5

ESG Governance

CEM has established a structured and integrated ESG governance framework to ensure that environmental, social and governance considerations are effectively embedded into corporate strategy, operations and decision-making processes.

[GRI 2-9, 2-11, 2-12, 2-13, 2-14, 2-16, 2-17, 2-23, 2-24, 2-29, 3-1, 3-2]

5.1 Governance Framework

The ESG governance structure comprises the Executive Committee and management, with clearly defined roles, responsibilities and reporting mechanisms. This framework supports effective oversight of ESG and climate-related risks and opportunities, ensuring compliance with regulatory and concession requirements while creating sustainable long-term value for stakeholders in the Macao.

5.2 ESG Governance Structure

CEM's ESG governance structure operates under a model of "top-down oversight and bottom-up execution":

Governance Body	Roles and Responsibilities
Executive Committee	The Executive Committee holds ultimate oversight responsibility for ESG and climate-related matters. Responsible for setting overall sustainable development direction, overseeing major ESG and climate-related risks and opportunities, and reviewing and approving key ESG and climate-related disclosures, including climate disclosures aligned with IFRS S2 where applicable. The Executive Committee reports regularly to the Board on ESG and climate-related matters, and provides specific updates on significant risks or key decisions when necessary.
Sustainability Executive Committee	Provides management-level oversight and coordination of ESG matters. Integrates ESG considerations into corporate strategy and operational decision-making, reviews ESG performance and risks, ensures adequate resources and systems are in place, and reports significant ESG issues to the Board.
Sustainability Steering Committee	Acts as a cross-functional management committee responsible for translating approved ESG strategies, targets and policies into implementation plans, coordinating cross-departmental execution, monitoring KPI performance, and identifying and escalating execution-level risks.
Audit and Risk Committee	Reviews the effectiveness of risk management and internal controls, including ESG and climate-related risks. Reports significant risks and control matters to the Board where appropriate.
ESG Working Group and Functional Teams	Responsible for implementing ESG initiatives at the operational level, including data collection, validation and reporting support, ensuring compliance with internal policies and regulatory requirements.

5.3 Materiality Assessment

[GRI 3: Material Topics] ; [GRI 3-1: Process to Determine Material Topics]

In 2025, the Company engaged external consultants to conduct a double materiality assessment to identify and prioritise ESG topics that are most significant to its operations and stakeholders. The assessment aims to enhance transparency, strengthen stakeholder engagement, and improve the Company's ability to identify and manage risks and opportunities related to its operations and value chain.

The assessment process includes the following key steps:

1. Topic Identification

Stakeholder views and expectations form an important foundation for promoting sound corporate governance and enhancing management standards. Based on business characteristics and engagement practices, the Company identifies key stakeholder groups[3] and maintains ongoing communication through appropriate channels to foster mutual understanding and long-term relationships.

Stakeholder Groups and Engagement Channels

Employees
- Employee surveys
- Regular company-wide communications.
- Training and seminars
- Company events

Customers
- Conducting CEM Customer Liaison Committee quarterly meetings
- Social media
- CEM App
- Promotional leaflets and posters
- Customer satisfaction survey

Shareholders and Providers of Capital
- Participate in regular General Meeting, Board of Directors Meeting, and Supervisory Board Meeting.
- Interviews

Government and Regulator
- Participate in regular General Meeting, Board of Directors Meeting, and Supervisory Board Meeting.
- Compliance reporting and submissions

Suppliers and Contractors
- Contractor induction
- Yearly Safety, Health, Environment and Quality (S.H.E.Q.) awards to contractors

Associations and Non-government Organizations
- Bi-annual Conference on Electric Power Supply Industry
- Participating in seminars, workshops and other activities

Local Communities
- Participating in regular social events
- Visits
- Education and awareness raising programs

Media
- Press conference
- Media press release and advertisement
- CEM events
- Interviews

3 Stakeholder groups are identified with reference to the AA1000 Stakeholder Engagement Standard (2015).

CEM systematically collects stakeholder concerns and recommendations on ESG topics through surveys, thematic meetings, routine business communications and management discussions, and establishes a company-specific list of sustainability topics.

2. Stakeholder Engagement
[GRI 3-1 ; GRI 2-29]

Based on the above list of topics, external consultants designed a double materiality assessment questionnaire to evaluate ESG topics from two complementary dimensions:

- Impact materiality: The extent to which CEM's activities may have actual or potential positive or negative impacts on the environment and society.
- Financial materiality: The potential magnitude of impacts that ESG topics may have on CEM's short-, medium- or long-term financial performance.

In 2025, CEM collected over 100 valid responses. All key stakeholder groups were represented, providing a robust and representative data foundation for analysis.

3. Management Review

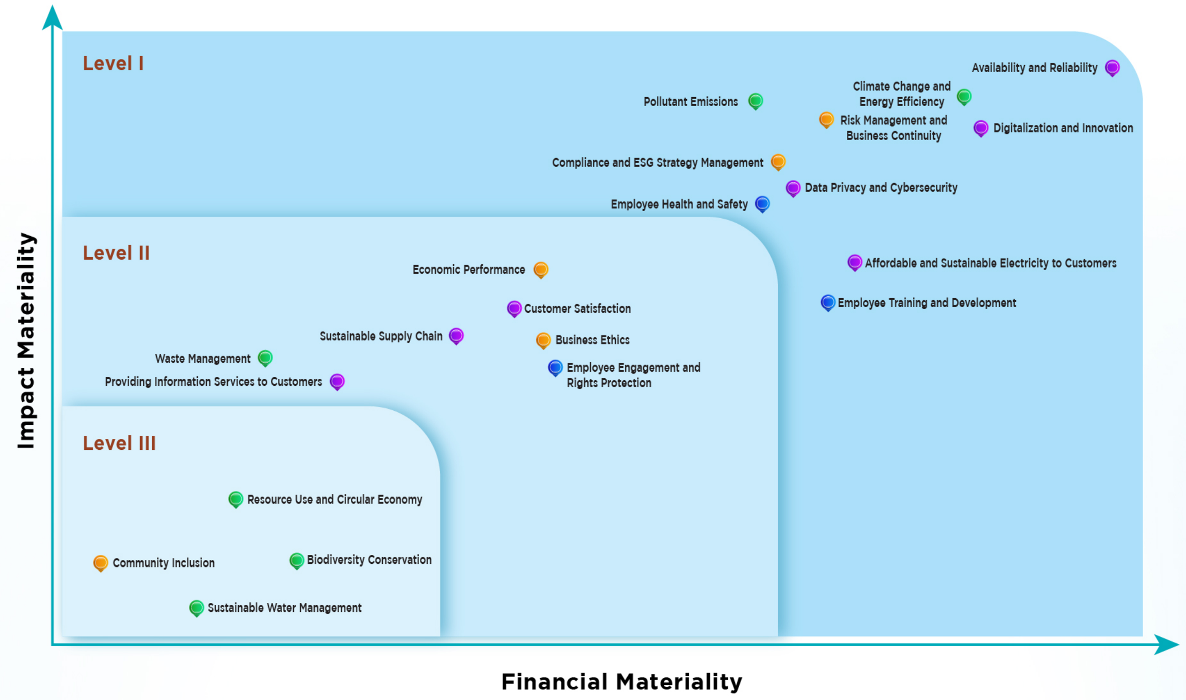
Members of the Executive Committee and heads of departments provided supplementary evaluation inputs based on their professional judgement, operational experience and risk considerations.

4. Data Analysis and Validation
[GRI 3-1]

This assessment adopts a combination of quantitative and qualitative analysis approaches. For the quantitative analysis, CEM conducted statistical analysis on both impact and financial materiality scores, using average values and relative rankings to assess the importance of each topic. A double materiality matrix was then developed to visually present the prioritisation of topics. For the qualitative analysis, CEM reviewed open-ended responses to identify emerging risks and stakeholder concerns. Consideration was also given to regulatory developments, policy directions and industry trends relevant to CEM's operations, to ensure that the assessment results comprehensively reflect both internal and external environments.

5. Double Materiality Matrix
[GRI 3-2: List of Material Topics]

Based on the assessment results, CEM identified a total of 21 ESG topics, which are categorised into three Level according to their relative importance: Level 1 (high priority) comprises topics with high impact and/or financial materiality; Level 2 (medium priority) comprises topics of moderate importance; and Level 3 (emerging / lower priority) comprises topics of relatively lower current importance that require ongoing monitoring.



Environmental Topics
Social Topics (Employee-related)
Social Topics (Operations-related)
Governance, Business and Economic Topics

Level I	Level II	Level III
Availability and Reliability	Customer Satisfaction	Community Inclusion
Digitalization and Innovation	Sustainable Supply Chain	Resource Use and Circular Economy
Data Privacy and Cybersecurity	Providing Information Services to Customers	Sustainable Water Management
Affordable and Sustainable Electricity to Customers	Economic Performance	Biodiversity Conservation
Compliance and ESG Strategy Management	Business Ethics	
Risk Management and Business Continuity	Employee Engagement and Rights Protection	
Employee Health and Safety	Waste Management	
Employee Training and Development		
Climate Change and Energy Efficiency		
Pollutant Emissions		

The above topics represent CEM's core ESG risks and opportunities, and form the key focus areas of the Company's sustainability strategy, governance oversight and performance management. CEM will regularly review and update its material topics to reflect changes in the business environment, regulatory requirements and stakeholder expectations.