

# OUR SUSTAINABILITY APPROACH

## Sustainability Governance

Effective governance is fundamental to our success. For that reason, we are dedicated to instituting practices that go beyond compliance with standard principles and procedures. We achieve this through a sustainability governance framework that is fully integrated at both strategic and operational levels.

The Board of Directors oversees sustainability matters and considers them when formulating AET's strategic business plan. In this capacity, the Board is supported by the Audit, Risk and Sustainability Committee (ARSC), a Board-level committee that reviews and advises the Board on the company's overall sustainability strategy and performance.

<b>Board of Directors</b>	Has ultimate responsibility for addressing AET's sustainability matters and setting the strategic direction for the Company
<b>Audit, Risk and Sustainability Committee (ARSC)</b>	Reviews and advises on the Company's overall sustainability strategy and performance at the Board level, including the oversight of sustainability-related risks and opportunities
<b>Executive Leadership Team (ELT)</b>	Chaired by the CEO, the ELT provides guidance and decision making on sustainability matters
<b>Strategy, Sustainability and Enterprise Risk Management Division</b>	Drives sustainability initiatives and monitors AET's progress in achieving its strategic sustainability priorities
<b>Business Units/ Corporate Functions</b>	Responsible for implementing sustainability initiatives and supporting the Strategy, Sustainability and Enterprise Risk Management (ERM) division

## Sustainability Materiality

Materiality assessment is essential for identifying sustainability matters that are most relevant to our business and stakeholders. A central element of our sustainability approach is gathering feedback on topics that are material to our key stakeholders and implementing initiatives to address them. We conduct a materiality assessment every three years to ensure that AET's sustainability agenda remains aligned with the priorities of both internal and external stakeholders. The outcomes also inform sustainability-related risk identification and mitigation as part of our ERM process.

### OUR DOUBLE MATERIALITY APPROACH

We apply a double materiality lens to determine the relevance of sustainability topics. A topic is considered material if it meets one or both of the following criteria:

- **Impact Materiality:** It has a significant impact on the environment and/or society
- **Financial Materiality:** It has a significant impact on AET's financial performance, value drivers, competitive position and long-term shareholder value creation

### PROCESS TO SELECT MATERIAL TOPICS

#### Benchmarking

We conducted desktop research on current and emerging sustainability trends as well as industry and peer benchmarking to evaluate and establish the list of sustainability topics relevant to our business.



#### Stakeholder Engagement

We conducted a survey with a sample of our key internal and external stakeholders on how they rank the material topics in terms of importance.



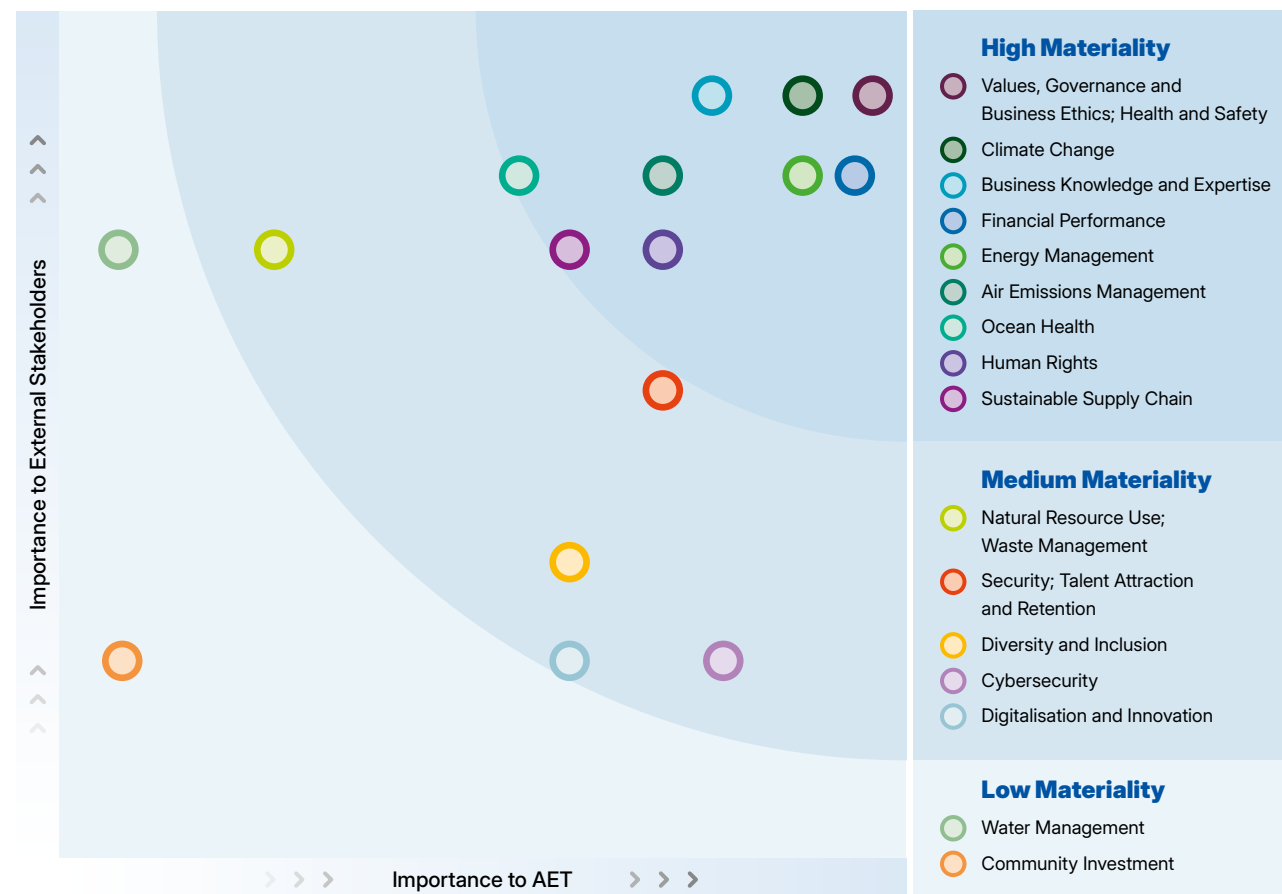
#### Materiality Matrix

Based on the inputs from both internal and external stakeholders, we mapped out the AET materiality matrix which was subsequently endorsed by our ELT and presented to the Board.

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### MATERIALITY ASSESSMENT FOR SUSTAINABILITY STRATEGY 2021-2025

#### MATERIALITY MATRIX



### Strategic Priorities

In our Sustainability Strategy 2021-2025, material sustainability topics identified in the materiality assessment were mapped to strategic priorities under each of the four pillars of the strategy. These priorities guide our disclosures and performance reporting for the current reporting period.

SUSTAINABILITY PILLARS	MATERIAL TOPICS	STRATEGIC PRIORITIES
 <b>ENVIRONMENT</b>	<ul style="list-style-type: none"> <li>Climate Change</li> <li>Energy Management</li> <li>Air Emissions Management</li> <li>Ocean Health</li> <li>Natural Resource Use</li> <li>Waste Management</li> <li>Water Management</li> </ul>	<ul style="list-style-type: none"> <li>Towards Decarbonisation</li> <li>Promoting a Circular Economy</li> <li>Biodiversity Conservation</li> </ul>
 <b>SOCIAL</b>	<ul style="list-style-type: none"> <li>Health and Safety</li> <li>Security</li> <li>Talent Attraction and Retention</li> <li>Diversity and Inclusion</li> <li>Community Investment</li> </ul>	<ul style="list-style-type: none"> <li>Health and Safety</li> <li>Talent Excellence</li> <li>Community Investment</li> </ul>
 <b>GOVERNANCE</b>	<ul style="list-style-type: none"> <li>Values, Governance and Business Ethics</li> <li>Human Rights</li> <li>Sustainable Supply Chain</li> <li>Cybersecurity</li> </ul>	<ul style="list-style-type: none"> <li>Governance and Business Ethics</li> <li>Responsible Supply Chain Management</li> </ul>
 <b>FINANCIAL</b>	<ul style="list-style-type: none"> <li>Business Knowledge and Expertise</li> <li>Financial Performance</li> <li>Digitalisation and Innovation</li> </ul>	<ul style="list-style-type: none"> <li>Financial Growth Plan</li> <li>Financial Governance Framework</li> </ul>