Net Zero Policy

SDP aims to reduce its greenhouse gas emissions, as described in this Policy, while providing Greater Sydney with a secure supply of high-quality drinking water.

Built upon the foundation of a landmark 20-year renewable power purchase agreement in place from 2010 to ensure that all electricity consumed by the Plant would be 100% matched by renewable energy certificates (large-scale generation certificates and small-scale technology certificates), SDP has set a target to achieve Net Zero Scope 1 and 2 emissions by 2050. As part of its strategy to achieve this target, SDP may consider procuring carbon offsets, particularly to offset residual Scope 1 emissions from hard-to-abate sources.

To contribute to global efforts to seek to limit warming in alignment with the 2015 Paris Agreement's 1.5°C goal, SDP has set a target to reduce aggregate Scope 1 and Scope 2 emissions by 63% by FY2035, using FY2023 as the baseline.[1] This target is designed to further enhance our approach to decarbonisation and reflects our evolving focus on absolute emissions reductions.

Policy Initiatives:

- Under current contracting arrangements, expiring in 2030, all electricity used at the Plant is matched with renewable energy certificates (large-scale generation certificates and small-scale technology certificates). We intend to evaluate new energy contract negotiations to support us to procure renewable electricity equivalent to 100% of the Plant's consumption post 2030, through arrangements to acquire large-scale generation certificates (or other equivalent certificates) which match our consumption.
- By 1 July 2026, we intend to develop a procurement strategy for engaging with our key suppliers, to obtain information regarding their greenhouse gas emissions footprint and decarbonisation initiatives, and to help us set a target for our Scope 3 emissions in the future.
- We plan to investigate the feasibility of SBTi (Science Based Target Initiative) validation for our Scope 1 and 2 aggregate emissions reduction target as appropriate for the business by the end of 2026, and pursue if practicable.
- This Net Zero Policy will be reviewed every two years. This iterative approach allows us to incorporate progress on our Net Zero Policy.
- SDP plans to continue to participate in Environmental, Social, and Governance (ESG) assessments such as the Global Real Estate Sustainability Benchmark (GRESB), to help ensure our progress is externally benchmarked and transparent.
- We intend to continue to monitor and internally report on our greenhouse gas emissions (Scopes 1, 2, and 3), which we have done since 2021.
- SDP plans to obtain limited assurance on its Scopes 1 and 2 emissions data reporting, commencing for the financial year 2025 end.

These policy initiatives underscore SDP's target to achieve Net Zero Scope 1 and 2 emissions by 2050.

Penny Graham

Penny Graham
Chair
Date: 17 June 2025

P. Narezzi

Philip Narezzi
Chief Executive Officer
Date: 17 June 2025

[1] For the purposes of this target, SDP will use a market-based accounting method for emissions calculation. Achievement of Scope 2 emissions reductions for the purpose of this target is dependent on SDP's ability to source renewable electricity equivalent to the Plant's annual consumption through acquiring largescale generation certificates (or other equivalent certificates) at a reasonable price.