

Natural catastrophe analysis

ACEN's project development process includes a review of the topography, weather patterns, hydrological studies, seismological studies, volcanic activities and water levels of the site. As part of the insurance management process, ACEN avails of a **natural catastrophe study** for select projects called the Munich Re's NATHAN (or Natural Hazards Edition), a leading risk tool. These help ACEN during design and construction to include engineering solutions for major risks. The study, conducted by Munich Re, a leading global insurance provider, equips ACEN in determining the optimal construction design and engineering mitigation solutions.

Climate-related opportunities and response actions

The war in Ukraine triggered the current energy global crisis, which accelerated demand from governments, businesses and consumers for clean energy sources. With elevated fossil fuel prices, renewable energy has become a more sustainable alternative. This paves the way for the emergence of clean technology that is more efficient, cost-effective and reliable.

As an early mover in renewable energy in Southeast Asia, ACEN aims to capitalize on the enormous opportunities around energy transition. It has laid out an aggressive goal to accumulate **20 GW of renewables capacity by 2030**. To achieve this goal, ACEN will implement three key strategies: geographic expansion, new technologies and strategic partnerships.

ACEN's climate-related opportunities assessment focuses on energy efficiency, materials use efficiency, energy resilience, innovation in products and services and prospects in new markets.

Transition risks	Opportunities	ACEN response actions
Market	<p>Global energy crisis accelerated the demand for governments and businesses to transition to a low-carbon economy.</p> <p>High fossil fuel prices triggered by the Ukraine war made renewables more competitive.</p>	<p>Launched in 2022 a long-term goal to build 20 GW of renewables capacity by 2030, focusing on three key strategies: geographic expansion, new technologies and strategic partnerships.</p>
Technology	<p>Strong emergence of clean technologies that are increasingly becoming more efficient, cost-effective and reliable, enabling renewables to become a scalable alternative to fossil fuels.</p>	<p>Continue to scale up ground-mounted solar wind and solar.</p> <p>Make headway into new technologies such as battery storage, offshore wind, and floating solar.</p>
Regulatory and litigation	<p>Structural changes taking place globally provide an enabling environment to ramp up renewables investments.</p> <p>Philippines</p> <ul style="list-style-type: none"> Tight power supply situation calls for greater investments in renewables Government targeting 35% share of renewables output, requiring ~18 GW of renewables capacity to be built across the industry <p>Australia</p> <ul style="list-style-type: none"> Closures of ~10 GW of coal-fired power plants expected by 2030, requiring ~25 GW of replacement renewable energy to be constructed <p>Vietnam</p> <ul style="list-style-type: none"> Government's Net Zero goal by 2050 entails a target of 70 GW of renewables capacity by 2030, requiring ~27 GW of new capacity to be installed <p>India</p> <ul style="list-style-type: none"> Government's Net Zero goal by 2070 entails a target of ~523 GW of renewables capacity, requiring ~300 GW of fresh capacity to be built <p>Indonesia</p> <ul style="list-style-type: none"> Government's Net Zero target for 2060 calls for a goal to reach ~29 GW of renewable energy by 2030, requiring ~21 GW in new capacity to be assembled 	<p>Continue geographic expansion through its extensive project pipeline across its key markets in the Philippines, Australia, Vietnam, India and Indonesia.</p> <p>Continue to forge strategic partnerships with regional developers and strong local players in order to expand the project pipeline and accelerate project development.</p> <p>Leverage robust balance sheet to fund expansion plans, focusing on sustainable financing initiatives.</p>
Reputation	<p>Increasing awareness on the effects of climate change has emphasized the importance of clean energy, bringing renewable energy to an unprecedented level of importance. Failure to adapt can cost one's "social license to operate".</p> <p>Premium ascribed by investors to companies with robust climate strategy and climate-related risk management practices.</p>	<p>Continue regular engagement with key stakeholders through various channels on how decarbonization is integrated into the overall growth strategy.</p> <p>Continue to adhere to best practice reporting systems to enhance climate-related disclosures such as TCFD and CDP.</p>

On managing and mitigating the physical risks of climate change impacting our business, we have a robust sustainability program that focuses on three focus areas: climate change, biodiversity and resource efficiency.

