



**SPgroup**

Empowering the Future of Energy

# Forging ahead for a greener future

SP Group Annual Report 2023



The mission of SP Group is anchored on key pillars of safety, reliability and sustainability in providing quality energy services to our customers. Beyond operating world-class electricity and gas networks, we are driving transformation towards a low-carbon future that contributes to the green goals of Singapore and the countries in which we operate.

“As a leading utilities and sustainable energy solutions provider, we will forge ahead with conviction to empower more initiatives and outcomes for a greener future.”

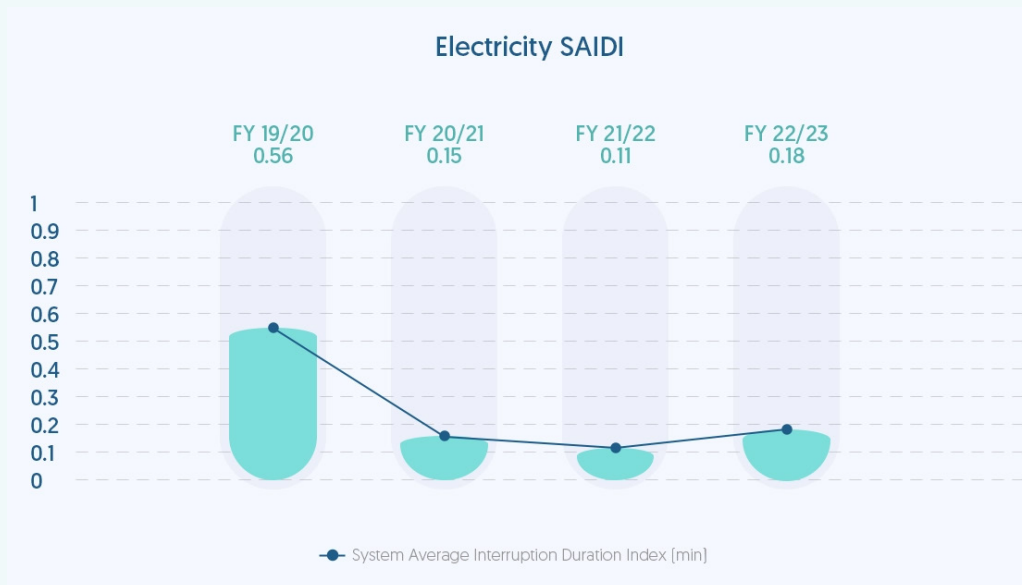
**Leong Wai Leng**  
Chairman



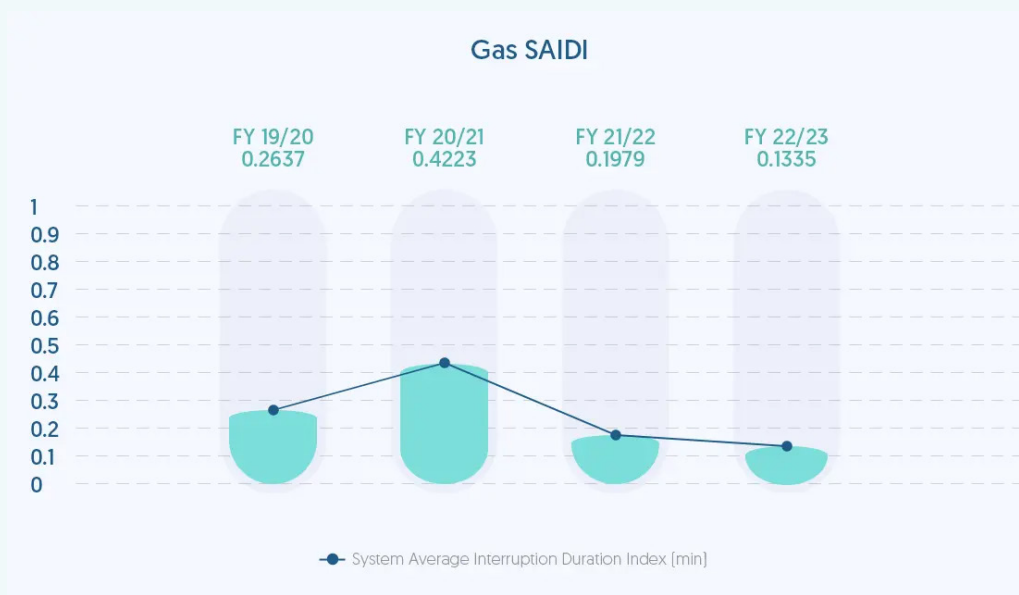
## Building resilient networks

We ended the year on a strong note with outstanding performance in safety and reliability. With an established bedrock of engineering expertise and diligent round-the-clock operations, we continued to provide reliable electricity and gas supply for the nation. For the year ending March 2023, this has resulted in an

excellent System Average Interruption Duration Index (SAIDI) score of 0.176 for electricity and 0.1335 for gas supply. This means that on average, a customer experienced just 11 seconds of electricity interruption and 8 seconds of gas interruption.



## CHAIRMAN'S MESSAGE 2023



Despite challenges from global economic, political and environmental developments, our teams have supported rising energy demand and sustained high network reliability. Our engineers and technical specialists manage over 12,000 substations, vigilantly inspecting vital assets such as cables, transformers and switchgears. In the past year, we renewed 139 km of cables, 1,204 switchgears and 304 transformers. We delivered growth and renewal projects such as the replacement of ductile iron gas pipelines with durable polyethylene pipes, and achieved key

milestones on the underground electricity substation.

To shape the grid of the future, we are laying the foundation for a digitalised network. We are expanding our online condition sensing and monitoring to an additional 40 source stations, and scaling up on two pilots – distributed energy resources management (DERMS) and the Digital Twin. We are also exploring and implementing digital technologies in various areas like advanced control and monitoring, sensing, artificial intelligence and edge computing.



## CHAIRMAN'S MESSAGE 2023

SP was recognised at the regional Power & Energy Awards for “Building the Energy Metaverse with A Digital Twin” and “Improving SAIDI with Condition Monitoring Systems and Engineering”. These affirmed the team’s efforts in building a smart grid that supports the transition

towards a low-carbon energy future. We will continue to prioritise the transformation of our grid into one that remains resilient while supporting renewable energy deployment to meet the country’s energy needs.

## Maintaining safety focus

Safety remains our highest priority and is firmly ingrained in all aspects of our business. This comes through in consistent practices on the ground, across the ranks and with our contractors, augmented by digital tools for real-time monitoring and timely reporting and reviews. These have contributed to SP’s safety target achieved for the fourth consecutive year, with a Loss time Injury Frequency Rate of 0.37 last

year. Our commitment to safety has earned global recognition as SP has been awarded the British Safety Council’s International Safety Award [Merit] for maintaining exceptional safety standards and keeping the workplace safe for our staff and contractors. SP has also been certified as a Global Health Workplace by the Global Centre for Healthy Workplaces.



Upholding safety in all aspects of business and operations

With digitalisation as an intrinsic part of business operations and customer engagement, we maintain our focus on strengthening cyber resilience and promoting awareness across the

organisation. This is in tandem with industry best practices and in close partnership with government agencies and experts.

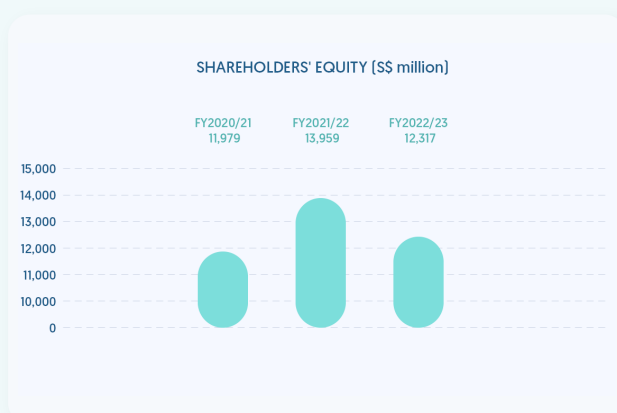
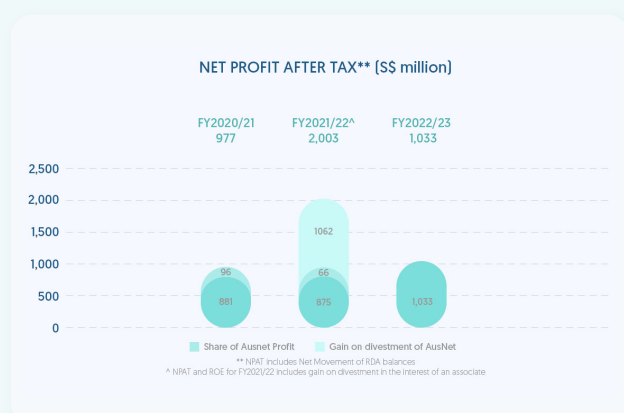
## Elevating customer experience

The digital transformation of our business has enhanced service capacity and efficiency for the 1.6 million commercial, industrial and residential customers we serve. We have integrated more user-friendly features and services, like the PayNow payment function on the SP app, which has over 1.87 million downloads as at 31 March 2023. Beyond utilities and billing transactions, we

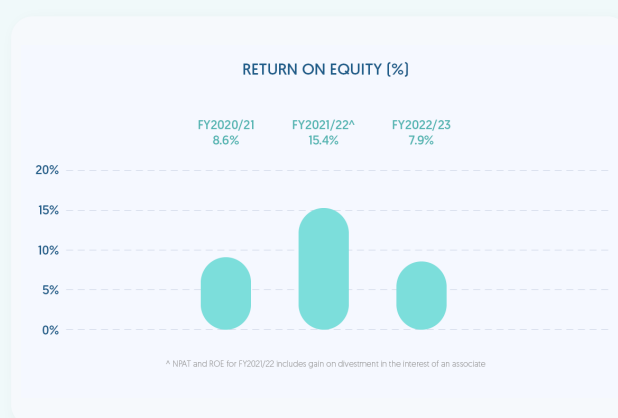
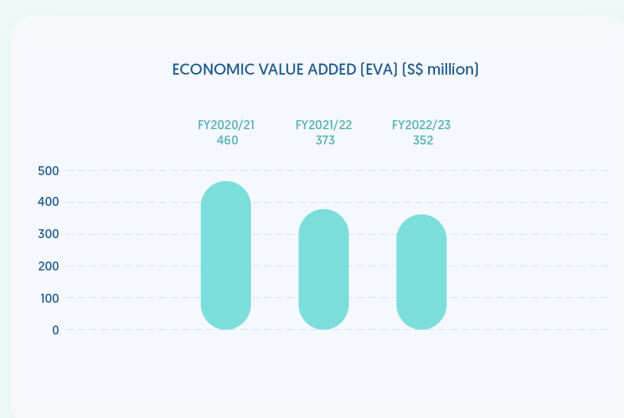
are empowering users to track and reduce their carbon footprint through climate-oriented features like Green Goals. These were among the efforts of our customer experience teams who were recognised with the Excellent Service Award [EXSA] 2022.

## Attaining strong financial results

Amidst a backdrop of volatile environment, slowing global growth, inflation and higher interest rates, SP Group recorded a strong performance in FY22/23. The Group achieved a net profit of S\$1.033 billion and Return of Equity of 7.9 per cent.



## CHAIRMAN'S MESSAGE 2023



The Group's net revenue rose by five per cent to S\$2.7 billion, driven by a higher Regulated Asset base and stronger results in Sustainable Energy Solutions. Regulated business remains stable, recording S\$2.6 billion of revenue in FY22/23. Sustainable Energy Solutions revenue grew by 29

per cent to S\$106 million.

With the stable financial result and positive outlook, Moody's and S&P have maintained the credit ratings for SP Group at Aa1 and AA+ respectively.

## Scaling up sustainable energy solutions for Singapore

We have created a strong path of growth in green solutions and decarbonisation for Singapore and the region. Our Sustainability Review details the progress in our multi-pronged strategies that are aligned with the United Nation's Sustainable Development Goals. These also contribute to achieving key aspects of Singapore's Green Plan.

Our portfolio of district cooling solutions has been extended to more commercial, industrial and residential properties. With a total cooling capacity of 170,000 refrigeration tonnes (RT), SP is the largest district cooling provider in Southeast Asia.

We are expanding our flagship network at the Marina Bay business district to provide energy efficient cooling to 32 developments by 2027.

In our joint venture with Daikin, we have kicked

off development of STMicroelectronics's (STM) district cooling facility at Ang Mo Kio Technopark – Singapore's largest industrial district cooling system with a capacity of up to 36,000 RT. We have also deepened our collaboration with STM with an integrated approach – providing electric vehicle charging points and smart water metering solutions to support their journey towards carbon neutrality by 2027. In our first large-scale residential centralised cooling project located at the new Tengah estate, we have developed the infrastructure and are putting in place our customer service systems to operationalise the facility for the 10,000 households that have signed up. Efforts are also in progress in our first brownfield project to equip seven commercial, retail and community buildings in Tampines town with distributed district cooling, as part of its eco-town masterplan.



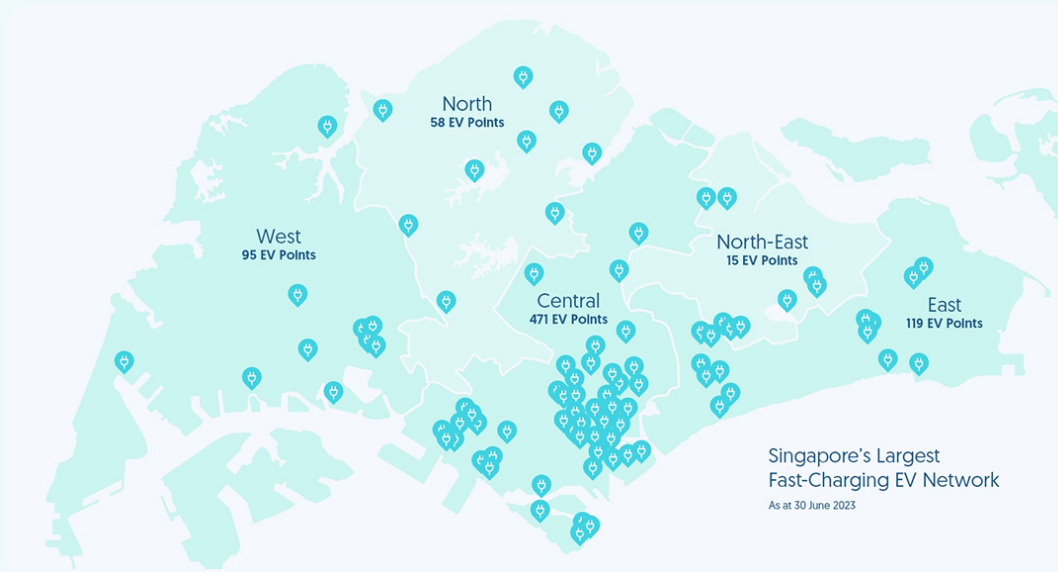
## CHAIRMAN'S MESSAGE 2023



SP is installing rooftop solar PV systems at six of AA REIT's properties

SP is taking the lead in charting the decarbonisation journey at our own premises and facilities. We have started installing rooftop solar panels on 37 electrical substations across Singapore. A first in Southeast Asia, we have embarked on a pilot to test the viability of a thermal energy storage system at the George

Street substation and install additional chillers to support future expansion of the Marina Bay district cooling network, bringing sustainable cooling to more buildings. This initiative, with the support of the Energy Market Authority, will pave the way for more green projects that leverage our energy networks.



SP is empowering corporate customers such as AIMS APAC REIT [AA REIT] with our capabilities to generate renewable energy for their business needs. Work is underway to install rooftop solar photovoltaic [PV] systems across six of AA REIT's

industrial, logistics and warehouse properties, making it one of the largest rooftop solar installations by any Singapore-listed real estate investment trust.

## CHAIRMAN'S MESSAGE 2023

To bolster electric vehicle (EV) adoption in Singapore, SP is scaling up charging facilities across the island. We operate Singapore's largest EV charging network, with more than 750 charging points in close to 185 locations, as at 30 June 2023. SP has also been awarded the Land Transport Authority's tender to install up to 4,800 charging points across more than 400 Housing

Development Board carparks. This marks our first and biggest rollout of EV charging points in the public residential space. In addition, we are teaming up with Surbana Jurong to turn its premises into the largest on-campus EV charging hub in Southeast Asia.



We are partnering National Water Agency PUB to participate in the Energy Market Authority's Demand Response and Interruptible Load programmes. This means PUB will voluntarily reduce its energy use or temporarily shift usage during periods of peak usage or when supply from renewable energy sources is intermittent. This will help balance demand and supply on the national power grid at critical times, while facilitating the integration of more renewables. As a demand response aggregator, SP has the unique opportunity to facilitate electricity load curtailment across multiple sites for suitable companies.

SP is equipping businesses with digital and smart metering solutions, to enhance operational efficiency, hence advancing the sustainability

agenda at scale. Last year, key partners including Changi Airport Group, Singapore Land Group, Singapore Pools, Trelleborg, Shaw Organisation, UE Square, Frasers Properties and Ministry of Education, adopted SP's Green Energy Tech (GET™) to drive greater energy efficiency and reduce carbon footprint in their daily operations.

Our carbon solutions business has taken flight, with a record 1.6 million renewable energy certificates sold to local and regional customers. We have also secured an exclusive partnership with Turnkey, a climate tech company, to provide carbon accounting and climate advisory services to customers in these regions.



## Expanding sustainable solutions for the region

With our established track record in Singapore, SP is well placed to extend our sustainable energy solutions and capabilities abroad. We have grown our presence in China, Vietnam and Thailand in the last two years, resulting in a three-fold increase in net revenue for these businesses.

Following our first foray into Chongqing, China, a strong pipeline of projects has taken root across 11 provinces in China including major cities like Shanghai, Guangzhou and Chengdu, making SP well placed to be among the top foreign players

in the country's energy sector. In the past year, we secured our first brownfield district cooling project in Chengdu, Wuhou. We have acquired 110 Megawatts-peak [MWp] of rooftop PV assets from Shanghai Unisun New Energy Co Ltd, that will generate more than 111 Gigawatt-hours [GWh] of green electricity annually, amounting to an avoidance of more than 64,000 tonnes in carbon emissions annually. From Sichuan to Shandong, we are supporting industrial parks and factories to incorporate clean energy, by designing solar rooftop solutions that maximise yield, enhance energy savings and lower carbon emissions.



Ground-breaking for SP's project at SABECO's brewery in the Quang Ngai Province, one of nine breweries which SP will install with 10.44 Megawatt-peak of solar panels in total

In Vietnam, where we have offices in Ho Chi Minh City and Hanoi, SP is one of the country's largest rooftop solar players, partnering respected brands like Sabeco, Saitex, Vinamilk and CJ Group. We acquired our first solar farm assets of 100 Megawatts-peak collectively, generating 130 GWh of green electricity, leading to an avoidance of 105,000 tonnes in carbon emissions annually. Our most recent regional expansion has

taken us to Thailand, where we have set up an office in Bangkok.

Our rooftop and utility-scale solar capacity in all markets has grown, with a secured capacity of 930 MWp – 545MWp in China, 330MWp in Vietnam, 10MWp in Thailand and 45MWp in Singapore, of which 273 MWp is operational and 657MWp is under development.

## Purpose-driven workforce

To fulfil our mandate to empower the future of energy, our people need to constantly stay ahead with skills and knowledge to drive impactful solutions and service. In the past year, we invested S\$8 million and 155,000 training hours to fortify our future-ready workforce. This included funding five technical officers for their full-time Electrical Power Engineering degree

course at Singapore Institute of Technology. To shore up our in-house capabilities and create a pathway for knowledge transfer, we have increased our pool of technical experts from seven to 23 in nine domain areas to mentor our emerging engineering talent and help them stay at the forefront of industry transformation.



Minister of State Low Yen Ling and Group CEO of SP Group Stanley Huang with SP's technical officers who are pursuing their full-time degree at Singapore Institute of Technology, sponsored by SP

In SP's signature FUSION programme, 150 staff completed upskilling courses customised for specific operational needs to achieve better efficiency and enrich job exposure.

Partnering the Union of Power and Gas, we launched Project Silver+ with a view to enhance employability of mature workers and help them address opportunities and challenges in this season of their careers.

In the past year, our employees signalled their strong support for SP's vision and strategic direction with a record score of 87.6 per cent in our annual employee engagement survey. We will continue to invest in developing our people and equip them for the critical services and transformational outcomes of their contributions.

## Empowering the community

Even as we celebrate success, we remain committed to sustained giving and meeting the evolving needs of our community. SP has funded and set up programmes to benefit vulnerable groups in society across the age spectrum, from seniors, to children and youth. In our stepped-up efforts last year, we contributed about S\$5 million in donations and staff volunteerism towards various community causes and industry initiatives.

SP Kids at Heart is a key pillar of our corporate giving, supporting children from lower-income families. We reaffirmed our support for the 3,000 children under KidSTART Singapore through a S\$1.1 million donation in June 2022 – an extension

of the S\$1 million donation the year before. The contribution went towards the launch of two new initiatives to foster parent-child bonding and early childhood literacy during their formative years. The children and their families benefited from KidSTART Sea Adventures, an interactive marine play that gave children their first theatrical experience, and KidSTART Stories, where families received a mini library to help nurture reading habits from young. SP also funded new children's programmes – digital tablets to support after-school learning for children under AMKFSC Community Services and more than 60,000 meals for children at Care Corner's student care centres.



Reaffirming SP's support for KidSTART Singapore's programmes through a S\$1.1 million donation. [From left] SP's Group CEO Stanley Huang, Chairman of Community Chest Chew Sutat and CEO of KidSTART Singapore Limited Rahayu Buang.

We expanded our outreach in supporting at-risk youth in Singapore, through a S\$750,000 donation to Youth Guidance Outreach Services [YGOS], a social service agency that strives to inspire youth in pursuing a fulfilling education and to give back to the community. This funding covered the purchase of an electric vehicle for a new mobile outreach support team and the refurbishment of two youth centres as well as

enables YGOS to bring its programmes to more youths.

We maintained our support for seniors through programmes that help them to lead fulfilling and meaningful lives in their silver years. About S\$1 million was raised for the SP Heartware Fund last year, reaching out to 23,000 vulnerable seniors.



## CHAIRMAN'S MESSAGE 2023

This totalled close to S\$20 million raised since the Fund was established in 2005 in partnership with Community Chest. These programmes support services for 25,000 vulnerable seniors. At Toa Payoh West – Thomson, we provided close to 70,000 meals for seniors and engaged them in activities and outings to promote active aging and prevent social isolation.

SP also maintained our scaled-up annual SP Power Packs charity drive, providing 10,000 lower-income families with daily necessities.

The engine behind our community outreach is our pool of staff volunteers, known as SP Heart Workers. They are committed to organising activities throughout the year, such as outings, grocery shopping, befriending sessions as well as the delivery of Power Packs and SP Kids at Heart learning packs.

SP is honoured to be recognised for these efforts through the Community Chest Platinum,

Volunteer Partner and Enabler Awards, as well as the Champions of Good by the National Volunteerism and Philanthropy Centre, and the Ministry of Social and Family Development's Community Cares Award.

Giving new meaning to service with a heart, SP received national recognition for contributing to the nation's pandemic relief efforts. Supporting the Ministry of Health's COVID-19 Home Recovery Buddy Hotline, team leader Tan Jun Huang and assistant leader Eddie Neo, who both carry out customer experience roles at SP Services, received the Public Service Medal (COVID-19). They were also among 16 staff who received the COVID-19 Resilience Medal.

As an organisation, SP was recognised with COVID-19 Resilience Certificate, as well as the President's Certificate of Commendation for sustained support and contributions to the community through donations and volunteerism during the pandemic.

## In appreciation

On behalf of the Board, I thank Tan Sri Hassan Marican for his leadership as Chairman of SP's Board till 1 January 2023 and his contributions on the Board since February 2011. The SP Group has gained tremendously from his vast experience, and people-centric stewardship. I am also grateful to my fellow Board members for their support and counsel. In addition, I welcome Mr Antonio Volpin and Mr Ching Wei Hong who joined the SP Board on 1 April 2023 and 1 June 2023 respectively.

I commend the management and staff of SP Group for their steadfast efforts in providing reliable and trusted services in our core responsibilities, and paving new pathways

towards decarbonisation in all aspects of our business and operations. I also thank our shareholder, business and community partners, union, and regulator for their support and collaboration.

As a leading utilities and sustainable energy solutions provider, we will forge ahead with conviction to empower more initiatives and outcomes for a greener future.

**Leong Wai Leng**  
**Chairman**  
**August 2023**