

**LNG INVESTMENTS EUROPE LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Business review (CONTINUED)

Section 172 Of The Companies Act 2006 (Continued)

- a. the likely consequences of any decision in the long term,
- b. the interests of the company's employees,
- c. the need to foster the company's business relationships with suppliers, customers and others,
- d. the impact of the company's operations on the community and the environment,
- e. the desirability of the company maintaining a reputation for high standards of business conduct, and
- f. the need to act fairly as between members of the company.'

The Directors have a duty to promote the success of the Company for the benefit of the stakeholders as a whole and have regard to the interests of the stakeholders in their decision making. The values of the Directors and the stewardship of the Company are aligned with those of the PETRONAS Group.

As outlined in the sections below for 'Principal Risks' of the Strategic Report, the Directors of the Company has put in place various risk management measures to protect the Company and those stakeholders who depend on it.

Principal decisions

We define principal decisions taken by the Board as those decisions in the financial year that are of a strategic nature and/or that are significant to any of our key stakeholder groups identified in section below for 'Engaging with Stakeholders' of the Strategic Report. Below we outline the principal decisions made by the Board. This explains how the Directors have engaged with, or in relation to, the different key stakeholder groups, and how stakeholder interests were considered over the course of decision-making:

- The Company's employees now operate on a hybrid working arrangement as standard.

The Directors consider that they have acted in accordance with their duties under Section 172 in the decisions taken during the year ended 31 December 2023. The level of information disclosed on the principal decisions above is consistent with the size and complexity of the business. We describe how stakeholders were considered during the decision-making process by summarising the relevant discussions. The relevance of each stakeholder group's interests may differ depending on the nature of decisions being considered. Board decisions will not necessarily result in a positive outcome for all our stakeholders, but by considering our purpose, values and business objectives, and having due regard for stakeholder relationships, the Board aims to ensure that its decisions promote the long-term success of the Company.

Business Environment, Principal Risk and Uncertainties

Operating in one of the most liquid and liberalised gas markets in the world, the Company faces uncertainty over demand and supply of UK gas market. The movement in global prices of natural gas, LNG and other related products (commodity price risk) influence the NBP gas price which is a key global pricing factor. The Company also faces seasonal and geographical price spreads.

The demand for LNG in the UK is a function of gas demand which has a direct correlation to pipeline gas supply and prices. In the broader context, demand for LNG is also a function of supply from other energy and related sources such as coal and renewables.

These factors lead to an increase in uncertainty arising from movements in prices for liquid natural gas, natural gas and related products. This risk, together with foreign exchange risk, constitutes market risk. Market, credit and liquidity risks represent the principal financial risks to the Company. These risks and the strategies in place to mitigate them are detailed in Note 25 to the financial statements.