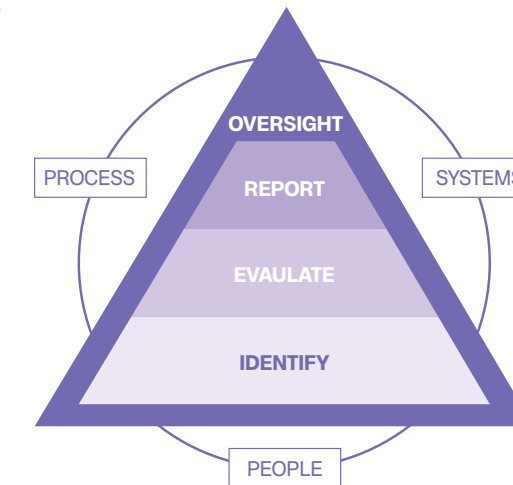
Management within Phoenix see the mitigation of risk as a challenge and utilise risk management processes to identify and implement measurable actions to mitigate against identified risks. This has enabled us to deal appropriately with changes in the economic, social and regulatory context in which we 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:



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:

No Relevance	Low	Medium	High
--------------	-----	--------	------

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

Air pollution	Medium
Biodiversity & habitat protection	Medium
Climate Change ('Net Zero')	High
Contamination	No Relevance
Deforestation	No Relevance
Energy	Medium
Greenhouse gas emissions	High
Hazardous Substances	Medium
Light pollution	No Relevance
Noise pollution	Low
Sourcing of materials	Medium
Use of paper	Low
Waste produced	Medium
Water pollution	Low
Water use	No Relevance
Resilience to catastrophe/ disaster	High

Social

Child labour	No Relevance
Community development	Medium
Customer satisfaction	Medium
Employee engagement	Medium
Equality, Diversity & Inclusion	High
Forced or Compulsory Labour	Low
Freedom of Association	Low
Health & safety: Employees	High
Health & safety: Customers	High
Health & safety: Community	High
Health & safety: Contractors	High
Health & safety: Supply chain	Medium
Health & wellbeing: Employees	Medium
Local Employment	Medium
Staff development & training	Medium
Safe working conditions	High
Social Enterprise Partnering	Low
Stakeholder relations	Medium

Governance

Audit Committee structure	Low
Board composition	Medium
Bribery prevention	Low
Conflicts of Interest	Low
Cybersecurity	Medium
Data protection & Privacy	Medium
Delegated Authority	Low
Ethical business practices	Medium
ESG Oversight	Medium
Executive compensation	Low
Fiduciary Duty	Low
Fraud prevention and fraud response	Low
Independence of the Board Chair	Medium
Lobbying activities	Low
Money laundering	Low
Political contributions	Low
Remuneration Committee independence	Low
Shareholder Rights	Low
Tax evasion prevention	Low
Whistleblower protection	Medium

¹ There have been no changes in materiality since YE 2023.

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 64 & 65.	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; andThe 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 DisclosuresSupport 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; andPublicly 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 complaint 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; andMandates 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. 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 ensures strict adherence to safety regulations, conducting regular inspections and maintenance, providing comprehensive training to employees, and investing in advanced safety technologies. 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: Customers	High		
Health & Safety: Community	High		
Health & Safety: Contractors	High		
Health & Safety: Supply Chain	Medium		
Safe Working Conditions	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.
Equality, Diversity & Inclusion	High		
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. Following the completion of an assessment in August 2024 by BSI, Phoenix has achieved certification to ISO:22458 Consumer Vulnerability. Phoenix Energy are 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. In November 2024 Phoenix Energy's employees completed the survey and Phoenix was certified as a Great Place To Work TM .

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: 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: 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.</p> <p>Under the terms of our licensed, 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.</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>
ESG Oversight	Medium	ESG oversight has a transformative impact on businesses, driving sustainability, resilience, and long-term value creation. By integrating ESG considerations into their business strategies, operations, and decision-making processes, Phoenix can enhance its competitiveness, mitigate risks, and contribute to a more sustainable and equitable future for society and the environment.	<p>The Phoenix Board has overall responsibility for the oversight of ESG 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 ESG performance.</p> <p>The Phoenix Mgt Team are required to provide the Board with regular updates on the ESG 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 Mgt Team 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 Mgt Team to encourage whistleblowing (where appropriate); Clear reporting channels for employees to report concerns; and A robust regime of Whistleblower protections.

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.

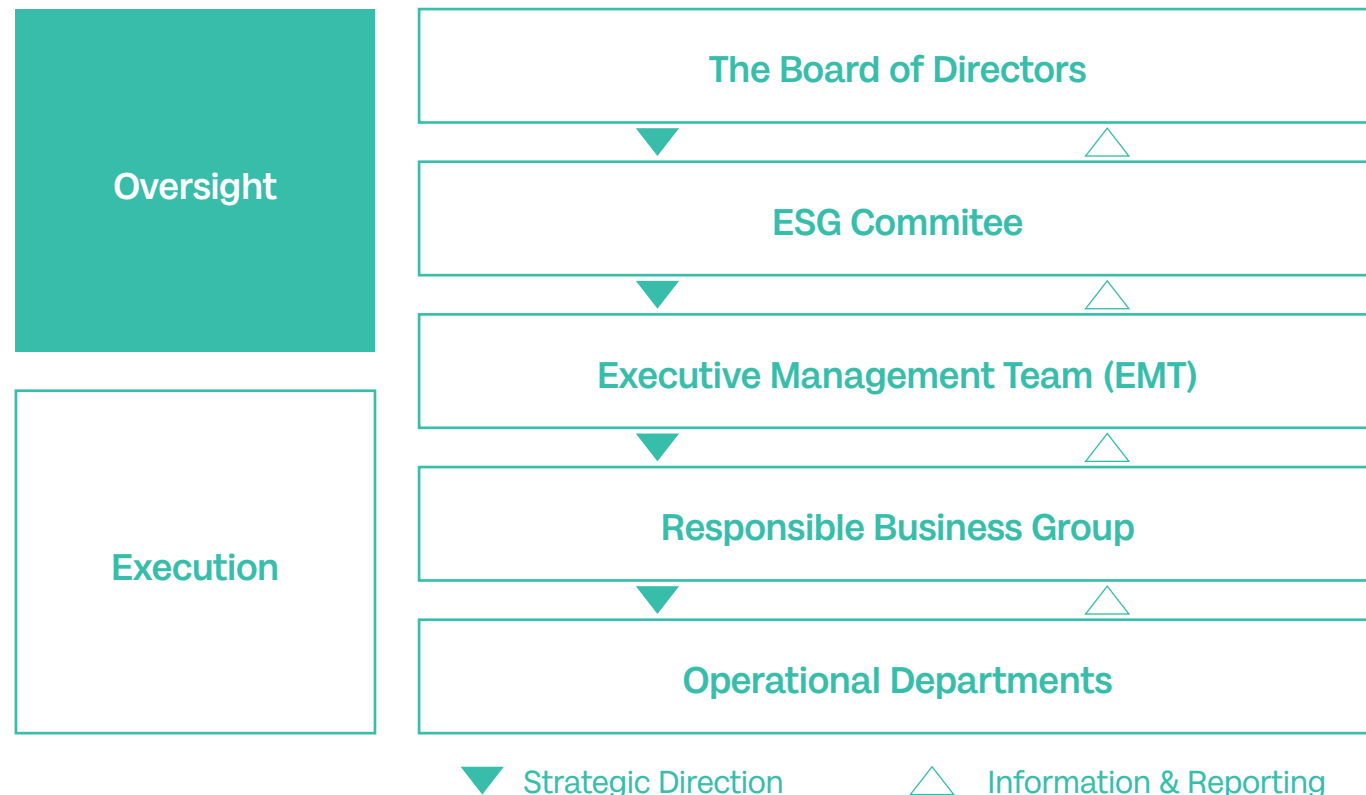
This framework encourages action and transparency in the following areas:

- **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; and**
- **Corporate Risk Register.**

The Net Zero & Climate Change Risks & Opportunities Register and the Corporate Risk Register are reviewed in detail at least annually by the Executive Management Team. 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 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.

Sustainable Development Goals

Phoenix are committed to contributing to the United Nation's Sustainable Development Goals ('SDGs')



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:

1. **No Additional Policy Action** – resulting in temperature rise greater than 2°C;
2. **Late Policy Action (Disorderly)** after a period of inaction, a sharp transition is needed, resulting in temperature rise of below 2°C; and
3. **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

IMPACT				
		High (3)	Medium (2)	Low (1)
PROBABILITY	Remote (1) (<10%)			
	Possible (2) (10%-50%)			
	Likely (3) (>50%)			

Opportunity Matrix

IMPACT				
		High (3)	Medium (2)	Low (1)
PROBABILITY	Remote (1) (<10%)			
	Possible (2) (10%-50%)			
	Likely (3) (>50%)			

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	Timeframe	Our Response
Transition (Policy & Legal)	<p>Government policy and action does not support the use of the existing gas network as part of the net zero solution.</p> <p>Connections to the existing gas network become less attractive to potential customers and existing customers may switch to alternative energy solutions, resulting in reduced investment potential for Phoenix.</p>	Medium-term (10 – 20 years) / Long-term (20 – 50 years)	<p>The Northern Ireland (NI) gas industry remains at growth stage, providing an immediate opportunity to reduce carbon in the short-term by switching from oil (by up to 50%).</p> <p>Natural gas opportunities, such as biomethane and hydrogen represent opportunities for Phoenix.</p>	<p>Short-term (<10 years) / Medium-term (10 – 20 years)</p> <p>Medium-term (10 – 20 years) / Long-term (20 – 50 years)</p>	<p>Phoenix regularly engages with government bodies and other relevant stakeholders in relation to energy transition and on the role that gas network can play as part of the net zero carbon emissions solution – including bimonthly meetings of a Network Strategy Working Group. By continuing to feed into government calls for evidence and consultation processes, Phoenix help ensure that NI policy is shaped by industry evidence and examples of best practice in other regions.</p> <p>In addition, Phoenix continue to strengthen the environmental benefits of gas within the NI context for consumers and stakeholders by promoting the use of biomethane, along with exploring solutions for sectors like agriculture and transport.</p> <p>Phoenix work closely with all energy system providers, including the electricity sector to champion the merits of an increasingly integrated energy system and the utilisation of demand side consumer appliances such as hybrid heating systems.</p>
Transition (Technology)	<p>Readiness and feasibility of the existing gas infrastructure not forming part of the long term zero-carbon heating solution.</p> <p>Commercial production of green gas (including biomethane and hydrogen) is not feasible.</p>	Medium-term (10 – 20 years) / Long-term (20 – 50 years)	<p>Natural gas opportunities, such as biomethane and hydrogen represent opportunities for Phoenix.</p> <p>Energy transition provides a range of upstream investment opportunities for Phoenix e.g. Anaerobic Digestion plants, biomethane production, hydrogen production / pipelines.</p> <p>Demand for green gas solutions for the transport sector also provides potential sector/volume growth potential.</p>	<p>Medium-term (10 – 20 years) / Long-term (20 – 50 years)</p> <p>Medium-term (10 – 20 years) / Long-term (20 – 50 years)</p>	<p>In 2024, Phoenix commenced feasibility studies and regulatory processes to facilitate the injection of biomethane gas into the natural gas network. These processes are now nearing completion and will support the first biomethane connections to the Phoenix network. By establishing an effective route to market for biomethane gas, Phoenix will support early adopter production and therefore the commercial appeal of green gas.</p> <p>With > 99% of Phoenix's network being constructed with polyethylene pipe, that is compatible with the distribution of green gas (e.g. biomethane / hydrogen), Phoenix is well placed to capitalise on the distribution of green gas.</p> <p>Phoenix are progressing a number of hydrogen readiness projects, including under Energy Strategy Funding from the Utility Regulator. Learning in this area is further supported by Great Britain trial data and outcomes.</p> <p>In 2024, Phoenix has undertaken several hybrid heat pump trials with private rented and social housing partners and is planning a large-scale NI-wide hybrid heating trial.</p>

Category	Risks	Timeframe	Opportunities	Timeframe	Our Response
Transition (Market)	<p>Reduction in interest levels towards natural gas from the unconnected customer base impacting future connection growth, whilst debate about future energy strategy is ongoing.</p> <p>Increases in home energy efficiencies reduces demand for natural gas.</p>	Short-term (<10 years) / Medium-term (10 – 20 years)	Potential for Phoenix to expand our service offering in the net zero solution - e.g. installation of heat pumps / hybrid heat pumps, energy efficiency solutions etc.	Short-term (<10 years) / Medium-term (10 – 20 years)	<p>Phoenix continues to enhance the green credentials of the gas network in heating through the utilisation of natural gas as the least polluting fossil fuel. Also, in doing so provides a vehicle to facilitate a route towards net zero in the long-term using renewable gases.</p> <p>Phoenix actively engages with end user groups to promote the gas industry pathway and provide a platform for consumer groups to be involved in shaping future energy system direction.</p> <p>As an active primary bidder to the NI Sustainable Energy Programme Phoenix are increasingly responsible for the delivery of consumer energy efficiency enhancements (to include thermal efficiency enhancements and heat pump installations outside of gas live areas).</p>
Physical (Acute)	Increased frequency of extreme weather events impacting the ongoing maintenance and safe operation of the gas network.	Short-term (<10 years) / Medium-term (10 – 20 years)	Potential for additional investment to incorporate anti-flooding /resilience technologies at critical network assets.	Short-term (<10 years) / Medium-term (10 – 20 years)	<p>The majority of Phoenix's network is constructed utilising polyethylene pipe which is less susceptible to corrosion and will continue to function if submerged.</p> <p>The majority of Phoenix gas network assets are located underground. However, where applicable anti-flooding technologies, that enhances the resilience of network assets when faced with severe weather events, have been installed. In highest risk areas, Phoenix is in the process of enhancing weather resistant technologies and exploring above ground installations, where appropriate.</p>

Metrics & Targets

Our approach to the low-carbon transition will be steered by our GHG emission reduction targets as well as to reaching net-zero emissions from our operations by 2050 or sooner.

Carbon Footprint

Phoenix’s carbon footprint is calculated in line with the GHG Protocol methodology by converting all emissions of relevant gases into a carbon dioxide equivalent (tCO2e). 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 ³	Current Year 2024 tCO ₂ e ^{1,2}	Baseline Year 2019 tCO ₂ e ²
Scope 1 Direct Emissions		
Fossil Fuels	297	581
Bio Energy	0.8	-
Transport	1,613	1,704
Fugitive emissions from refrigerants	1	1
Total Scope 1 Direct Emissions (excluding shrinkage factor)	1,913	2,286
Fugitive emissions from shrinkage (network leakage, own use and theft)	11,454	10,580
Total Scope 1 Direct Emissions	13,367	12,867
Scope 2 Indirect Emissions Electricity		
Purchased electricity (Location Based)	93	114
Purchased electricity (Market Based) ⁴	1	n/a
Total Scope 2 Indirect Emissions Electricity	1	114
Total Scope 1 & 2 Emissions	13,368	12,981
Total Scope 1 & 2 Emissions (excluding shrinkage factor)	1,914	2,401
Scope 3 Other Indirect Emissions		
Business travel	76	18
Employee Commuting	211	264
Fuel Related Activities	486	506
Energy Related Activities	8	27
Waste	101	176
Purchased Goods & Services ⁵	3,051	0*
Total Scope 3 Other Indirect Emissions	3,934	991
Total Carbon Emissions	17,302	13,972
Total Carbon Emissions (excluding shrinkage)	5,848	3,392

* 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 is not directly comparable to the Base Year 2019.

The principal reason for the increase in total carbon emissions in 2024 when compared to the 2019 Base Year was from the inclusion of Scope 3 emissions associated to purchased goods and services, for which comparable data for the base reporting year 2019 is not available.

¹ To enhance the accuracy and comparability of our carbon reporting, we have chosen to recalculate our base year emissions using the updated methodologies and data now available in 2024. This decision ensures that our baseline reflects the most current calculation methods, aligning with industry best practices. By recalibrating the base year, we can provide a more transparent and consistent comparison of our historical and current emissions, allowing for a more accurate assessment of our progress toward carbon reduction goals and targets.

² tCO₂e represents Tonnes Carbon Dioxide Equivalent.

³ 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.

⁴ 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.

⁵ 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 total amount of estimated information calculated is within the 0-5% banding. Phoenix’s carbon footprint has been independently audited by an external Energy and Carbon Consultant (CarbonFit) and has been verified to ISO14064 Greenhouse Gases.

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 2024 tCO ₂ e	Baseline Year 2019 tCO ₂ e
Scope 1 & 2 carbon emissions per connected customer (excluding shrinkage)	0.051	0.057
Total Carbon emissions per connected customer	0.066	0.062*

* 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.

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 2024 MWh	Baseline Year 2019 MWh
Fossil Fuels	1,447	2,457
Transport	6,864	10,721
Electricity	451	447
Shrinkage factor	11,006	10,165
TOTAL	19,769	23,789

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 2024 kg	Baseline Year 2019 kg
Sulphur Oxides (SO _x)	5	4
Nitrous Oxides (NO _x)	3,554	3,354
Particle Matter 2.5 (PM _{2.5})	58	61
Particle Matter 10 (PM ₁₀)	58	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 is targeting reducing the volume of waste sent to landfill as a consequence of our operations by over 75% by 2030. This will be achieved by substantially reducing the volumes of waste produced from our operations.

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

WASTE	Current Year 2024 tonnes	Baseline Year 2019 tonnes
Total Waste	44,742	125,498
Re-use	-23	-17
Re-cycling	-1,621	-851
Diverted from Landfill	-25,915	-78,524
WASTE TO LANDFILL	17,183	46,106

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 2024 Megalitres	Baseline Year 2019 Megalitres
Water Consumption (potable)	0.9	1.3
TOTAL	0.9	1.3

Carbon intensity
Scope 1 & 2 tCO₂e/
connected customer
(excluding Shrinkage)

-31%
reduction

Energy intensity MWH/
connected customer
(excluding Shrinkage)

-44%
reduction

Landfill intensity tonnes/
connected customer

-68%
reduction

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); and
 - >75% by 2040 (excluding shrinkage).
- Reducing Scope 3 emissions by >60% by 2030²;
- Reducing Scope 3 emissions by >80% by 2040²;
- 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 2050³;
- 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 Distribution Network by 2030 ;
- 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 as a consequence 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 Targeted reductions in scope 3 emissions are compared to a base year of 2022 rather than 2019, as emissions associated to hotel stays and purchased goods and services were not captured until 2022.

³ It is anticipated that Phoenix will be required to offset residual emissions.

⁴ Current intelligence suggests distribution of Biomethane in the Phoenix Network is now expected in 2026.

⁵ Current intelligence suggests distribution of Hydrogen in the Phoenix Network is now expected in 2028.

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%

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

Progress Against Targets

	Metric	Units	Base Yr ¹ 2019	2024	Change	Phoenix Target	Target Year	Progress
Green House Gas Emissions 	Carbon - Scope 1 & 2 (excluding shrinkage)	tCO ₂ e	2,401	1,914	-20%	60% reduction	2030	<div><div></div></div> 34%
	Carbon - Scope 1 & 2 (excluding shrinkage)	tCO ₂ e	2,401	1,914	-20%	90% reduction	2035	<div><div></div></div> 23%
	Carbon - Scope 1 & 2 ²	tCO ₂ e	12,981	13,368	3%	Net Zero	2050	<div><div></div></div> 0%
	Zero emission commercial vehicles	count	-	-	-	100%	2035	<div><div></div></div> 0%
	Sulphur Dioxide	kg	4	5	28%	100% reduction	2035	<div><div></div></div> 0%
	Particulate Matters	kg	61	58	-5%	100% reduction	2035	<div><div></div></div> 5%
	Nitrous Oxide	kg	3,354	3,554	6%	100% reduction	2048	<div><div></div></div> 0%
Energy 	Renewable electricity	%	-	99%	-	100%	2030	<div><div></div></div> 99%
	Energy consumed (excluding shrinkage)	MWH	11,627	8,762	-25%	50% reduction	2030	<div><div></div></div> 49%
	Energy consumed (excluding shrinkage)	MWH	11,627	8,762	-25%	75% reduction	2040	<div><div></div></div> 33%
	Green gas introduced in the gas distribution network ³	%	-	-	-	20%	2030	<div><div></div></div> 0%
Circularity 	Waste sent to landfill	tonnes	46,104	17,178	-63%	75% reduction	2030	<div><div></div></div> 84%
	Native trees planted	count cumulative	-	24,000	-	80,000 trees	2031	<div><div></div></div> 30%

¹ To enhance the accuracy and comparability of our carbon reporting, we have chosen to recalculate our base year emissions using the updated methodologies and data now available in 2024. This decision ensures that our baseline reflects the most current calculation methods, aligning with industry best practices. By recalibrating the base year, we can provide a more transparent and consistent comparison of our historical and current emissions, allowing for a more accurate assessment of our progress toward carbon reduction goals and targets.

² It is anticipated that Phoenix will be required to offset residual emissions.

³ 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.



