

Annual Report

FOR THE YEAR ENDED 31 DECEMBER 2025
INCLUDING OUR 2025 FINANCIAL REPORT
AND FINANCIAL SUSTAINABILITY REPORT



Principal activities

For the year ended 31 December 2025

SGSP (Australia) Assets Pty Ltd (SGSPAA or "the Company") is a leading energy infrastructure and services company. The Company and its subsidiaries ("the Group") operates its businesses under two main brands, Jemena and Zinfra. Under the Jemena brand, the Group owns and operates some of Australia's most significant gas distribution and transmission assets in New South Wales, Victoria, Queensland and the Northern Territory. Additionally, the Group manages the electricity distribution network that serves more than 380,000 customers in Melbourne's north-west. Through Zinfra, the Group provides engineering, design, construction, commissioning, maintenance and emergency response services to Australian energy companies.

Gas/electricity distribution

(1) The Group holds a 50% interest in the **ActewAGL Distribution Partnership ("ADP")**, primarily operating as "Evoenergy". The remaining 50% is ultimately held by the Australian Capital Territory ("ACT") Government. ADP owns and operates the electricity and gas distribution networks in the ACT.

Zinfra operational locations

(2) **Zinfra** is a leading delivery partner in designing, building, operating and maintaining energy infrastructure for Australia's asset owners.

High pressure gas transmission and processing and gas distribution

(3) The **Atlas Gas Pipeline** and (4) **Atlas Gas Processing Facility** connect Surat Basin in Queensland to the Darling Downs Pipeline. Statistics: 60 kilometres in length and capacity of approximately 40TJ per day.

(5) **Colongra Gas Transmission and Storage Pipeline** stores and delivers natural gas across 9 kilometres to the Colongra peaking power station at Munmorah.

(6) The **Darling Downs Pipeline ("DDP")** network consists of three integrated pipelines extending from Spring Gully to Wallumbilla through to the Darling Downs Power Station. Statistics: 292 kilometres in length and capacity ranging from 155TJ/d to 502TJ/d. The DDP network also includes the Atlas Gas Pipeline and Processing Facility.

(7) The **Eastern Gas Pipeline** delivers natural gas from the Gippsland Basin to customers in Sydney and regional New South Wales ("NSW"). At the time of writing, work was nearing completion to configure the pipeline to provide bi-directional flows. Statistics: 18-inch diameter, 797 kilometres in length, approximate capacity of 350 terajoules ("TJ") per day.

(8) The **Jemena Gas Network** was established in 1837 and is the principal gas distribution business in NSW. It typically delivers 90–95 petajoules of natural gas each year to more than 1.5 million homes and businesses throughout NSW.

(9) The **Northern Gas Pipeline** delivers natural gas between Tennant Creek and Mount Isa. In 2025, the pipeline was configured to provide bi-directional flows. Statistics: 12 inch diameter, 623 kilometres in length, approximate capacity of 90 TJ per day.

(10) The **Phillip Creek Compressor Station** and (11) **Mount Isa Compressor Station** pressurise, measure and manage natural gas so it can be transported reliably along the Northern Gas Pipeline between the Northern Territory and Queensland.

(12) The **Queensland Gas Pipeline** delivers natural gas from the Surat Basin, Denison Trough and Bowen Basin to large industrial users in Gladstone and Rockhampton. Statistics: 12 inch diameter, 627 kilometres in length, approximate capacity of 140 TJ per day.

(13) The **Roma North Gas Pipeline and Processing Facility** process and deliver natural gas from the Surat Basin into the GLNG Comet Ridge to Wallumbilla Pipeline. Statistics: 8 inch diameter, 5 kilometres in length, approximate capacity of 24 TJ per day.

(14) **VicHub** is a pipeline interconnect facility situated at Longford. The facility enables gas to flow between the EGP, the Tasmanian gas pipeline and the Victorian gas transmission system. The facility has a nominal daily injection capacity of 150 TJ per day and a withdrawal capacity of 135 TJ per day.



Gas/electricity

1 ActewAGL Distribution Partnership (50%)

Zinfra operations

2 Zinfra operational locations

Gas

3 Atlas Gas Pipeline
4 Atlas Gas Processing Facility
5 Colongra Gas Transmission and Storage Pipeline
6 Darling Downs Pipelines

7 Eastern Gas Pipeline
8 Jemena Gas Network
9 Northern Gas Pipeline
10 Phillip Creek Compressor Station
11 Mount Isa Compressor Station
12 Queensland Gas Pipeline
13 Roma North Gas Pipeline and Processing Facility
14 VicHub

Electricity

15 Regulated Electricity Network
16 United Energy Distribution (34% Group ownership)

Renewable gas demonstration projects

17 Western Sydney Hydrogen Hub
18 Malabar Biomethane Injection Plant

Other businesses

19 Ovida

Electricity distribution

(15) Regulated Electricity Network or **Jemena Electricity Network ("JEN")** delivers electricity to about 380,000 homes and businesses through approximately 6,900 kilometres of distribution network covering approximately 950 square kilometres of northwest greater Melbourne.

(16) The Group holds a 34% interest in **United Energy Distribution Holdings Pty Ltd ("UEDH")**. UEDH group delivers electricity to over 700,000 homes and businesses through a distribution network covering approximately 1,472 square kilometres of southeast Melbourne and the Mornington Peninsula.

Renewable gas demonstration projects

(17) The **Western Sydney Hydrogen Hub** and (18) the **Malabar Biomethane Injection Plant** are two projects, delivered in partnership with the Australian Renewable Energy Agency (ARENA), that demonstrate the potential role renewable gases can play to help reduce greenhouse gas emissions.

Other businesses

(19) **Ovida** offers energy solutions that enable customers to access and integrate renewable energy, primarily through long term agreements where Ovida owns, installs and maintains rooftop solar panels.

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Cover artwork

The artwork presented within the shape on the cover of this report was created by Chern'ee Sutton, a proud Kalkadoon woman and Aboriginal artist from Mount Isa, Queensland.

Directors' report

For the year ended 31 December 2025

The board of directors of SGSP (Australia) Assets Pty Ltd (the "Company") presents its report together with the consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2025 and the auditor's report thereon.

Directors

The directors of the Company for the year ended 31 December 2025 and up to the date of this report (unless otherwise stated) are listed below:

- Mr Jiang Longhua (Chairman)
- Mr David Gillespie
- Ms Yanli Liu
- Ms Jeanne Gueh Poh Tay (resigned 1 May 2025)
- Mr Albert Yeuk Kuk Tse
- Ms Yue Joo Chia
- Mr Law Chin Ho (appointed 1 May 2025)
- Ms Hui Chee Loong (resigned 1 December 2025)
- Mr Kin Wah Yew (appointed 1 December 2025)
- Mr Warwick Leslie Smith

Principal activities

The Group owns and has interests in a portfolio of energy infrastructure assets and related businesses, operated under two main brands: Jemena and Zinfra. It also has partially-owned interests operated under separate brands (United Energy and Evoenergy). Jemena is an investor in a portfolio of gas and electricity assets which is diversified in terms of geography and markets. Zinfra is a leading delivery partner in designing, building, operating and maintaining energy infrastructure for Australia's asset owners. A third brand, Ovida offers energy solutions that enable customers to access and integrate renewable energy, primarily through long-term agreements where Ovida owns, installs and maintains rooftop solar panels.

Refer to page 1 for detailed description of the Group's principal activities.

Review of operations

	Consolidated	
	2025	2024
	\$'000	\$'000
Net profit after tax	355,424	330,571

Dividends

	2025	2024
	\$'000	\$'000
Dividends paid by the Company to its shareholders	203,600	252,800

Significant changes in the state of affairs

In February 2025, the Group published its first *Climate Transition Plan*, setting a target of a 30 per cent reduction in Scope 1 and 2 greenhouse gas emissions by 2030, compared to a 2021–22 baseline.

In August 2025, the Group, through Zinfra, officially commenced delivering operations and maintenance services for AusNet's electricity distribution network. This has made Zinfra Australia's largest outsourced service delivery partner in the electricity distribution and transmission sector, and increased the Group's employee numbers by more than 500 people.

In addition, the Group is continuing to focus on gas transmission opportunities in the Northern Territory and along the east coast of Australia.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Group during the year.

Matters subsequent to balance date

No matter or circumstance have arisen since balance date that significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs in future years.

Directors' report

For the year ended 31 December 2025

Likely developments and expected results of operations

The Australian energy sector, while evolving, continues to enable the Group's strong and reliable returns as well as offer new opportunities. The Group aims to be a leader in energy infrastructure ownership and management. The directors have considered the likely developments in the operations of the Group and the expected results of operations. Further information has not been included in this report as it relates to commercially sensitive activities, the disclosure of which could result in unreasonable prejudice to the Group.

Environmental regulation and performance

The Group is subject to environmental regulations under both Commonwealth and State legislation relating to assets in which the Group has an ownership interest and end services provided by the Group to third parties. The directors are not aware of any significant breaches regarding environmental regulations during the year ended 31 December 2025 or to the date of signing this report.

Insurance of directors and officers

The directors and officers of the Group are covered by a directors and officers insurance policy for liabilities and expenses arising as a result of their work, to the extent permitted by law. The nature of the liabilities insured against and the cost of the insurance premiums are confidential in accordance with the terms of the insurance contracts and normal commercial practice.

Indemnification of the auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5 and forms part of the Directors' Report for the year ended 31 December 2025.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Amounts in the Directors' Report have been rounded off in accordance with that instrument, unless otherwise stated.

Signed in accordance with a resolution of the board of directors:



David Gillespie
Managing Director



Jiang Longhua
Chairman

12 March 2026



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Auditor's Independence Declaration to the Directors of SGSP (Australia) Pty Ltd

As lead auditor for the audit of the financial report of SGSP (Australia) Pty Ltd and for the review and audit of the selective sustainability information in the sustainability report for the financial year ended 31 December 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of *the Corporations Act 2001* in relation to the audits and review;
- b. No contraventions of any applicable code of professional conduct in relation to the audits and review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audits and review.

This declaration is in respect of SGSP (Australia) Pty Ltd and the entities it controlled during the financial year.

Ernst & Young

Brett Croft
Partner
12 March 2026

Consolidated income statement

For the year ended 31 December 2025

	Note	2025 \$'000	2024 \$'000
Revenue	5, 6	2,368,136	2,228,811
Other income	5	15,284	35,244
Share of net profits of associate and joint venture	16, 17	122,330	97,813
Expenses excluding net finance costs	7	(1,777,255)	(1,679,265)
Operating profit		728,495	682,603
Finance income	21	9,015	9,209
Finance costs	21	(239,263)	(228,014)
Net finance costs		(230,248)	(218,805)
Profit before income tax expense		498,247	463,798
Income tax expense	8	(142,823)	(133,227)
Profit after income tax expense for the year		355,424	330,571
Attributable to:			
Owners of the Company		355,424	330,571

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated statement of other comprehensive income

For the year ended 31 December 2025

	Note	2025 \$'000	2024 \$'000
Profit after income tax expense for the year		355,424	330,571
Other comprehensive income			
Items that will never be reclassified to profit or loss			
Defined benefit superannuation plan actuarial gain before tax	10	3,243	4,506
Tax on defined benefit superannuation plan actuarial gain		(973)	(1,352)
Items that are or may be reclassified to profit or loss			
Movement in hedging reserve before tax	22	6,874	(40,901)
Share of movement in associate hedging reserve	16	(2,029)	(5,906)
Tax on movement in hedging reserve		(1,454)	14,042
Other comprehensive income for the year		5,661	(29,611)
Total comprehensive income for the year		361,085	300,960
Total comprehensive income for the year is attributable to:			
Owners of the Company		361,085	300,960

The above consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated balance sheet

As at 31 December 2025

	Note	2025 \$'000	2024 ¹ Restated \$'000
Current assets			
Cash at bank and in hand		76,224	57,815
Receivables	11	387,011	333,925
Inventories	12	102,076	82,612
Derivative financial instruments	22	73,864	1,366
Lease receivables	26	8,436	7,900
Prepayments and deposits		39,492	36,906
Total current assets		687,103	520,524
Non-current assets			
Property, plant and equipment	14	8,602,559	8,329,707
Intangible assets	15	1,747,526	1,728,541
Investments in associate and joint venture	16, 17	1,647,293	1,587,530
Right of use assets	26	77,597	56,534
Lease receivables	26	63,558	71,987
Prepayments and deposits		867	422
Derivative financial instruments	22	372,113	575,864
Defined benefit superannuation plans	10	59,909	54,654
Total non-current assets		12,571,422	12,405,239
Total assets		13,258,525	12,925,763
Current liabilities			
Payables	13	195,711	214,529
Provisions	13	226,151	177,834
Interest bearing liabilities	20	837,092	614,388
Income tax payable		26,322	26,222
Contract liabilities	6	289,502	195,895
Derivative financial instruments	22	241	–
Lease liabilities	26	34,407	26,520
Total current liabilities		1,609,426	1,255,388
Non-current liabilities			
Interest bearing liabilities	20	5,015,377	5,272,128
Provisions	13	156,473	131,497
Deferred tax	8	1,163,028	1,141,216
Lease liabilities	26	71,018	67,191
Contract liabilities	6	14,313	15,009
Derivative financial instruments	22	83,510	55,439
Total non-current liabilities		6,503,719	6,682,480
Total liabilities		8,113,145	7,937,868
Net assets		5,145,380	4,987,895
Share capital	24	4,000,000	4,000,000
Hedging reserve	22	151,850	148,459
Retained earnings		993,530	839,436
Total equity		5,145,380	4,987,895

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

1 The comparative information is restated on account of a prior period error. Refer to note 4.

Consolidated statement of changes in equity

For the year ended 31 December 2025

2025

	Share capital \$'000	Hedging reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 January 2025	4,000,000	148,459	839,436	4,987,895
Profit after income tax expense for the year	–	–	355,424	355,424
Other comprehensive income	–	3,391	2,270	5,661
Total comprehensive income for the year	–	3,391	357,694	361,085
Transactions with the owners of the Company recognised directly in equity				
Dividends paid to shareholders: \$0.05 per share	–	–	(203,600)	(203,600)
Balance at 31 December 2025	4,000,000	151,850	993,530	5,145,380

2024

	Share capital \$'000	Hedging reserve \$'000	Retained earnings ¹ \$'000	Total equity ¹ \$'000
Balance at 1 January 2024 – as previously stated	3,200,000	181,224	783,578	4,164,802
Adjustment for correction of a prior period error	–	–	(25,067)	(25,067)
Balance at 1 January 2024 – restated	3,200,000	181,224	758,511	4,139,735
Profit after income tax expense for the year	–	–	330,571	330,571
Other comprehensive income	–	(32,765)	3,154	(29,611)
Total comprehensive income for the year	–	(32,765)	333,725	300,960
Transactions with the owners of the Company recognised directly in equity				
Conversion of Convertible Instruments	800,000	–	–	800,000
Dividends paid to shareholders: \$0.07 per share	–	–	(252,800)	(252,800)
Balance at 31 December 2024	4,000,000	148,459	839,436	4,987,895

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

1 The comparative information is restated on account of a prior period error. Refer to note 4.

Consolidated statement of cash flows

For the year ended 31 December 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Receipts from customers		2,663,049	2,481,217
Payments to suppliers and employees		(1,564,869)	(1,460,087)
Income taxes paid		(117,204)	(180,941)
Interest received		2,389	2,206
Net cash from operating activities	9	983,365	842,395
Cash flows from investing activities			
Payments for property, plant and equipment and intangibles		(680,511)	(542,863)
Proceeds from sale of property, plant and equipment		587	26,825
Dividends and distributions received from investments		61,707	57,183
Net cash used in investing activities		(618,217)	(458,855)
Cash flows from financing activities			
Proceeds from borrowings	25	2,013,464	1,147,648
Repayment of borrowings	25	(1,880,000)	(994,000)
Payment of lease liabilities	25	(38,602)	(32,327)
Interest paid		(229,047)	(219,004)
Dividends paid	28	(203,600)	(252,800)
Debt issuance costs		(8,954)	(6,131)
Net cash used in financing activities		(346,739)	(356,614)
Net increase in cash and cash equivalents		18,409	26,926
Cash and cash equivalents at the beginning of the financial year		57,815	30,889
Cash and cash equivalents at the end of the financial year		76,224	57,815

Notes to the consolidated financial statements

31 December 2025

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Notes to the consolidated financial statements

For the year ended 31 December 2025

About this report

Note 1. Basis of preparation

SGSP (Australia) Assets Pty Ltd (the "Company") is a for-profit company domiciled in Australia. The address of the Company's registered office and principal place of business is Level 16, 567 Collins Street, Melbourne, VIC 3000. These consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (collectively "the Group"). The comparative figures are for the year ended 31 December 2024.

The Group primarily consists of two operating businesses, an assets business and a services business. The assets business has ownership interests in a number of regulated and unregulated assets in the Australian energy sector. The services business provides designs, building, operations and maintenance services of energy infrastructure for Australia's asset owners.

Refer to page 1 for detailed description of the Group's principal activities.

(a) Going concern basis of accounting

These financial statements have been prepared on a going concern basis, which contemplates the Group continuing in operation for the foreseeable future.

The Group's current liabilities exceed its current assets by \$922 million, mainly due to the classification of debt facilities that are set to mature in 2026. The Group's working capital, investing and financing requirements are being actively managed through operating cashflows and utilisation of debt facilities. The Group has access to unused debt facilities of \$1,342 million (refer to note 23(d)), of which \$907 million are available for more than 12 months from the date of authorisation of these financial statements.

The Group has historically generated positive operating cash flows, traded profitably and has a proven track record of successful refinancing of debt facilities. Accordingly, on the basis of present forecasts for positive future operating cash flows, the ability of the Group to manage its investing activities and the current status of refinancing activities for debt facilities which mature over the next twelve months, the directors believe that the going concern basis of preparation is appropriate.

(b) Statement of compliance

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board and the Corporations Act 2001. These financial statements also comply with International Financial Reporting Standards adopted by the International Accounting Standards Board.

These financial statements were authorised for issue by the board of directors on 12 March 2026.

(c) Basis of measurement

These financial statements have been prepared under the historical cost convention, with the exception of defined benefit superannuation plans, customer contributions of gifted assets, derivative financial instruments and borrowings in fair value hedge relationships, which are measured at fair value.

(d) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's and each Group entity's functional currency. The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Amounts in these financial statements have been rounded off in accordance with that instrument to the nearest thousand dollars, unless otherwise stated.

(e) Material accounting policies

The material accounting policies adopted in the preparation of these financial statements are consistent between the periods, except if mentioned otherwise.

(f) Comparative figures

The presentation of certain items has been adjusted as necessary to provide more meaningful information in the context of the Group. Where the presentation or classification of items in the financial statement is amended, comparative amounts are also reclassified unless it is impractical. The adjustments made to the presentation of items had no impact on the net assets or net profit of the Group.

The Group has identified a material prior period year. Refer to note 4 for details and adjustments to comparative figures.

Notes to the consolidated financial statements

For the year ended 31 December 2025

About this report

(g) Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Amounts in the financial statements have been rounded off in accordance with that instrument, unless otherwise stated.

Note 2. Material accounting policies

Material accounting policies adopted in the preparation of these financial statements are disclosed throughout the report and below are policies not listed elsewhere:

(a) Changes in material accounting policies

The Group has adopted the following new and amended accounting standard which has no significant impact on the Group's consolidated financial statements:

- AASB 2023–5 Amendments to Australian Accounting Standards – Lack of Exchangeability

(b) New accounting standards and interpretations not yet adopted

A number of new and amended accounting standards are effective for annual reporting periods beginning after 1 January 2025, with early application permitted. While these standards and interpretations remain under ongoing assessment, no significant impacts have been identified to date. Accordingly, the Group has not early adopted any of these new or amended standards in the preparation of these financial statements.

(i) AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 will replace AASB 101 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change;
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements; and
- Enhanced guidance is provided on how to group information in the financial statements.

AASB 18 will have no impact on the Group's net profit. The changes will affect the way the Group presents the results on the face of the income statement and cash flow statements. In particular, the Group's share of profit or loss of associates will be presented outside of operating profit. The Group is currently assessing the detailed presentation impacts of the standard.

(ii) Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the Group's consolidated financial statements:

- AASB 2024–2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments
- AASB 2024–3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11
- AASB 2025–1 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity
- AASB 2014–10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Note 3. Critical accounting estimates and judgements

The preparation of financial statements in conformity with AASBs requires management to make estimates and judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and judgements are based on past experience and various other factors that are believed to be reasonable judgements under the circumstances. Actual results may differ. The estimates and judgements are reviewed on an ongoing basis. Changes to accounting estimates are recognised prospectively.

The estimates and judgements that are significant to these financial statements are disclosed within each note.

Notes to the consolidated financial statements

For the year ended 31 December 2025

About this report

Note 4. Material prior period error

As part of the Group's ongoing review of its leased asset portfolio, a prior period error was identified in the current year relating to the non-recognition of a make good provision associated with a currently leased site. The make good provision was not recognised at the assumption of the lease, which dates back to 2007. As a result, the make good provision was determined to be understated by \$25m as at 1 January 2024 with a corresponding overstatement of retained earnings.

After considering all available information and undertaking an assessment of materiality, the opening (1 January 2024) and closing (31 December 2024) comparative information has been restated to recognise the make good provision. The impact of the restatement is limited to an increase in non-current provisions (\$25m) and a corresponding decrease in retained earnings (\$25m), with no significant discounting impact on the profit or loss for the comparative period. The restatement has no impact on cash flows.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Operations and performance

Note 5. Operating segments

(a) Operating segment performance

2025

	Notes	Electricity distribution \$'000	Gas distribution \$'000	Gas Pipelines \$'000	Gas Processing \$'000	Services business – Zinfra \$'000	All other segments \$'000	Inter- segment eliminations \$'000	Total \$'000
Operating profit	6	372,289	253,722	96,789	24,089	42,122	(29,337)	(31,179)	728,495
Revenue		617,032	668,487	208,509	127,476	1,353,700	23,501	(630,569)	2,368,136
Gas and electricity distribution revenue		483,695	595,226	–	–	–	–	–	1,078,921
Gas transmission revenue		–	–	203,704	120,974	–	–	–	324,678
Infrastructure services revenue		–	4,750	–	–	1,353,700	20,681	(630,569)	748,562
Customer contribution – cash ¹		92,466	41,875	4,805	6,502	–	–	–	145,648
Customer contribution – gifted assets		18,475	–	–	–	–	–	–	18,475
Other revenue		22,396	26,636	–	–	–	2,820	–	51,852
Other income		9,516	491	–	–	54	5,223	–	15,284
Share of net profits of associate and joint venture ²	16, 17	110,471	11,859	–	–	–	–	–	122,330
Depreciation and amortisation expense	7, 14, 15, 26	(109,938)	(160,105)	(54,583)	(54,957)	(28,045)	(6,874)	3,533	(410,969)
Finance income	21	335	160	–	3,178	2,591	2,751	–	9,015
Finance costs	21	(73,553)	(93,759)	(40,170)	(25,592)	(5,680)	(509)	–	(239,263)
Acquisition of property, plant and equipment and intangibles	14, 15	407,572	191,004	81,754	6,117	34,918	11,660	(32,777)	700,248

1 Included in customer contributions is a margin of \$21.7 million. This represents the margin earned by the Group on capex works on an arm's length basis.

2 Included in the share of profit is under-recovery of feed-in tariff ("FIT") of \$12.2 million (post-tax) (2024: \$24.9 million under-recovery). Refer to note 17(b) for details.

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For the year ended 31 December 2025

Operations and performance

2024

	Notes	Electricity distribution \$'000	Gas distribution \$'000	Gas Pipelines \$'000	Gas Processing \$'000	Services business – Zinfra \$'000	All other segments \$'000	Inter- segment eliminations \$'000	Total \$'000
Operating profit	6	332,837	232,918	108,984	12,998	41,437	(15,006)	(31,565)	682,603
Revenue		570,431	613,358	215,970	147,552	1,207,246	27,314	(553,060)	2,228,811
Gas and electricity distribution revenue		447,746	528,125	–	–	–	–	–	975,871
Gas transmission revenue		–	–	214,834	147,552	–	–	–	362,386
Infrastructure services revenue		–	4,998	–	–	1,207,246	24,308	(553,060)	683,492
Customer contribution – cash		78,622	52,355	1,136	–	–	–	–	132,113
Customer contribution – gifted assets		23,604	–	–	–	–	–	–	23,604
Other revenue		20,459	27,880	–	–	–	3,006	–	51,345
Other income		9,518	25,480	–	–	246	–	–	35,244
Share of net profits of associate and joint venture	16, 17	84,092	13,721	–	–	–	–	–	97,813
Depreciation and amortisation expense	7, 14, 15, 26	(103,237)	(161,942)	(54,726)	(55,756)	(22,017)	(4,886)	1,726	(400,838)
Finance income	21	407	207	7	3,302	2,485	2,801	–	9,209
Finance costs	21	(83,410)	(89,429)	(20,734)	(30,578)	(3,276)	(587)	–	(228,014)
Acquisition of property, plant and equipment and intangibles	14, 15	307,546	210,554	30,049	4,989	23,207	10,012	(29,263)	557,094

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Operations and performance

(b) Accounting policy

Segment results reflect those that are reported to the board of directors for the purpose of making decisions about resources to be allocated to the segments and assessing performance. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment results include transactions between segments primarily from the services business servicing the assets businesses. Such transactions, including any unrealised gains, are eliminated on consolidation.

(c) Operating segments

The Group operates in one geographical segment, which is Australia. The Group comprises the following operating segments:

(i) Electricity distribution

The electricity distribution network delivers electricity from the high voltage transmission network to end users. The Group charges retailers and some large customers regulated rates for the use of the distribution network. The electricity distribution segment also earns revenue from customer contributions, which includes the receipt of cash from a customer for the design and construction of assets, or the contribution of completed assets to the Group ("gifted assets"). The segment does not purchase or sell electricity in the ordinary course of business. This segment includes the Group's investment in the associate and investment in the joint venture (as proportionate to electricity distribution activities).

(ii) Gas distribution

The gas distribution network delivers natural gas to commercial and residential end users. The Group charges retailers and some large customers regulated rates for the use of the distribution network. The gas distribution segment also earns revenue from cash and gifted assets customer contributions. The segment does not sell gas in the ordinary course of business. This segment includes the Group's investment in the joint venture (as proportionate to gas distribution activities).

Revenue from one major customer of the Group's gas distribution segment represents \$212.5 million (year ended 31 December 2024: \$191.3 million) of the Group's total revenue for the year.

(iii) Gas pipelines

The gas transmission pipelines segment transports gas and earns revenue from these services at contracted rates negotiated on arm's length terms.

(iv) Gas processing

The gas processing assets provide gas compression, processing and transportation services to customers and earn revenue from these services at contracted rates negotiated on arm's length terms.

(v) Services business - Zinfra

Zinfra provides design, construction, operation and maintenance services for energy infrastructure to Australia's asset owners, including to other operating segments within the Group.

(vi) All other segments

All other segments include contracts for asset management services to Australian utility infrastructure customers (by group entities other than Zinfra) and corporate costs not allocated to identified segments.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Operations and performance

Note 6. Revenue

(a) Disaggregation of revenue from contracts with customers

Refer to operating segment note 5(a).

(b) Timing of revenue recognition

	2025 \$'000	2024 \$'000
Goods/services transferred at a point in time	1,731,004	1,503,269
Goods/services transferred over time	637,132	725,542
Revenue from contracts with customers	2,368,136	2,228,811

(c) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	2025 \$'000	2024 \$'000
Invoiced trade receivables (refer to note 11(a))	143,339	123,109
Contract assets (refer to note 11(a))	212,790	186,005
Contract liabilities – current	(289,502)	(195,895)
Contract liabilities – non-current	(14,313)	(15,009)

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognised when the performance obligation is satisfied. The amount of \$121.5 million recognised in contract liabilities at the beginning of the year has been recognised as revenue for the year ended 31 December 2025 (\$76.9 million for the year ended 31 December 2024).

(d) Accounting policy

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Group recognises revenue at a point in time or over time, when or as it satisfies performance obligations by transferring control over a promised product or service to a customer. The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations. Similarly, if the Group satisfies a performance obligation before it receives consideration, the Group recognises either a contract asset or a receivable on its balance sheet, depending on whether something other than the passage of time is required before the consideration becomes unconditional.

For contracts with variable consideration, variable consideration is determined using the expected value or most likely outcome – whichever method is a better prediction of the final outcome. The estimation of the variable consideration amount is constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Where the performance obligation is satisfied over time, the input method (i.e. costs incurred) is used to measure progress towards the satisfaction of performance obligations. The costs incurred on contracts are assessed to ensure that they are proportionate to the progress in satisfying the performance obligation. Given the type of contracts executed in the Group, the input method is deemed the most appropriate method as it measures the costs expended to satisfy the obligation.

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For the year ended 31 December 2025

Operations and performance

Revenue from the Group's major business activities is recognised as follows:

(i) Gas and electricity distribution revenue

Revenue is earned from the distribution of gas and electricity and related services. Revenue is recognised at a point in time, as the services are rendered i.e. on delivery, and incorporates usage estimation where necessary. Credit terms are as stated in note 11(b). A significant proportion of the Group's distribution services revenue is subject to economic regulation that seeks to determine either prices or revenue outcomes. In these financial statements regulated revenue is recognised as volumes multiplied by the agreed tariffs for the relevant period. Any differences to the regulated outcome are reflected in subsequent reporting periods via actual tariff changes.

(ii) Gas transmission

Revenue is earned from the actual and contracted transmission of gas. Revenue is recognised at a point in time as the services are rendered i.e. on actual/contracted delivery and incorporate usage estimation where necessary. Credit terms are as stated in note 11(b).

(iii) Gas processing

Revenue is earned from the actual and contracted processing of gas at the Group's processing facilities. Revenue is recognised at a point in time when the gas has been processed in accordance with contractual agreements.

(iv) Infrastructure services revenue

Revenue is earned through provision of engineering and design, project management, construction, civil, maintenance and asset operations services. Credit terms are as stated in note 11(b).

(v) Customer contribution – cash

Revenue is earned from customer contributions towards the cost of designing and constructing of network augmentation assets. Contributions are paid upfront or progressively during the design and build period. The works are performed at the customer's premises with ownership of the resulting assets remaining with the Group.

(vi) Customer contribution – gifted assets

Contributions of non-current assets are recognised as revenue and an asset when the Group gains control of the asset. The fair value of contributed assets is recognised at the date at which control is gained and the assets are ready for use.

(e) Critical accounting estimates and judgements

(i) Energy delivery

Estimates are made where required to account for the period between the meter reading date and the end of the accounting period. The estimates are made based on factors including historical consumption patterns, base usage and weather conditions.

(ii) Infrastructure services

Infrastructure services revenue is recognised either over time or at a point in time depending on the nature of the services and the contractual terms. Infrastructure services revenue recognised over time requires reliable measures of the outcome and the stage of completion of contracts involves a level of estimation of a range of factors that are subject to risk and uncertainty. The estimates and judgements relate to forecast revenue and costs to complete, stage of project completion, and the recoverability of unapproved variations, claims and disputes.

The carrying amount of contract assets is set out in note 11.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Operations and performance

Note 7. Expenses and significant items

(a) Expenses

	Note	2025 \$'000	2024 \$'000
Employee benefits expense:			
Wages and salaries		783,830	621,868
Superannuation contribution		64,228	51,478
Defined benefit superannuation plans – services costs	10	3,438	2,776
Depreciation and amortisation expense		410,969	400,838
Material and services expense		514,790	602,305
Total expenses excluding net finance costs		1,777,255	1,679,265

(b) Significant items

Other income, employee benefits, materials and services expenses include the following significant items:

	2025 \$'000	2024 \$'000
Other income:		
Gain on sale of property	–	25,478
Employee benefits:		
Efficiency program costs ¹	(7,202)	(10,050)
Material and services expenses:		
Net loss on disposal of plant and equipment	(23,810)	(13,378)
Costs associated with one-off asset incidents	–	(9,200)
Provision for slow moving inventory	(9,500)	–

¹ Representing expenses related to various initiatives designed to optimise the operating model.

Note 8. Taxation

(a) Income tax expense

	2025 \$'000	2024 \$'000
Current tax expense		
Current year	(115,120)	(89,525)
Adjustments for prior years	(2,193)	(84)
Deferred tax expense		
Origination and reversal of temporary differences	(27,039)	(43,769)
Adjustments for prior years	1,529	151
Total income tax expense	(142,823)	(133,227)

Notes to the consolidated financial statements

For the year ended 31 December 2025

Operations and performance

(b) Reconciliation of income tax expense to prima facie tax payable

	2025 \$'000	2024 \$'000
Profit before income tax	498,247	463,798
Prima facie tax expense at the Australian tax rate of 30% (2024 – 30%)	(149,474)	(139,139)
Net franking credit offset from franked dividends received	7,863	4,713
Non-assessable income:		
Other	–	1,132
Non-deductible expenses:		
Other	(549)	–
Over provision in respect of prior year	(663)	67
Total income tax expense	(142,823)	(133,227)

(c) Franking credit account

The tax effected franking credit balance as at 31 December 2025 is \$168.4 million (2024 franking credit: \$127.2 million).

(d) Deferred tax liability / (asset)

The balance comprises the tax effect of temporary differences attributable to:

2025

	Opening Balance \$'000	Charged to Income \$'000	Charged to Equity \$'000	Other Movements \$'000	Closing Balance \$'000
Property, plant and equipment	1,069,766	34,666	–	–	1,104,432
Right of use assets	16,309	6,970	–	–	23,279
Intangible assets	11,398	(1,729)	–	–	9,669
Financial assets	129,436	11,339	1,454	–	142,229
Employee provisions ¹	(50,096)	(7,928)	–	(6,125)	(64,149)
Defined benefits	16,396	604	973	–	17,973
Restoration provisions	(4,624)	(431)	–	–	(5,055)
Decommissioning provisions	(20,285)	(2,814)	–	–	(23,099)
Other items ²	(27,084)	(15,167)	–	–	(42,251)
	1,141,216	25,510	2,427	(6,125)	1,163,028

1 Other movements relate to deferred tax associated with the employee provision in relation to the onboarding of an operations and maintenance services contract, as further described in note 10.

2024

	Opening Balance \$'000	Charged to Income \$'000	Charged to Equity \$'000	Closing Balance \$'000
Property, plant and equipment	1,042,893	26,873	–	1,069,766
Right of use assets	15,067	1,242	–	16,309
Intangible assets	13,492	(2,094)	–	11,398
Financial assets	127,054	16,424	(14,042)	129,436
Employee provisions	(45,620)	(4,476)	–	(50,096)
Defined benefits	14,898	146	1,352	16,396
Restoration provisions	(5,098)	474	–	(4,624)
Decommissioning provisions	(25,367)	5,082	–	(20,285)
Other items ²	(27,031)	(53)	–	(27,084)
	1,110,288	43,618	(12,690)	1,141,216

2 Other items mainly include deferred tax for lease liabilities and various other provisions and accruals.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Operations and performance

Tax effect of unrecognised temporary differences

	2025 \$'000	2024 \$'000
Capital investment in associate	10,705	10,705

(e) Accounting policy

(i) Tax consolidation

The Company is the head entity in the SGSP (Australia) Assets Pty Ltd tax consolidated group ("tax group") comprising the Company and its wholly owned Australian tax resident subsidiaries. Entities that are not 100% owned and entities that are not residents for Australian tax purposes are generally treated as separate single tax entities.

(ii) Income tax expense or benefit

Income tax expense or benefit comprises current and deferred tax, using tax rates and legislation enacted or substantively enacted as at balance date. Income tax expense or benefit is recognised in the income statement, or in other comprehensive income to the extent that it relates to items recognised there.

(iii) Current tax

Current tax is the expected tax on the taxable income for the year and any adjustment to tax payable or receivable in respect to previous years.

(iv) Deferred tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Temporary differences are not provided for the initial recognition of goodwill, or the initial recognition of assets and liabilities that affect neither accounting profit nor taxable income. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities.

A deferred tax asset is recognised only to the extent that it is probable that future taxable income will be available against which the asset can be utilised. A deferred tax asset is derecognised to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the tax group intends to settle its tax assets and liabilities on a net basis.

The Company has not recognised, or disclosed information about, deferred tax assets and liabilities relating to Pillar Two income taxes.

(v) Goods and Services Tax ("GST")

Revenue, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included within other receivables or other payables in the balance sheet.

(f) Critical accounting estimates and judgements

The tax expense and deferred tax balances are in reference to income tax legislation, aspects of which are subject to interpretation and judgement. These interpretations and judgements are subject to risk and uncertainty and changes in circumstances may alter possible outcomes in relation to tax matters.

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For the year ended 31 December 2025

Operations and performance

Note 9. Reconciliation of result for the year to net cash flows from operating activities

	2025 \$'000	2024 \$'000
Profit before income tax	498,247	463,798
Non-cash flows in profit:		
Depreciation and amortisation	410,970	400,838
Defined benefit superannuation plans - service costs	3,438	2,776
Non-operating activities:		
Share of profit of associate and joint venture	(122,330)	(97,813)
Finance income	(9,015)	(9,209)
Finance costs	239,263	228,014
Gain on sale of property	–	(25,478)
Loss on disposal of plant and equipment	23,810	13,378
Exchange differences - unrealised	68	119
Changes in assets and liabilities:		
Increase in receivables, lease receivables and other current assets	(48,224)	(31,031)
Increase in inventories	(28,964)	(5,795)
Increase in payables, provisions, contract liabilities and lease liabilities	130,917	81,533
Interest received	2,389	2,206
Income taxes paid	(117,204)	(180,941)
Net cash inflow from operating activities	983,365	842,395

Note 10. Defined benefit superannuation plans

(a) Defined benefit superannuation plans

The Group makes contributions to one Mercer Investment Nominees Limited ("Equipsuper") defined benefit superannuation plan and one Russell Investment Group ("Russell") defined benefit superannuation plan. The plans provide defined benefit amounts to employees or their dependents upon retirement, death, disablement or withdrawal. Benefits are mostly in the form of a lump sum payment based on the employee's final average salary although some defined benefit members are also eligible for pension benefits. The terms and conditions of the two plans are consistent. The plans operate under the regulatory framework provided by the Superannuation Industry (Supervision) legislation. The plans' Trustees are responsible for the governance of the plans and have a legal obligation to act solely in the best interests of the beneficiaries. The trustees are responsible for administration of the plans and payments to beneficiaries, management and investment of the plan assets and compliance with superannuation law and other applicable regulations. The defined benefit sections of the plans are closed to new members.

In August 2025, the Group, through Zinfra, officially commenced delivering operations and maintenance services for AusNet's electricity distribution network ("DOMSA Contract"). As a result, the Group assumed responsibility for defined benefit members under an Equipsuper plan transferred from the previous service delivery partner. Accordingly, the associated defined benefit obligations and plan assets for these employees have been recognised by the Group from the transfer date. The transferred defined benefit members continue to accrue benefits under the same terms and funding arrangements prior to the transition.

Actuarial valuations of the funds as at 31 December 2025 and 31 December 2024 were performed resulting in the information set out below:

(b) Balance sheet amounts

The amounts included in the balance sheet arising from the Group's obligations in respect of its defined benefit superannuation plans are as follows:

	2025 \$'000	2024 \$'000
Present value of funded defined benefit obligations	(205,876)	(128,941)
Fair value of plan assets	265,785	183,595
Present value of net assets	59,909	54,654

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(c) Categories of plan assets

The analysis of the plan assets by category is as follows:

	2025 %	2024 %
Australian equities	19.2	21.3
International equities	25.9	27.7
Fixed income	10.6	10.2
Property	5.0	4.2
Cash	7.3	7.2
Growth alternatives	19.3	17.0
Defensive alternatives	12.7	12.4
	100.0	100.0

The fair value measurement of plan assets uses a level 2 fair value hierarchy that reflects the significance of the inputs used in making the measurements. Fair value is measured using valuation techniques with significant observable inputs such as investment fund valuations.

(d) Reconciliations

	2025 \$'000	2024 \$'000
Present value of funded defined benefit obligation		
Opening defined benefit obligation	(128,941)	(133,139)
Transfers in relation to the DOMSA Contract	(73,517)	–
Service cost	(3,438)	(2,776)
Interest cost	(7,766)	(7,414)
Contributions by plan participants	(1,626)	(1,638)
Actuarial (losses)/gains	(6,742)	(8,302)
Benefits paid by the plan	16,154	24,328
Closing defined benefit obligation	(205,876)	(128,941)

	2025 \$'000	2024 \$'000
Fair value of plan assets		
Opening fair value of plan assets	183,595	182,799
Transfers in relation to the DOMSA Contract	74,044	–
Interest income	10,150	9,885
Return on plan assets less interest income	9,985	12,808
Contributions from the employer	2,539	793
Contributions by plan participants	1,626	1,638
Benefits paid	(16,154)	(24,328)
Closing fair value of plan assets	265,785	183,595

The actual return on plan assets for the year was a gain of \$20.1 million (year ended 31 December 2024: gain of \$22.7 million).

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(e) Amounts recognised in the income statement

The amounts recognised in the income statement in respect of these defined benefit superannuation plans are as follows:

	2025 \$'000	2024 \$'000
Service cost	(3,438)	(2,776)
Net interest income	2,384	2,471
Gain on transfers in relation to the DOMSA Contract	527	–
Total expense included in the income statement	(527)	(305)

(f) Amounts recognised in other comprehensive income

The amounts recognised in other comprehensive income are as follows:

	2025 \$'000	2024 \$'000
Actuarial loss before tax recognised in other comprehensive income	3,243	4,506
Cumulative actuarial losses before tax recognised in retained earnings	(3,389)	(6,632)

(g) Principal actuarial assumptions

The principal actuarial assumptions are set out below:

	Russell 2025 %	Russell 2024 %	Equipsuper 2025 %	Equipsuper 2024 %
Discount rate	4.9	5.2	4.9	5.2
Expected long term salary increase rate	3.0	3.5	3.0	3.5
Expected pension increase rate	N/A	N/A	2.5	2.5
Weighted average duration of the defined benefit obligation (in years)	4.1	3.9	6.0	6.0

(h) Risks

There are a number of risks to which the plans expose the Group. The more significant risks relating to the defined benefit superannuation plans are:

Investment risk: the risk that investment returns will be lower than assumed and the Group will need to increase contributions to offset this shortfall.

Salary growth risk: the risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit obligations and thereby requiring additional employer contributions.

Legislative risk: the risk that legislative changes could be made which increase the cost of providing the defined benefits.

Pension risks: firstly, the risk that pensioner mortality will be lower than expected, resulting in pensions being paid for a longer period. Secondly, that a greater proportion of eligible members elect to take a pension benefit, which is generally more valuable than the corresponding lump sum benefit. Thirdly, the risk that inflation is higher than anticipated, increasing pension payments, and thereby requiring additional employer contributions.

(i) Sensitivity analysis

Reasonably possible changes at balance date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	Increase/(decrease) to defined benefit obligations	
Define Benefit Obligation	2025 \$'000	2024 \$'000
Discount rate (0.5% higher)	(5,029)	(2,578)
Discount rate (0.5% lower)	5,285	2,767
Salary increase rate (0.5% higher)	4,323	2,060
Salary increase rate (0.5% lower)	(4,165)	(1,658)

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(j) Employer contributions

Employer contributions to the defined benefit superannuation plans are based on recommendations by the plans' actuaries. The target funding method is used to determine the contribution rates. Under this method, the employer contribution rate is set to meet a 105% funding target.

Per the actuaries' 2025 reports, total minimum employer contributions to be paid by the Group for the year ending 31 December 2026 is \$2.5 million.

(k) Accounting policy

Superannuation plans

Defined benefit superannuation plans: The Group's net asset/liability in respect of defined benefit superannuation plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior years, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited by the asset ceiling to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit superannuation plans asset/liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. Net interest income/expense and other expenses related to defined benefit superannuation plans are recognised in the income statement. The Group determines the net interest income/expense by applying the discount rate used to measure the defined benefit obligation at the beginning of the year to the net defined benefit superannuation plans asset/liability at the beginning of the year, taking into account any expected contributions and benefit payments.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the income statement. The Group recognises gains and losses on the settlement of a defined benefit superannuation plan when the settlement occurs.

Defined contribution superannuation plans

Obligations for contributions to defined contribution superannuation plans are recognised as an expense in the income statement in the periods during which the services are rendered by the employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(l) Critical accounting estimates and judgements

Defined benefits

The present value of the defined benefit obligations and the net expense for defined benefit superannuation plans depends on a number of factors that are determined on an actuarial basis using principal assumptions set out in note 10(g), subject to risks set out in note 10(h), with sensitivities to the assumptions set out in note 10(i).

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Note 11. Receivables

(a) Summary

	2025 \$'000	2024 \$'000
Trade receivables	106,504	110,278
Trade receivables from related parties	36,835	12,831
Total invoiced trade receivables	143,339	123,109
Allowance for impairment loss	(1,114)	(4,371)
Contract assets	184,009	161,639
Contract assets due from related parties	28,781	24,366
Total contract assets	212,790	186,005
Total trade receivables	355,015	304,743
Other receivables from related parties	6,552	6,120
Other receivables	25,444	23,062
Total receivables	387,011	333,925

(b) Terms and conditions

The average credit terms vary depending on the nature of the accounts receivable balance:

- related parties: 7 to 14 days;
- retailers: 10 days; and
- other external customers: 20 to 30 days.

(c) Ageing of total invoiced trade receivables

	2025 \$'000	2024 \$'000
Not past due	118,299	102,666
Past due not impaired: 0 - 30 days	18,575	9,249
Past due not impaired: 31 - 60 days	1,206	2,718
Past due not impaired: more than 61 days	4,145	4,105
Past due considered impaired	1,114	4,371
Total invoiced trade receivables	143,339	123,109

Total invoiced trade receivables past due but not credit impaired are \$23.9 million (2024: \$16.1 million). Payment terms on these amounts have not been renegotiated.

(d) Impairment of receivables

Movements in the provision for impairment of receivables are as follows:

	2025 \$'000	2024 \$'000
Opening balance	4,371	4,583
Additional allowance recognised	1,316	2,628
Unused allowance reversed	(108)	—
Amounts utilised	(4,465)	(2,840)
	1,114	4,371

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Operations and performance

Fair value and credit risk

Due to the short-term nature and collectability of the receivables, the carrying amount approximates fair value. The maximum exposure to credit risk is the carrying amount of receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables to other entities.

Significant changes in credit risk since initial recognition of contract assets generally arise when claims are subject to negotiation or in dispute with customers. Total contract assets subject to negotiation or in dispute as at 31 December 2025 is nil (2024: nil).

(e) Accounting policy

Receivables are generally non-interest bearing and stated at amortised cost using the effective interest method, following their initial recognition at fair value. The recoverability of receivables is assessed on a periodic basis and at balance date. The Group applies the AASB 9 simplified approach to measuring expected credit losses for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses.

The carrying amount of receivables is reduced through the use of an allowance account for impaired receivables and any expected loss is immediately expensed in the income statement. The amount of any impairment loss is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows discounted at the receivable's original effective interest rate. When a receivable is considered uncollectible it is written off against the allowance account. Subsequent recoveries of amounts previously written off, and impairment reversals based on objective evidence, are credited against the income statement.

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Monitoring of contracted retailers in Gas and Electricity Distribution, Gas Pipelines and Gas Processing and major contract debtors via an external consumer and credit risk registry continued throughout 2025, with the Group receiving updates within 24 hours of changes in ownership, directors or any adverse impacts on particular debtors. A secondary process including notifying relevant parts of the business about negative notifications, reviewing and following up all outstanding debts (if needed) is in place.

The default rate and bad debt write offs continue to be lower than the industry benchmark.

(f) Critical accounting estimates and judgements

For estimates and judgements relating to contract assets refer to note 6(e).

Note 12. Inventories

(a) Summary

	2025 \$'000	2024 \$'000
Construction stock, maintenance stock and general purpose materials	102,076	82,612

- The increase in inventory in the current year primarily relates to stock associated with the onboarding of the DOMSA Contract.
- A provision for slow moving inventory of \$9.5 million was recognised during the year.

(b) Accounting Policy

Costs are assigned to inventory on hand on the basis of weighted average costs and includes all costs incurred in bringing inventories to their present location and condition. Inventories are valued at the lower of cost or net realisable value.

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For the year ended 31 December 2025

Operations and performance

Note 13. Payables, provisions and contingent liabilities

(a) Payables summary

	2025 \$'000	2024 \$'000
Trade and other payables	51,297	87,115
Accrued expenses	96,282	75,850
Interest payable	48,132	51,564
Total payables	195,711	214,529

(b) Payables accounting policy

Payables represent liabilities for goods and services provided to the Group prior to balance date that are unpaid. Payables are stated at amortised cost and are generally non-interest bearing.

(c) Provisions summary

	Current 2025 \$'000	Current 2024 \$'000	Non-current 2025 \$'000	Non-current 2024 ¹ Restated \$'000
Employee benefits	194,042	152,291	19,787	14,695
Restoration and make good	4,618	5,145	37,299	35,336
Decommissioning	–	–	76,996	67,616
Other	27,491	20,398	22,391	13,850
	226,151	177,834	156,473	131,497

1 The comparative information is restated on account of a prior period error. Refer to note 4.

(d) Movements in provisions (excluding employee benefits)

2025

	Decommissioning \$'000	Restoration and make good \$'000	Other \$'000	Total \$'000
Current and non-current				
Opening carrying amount – as previously stated	67,616	15,414	34,248	117,278
Adjustment for correction of a prior period error ¹	–	25,067	–	25,067
Opening carrying amount – restated	67,616	40,481	34,248	142,345
Change in estimate	8,071	–	3,855	11,926
Additional provisions recognised	–	1,828	21,796	23,624
Unused provisions reversed	–	(664)	(7,217)	(7,881)
Utilised during the year	–	–	(5,800)	(5,800)
Discounting of provisions	1,309	272	–	1,581
Other movement	–	–	3,000	3,000
Closing carrying amount	76,996	41,917	49,882	168,795

1 The comparative information is restated on account of a prior period error. Refer to note 4.

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For the year ended 31 December 2025

Operations and performance

(e) Provisions accounting policy

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at balance date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance costs.

Employee benefits

Employee benefits provisions represent provisions for wages and salaries, including non-monetary benefits, annual leave, sick leave and long service leave as well as provisions for employee bonuses and other accrued entitlements.

Liabilities for annual leave and long service leave are measured at the present value of expected future payments for services provided by employees up to the reporting date, including on costs. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on corporate bonds with a term to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The liability for long service leave entitled to be settled within 12 months of balance date is recognised in the current provision for employee benefits. The liability for long service leave entitled to be settled more than 12 months from balance date is recognised in the non-current provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to balance date.

Decommissioning

Decommissioning provisions are recognised where there is a present obligation in respect of certain gas transmission and processing assets owned by the Group and the present value of the expected costs of removal of these assets at the end of their useful lives. It is probable that an outflow of economic benefit will be required to settle the provision. The provision of future decommissioning costs is the best estimate of the present value of the future expenditure required to settle the obligation at the reporting date. The expected timing of outflows for decommissioning liabilities is not within 12 months from the reporting date. Future decommissioning costs are reviewed annually and where there is a change in the expected decommissioning costs, an adjustment is recorded against the carrying amount of the provision and the associated plant and equipment.

Restoration and make good

Restoration and make good provisions are recognised in respect of civil works and leases in line with contracted terms. These obligations typically arise where contracts or lease agreements require the Group to return sites to their original condition at the end of the contract or lease period. The provision is measured as the best estimate of the costs expected to be incurred in fulfilling the restoration requirements.

Other

Other provisions include restructuring, onerous contracts, legal, defect, rebates and other miscellaneous provisions. Provisions for defect and contract claims are made for the estimated liability on the known liquidated damage or contract claims arising under service and construction contracts.

(f) Provisions related critical accounting estimates and judgements

Annual leave and long service leave

When assessing expected future payments of annual and long service leave consideration is given to employee wages increases as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on Australian corporate bonds with terms to maturity that match the expected timing of cash outflows.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Operations and performance

Decommissioning provisions

Estimating future decommissioning costs involves considerable judgement based on the estimated current cost of detailed plans prepared.

(g) Contingent liabilities

From time to time, entities within the Group are party to various legal actions as well as enquiries from regulators and government bodies that have arisen in the normal course of business.

The outcome of currently pending and potential future legal actions, regulatory, administrative and government enquiries of a legal nature cannot be predicted with certainty. Such matters can raise complex legal issues, and are subject to many uncertainties including but not limited to, the facts and circumstances of each matter.

In addition, environmental, make good and restoration provisions are recognised in respect of obligations to remediate and make good disturbance or contamination caused by former gas works, at certain sites. Such provisions are subject to uncertainties such as the extent of disturbance and interpretation of make good and remediation requirements of regulators and other parties who have rights to the underlying land.

Other than above and as disclosed in these financial statements, Management is not aware of any other contingent liabilities that could have a material effect on the financial statements.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Our assets

Note 14. Property, plant and equipment

(a) Summary

	Freehold land \$'000	Freehold buildings \$'000	Easements \$'000	Leasehold improvements \$'000	Infrastructure assets \$'000	Other property, plant and equipment \$'000	Leased plant and equipment \$'000	Construction in progress \$'000	Total \$'000
Useful life (years)	Indefinite	5 – 70	40	10 – 13	5 – 70	4 – 20	10 – 13	n/a	
Year ended 31 December 2025									
Opening carrying amount – 1 January 2025	59,969	98,349	14,121	10,606	7,552,292	30,592	20	563,758	8,329,707
Additions	270	1,908	400	1,598	351,392	5,572	–	265,615	626,755
Transfers from/(to) other asset classes	–	1,851	186	2,303	187,677	12,050	–	(202,286)	1,781
Depreciation charge	–	(3,947)	(710)	(3,743)	(317,182)	(13,760)	(16)	–	(339,358)
Disposals	–	(30)	–	(283)	(23,982)	(99)	(3)	–	(24,397)
Decommissioning provision	–	–	–	–	8,071	–	–	–	8,071
Closing carrying amount – 31 December 2025	60,239	98,131	13,997	10,481	7,758,268	34,355	1	627,087	8,602,559
At 31 December 2025									
Cost	60,239	130,642	22,008	49,916	11,149,314	170,828	220	627,087	12,210,254
Accumulated depreciation	–	(32,511)	(8,011)	(39,435)	(3,391,046)	(136,473)	(219)	–	(3,607,695)
Carrying amount	60,239	98,131	13,997	10,481	7,758,268	34,355	1	627,087	8,602,559
Year ended 31 December 2024									
Opening carrying amount – 1 January 2024	60,910	98,701	14,821	12,411	7,537,878	21,466	39	415,032	8,161,258
Additions	–	1,394	–	964	287,439	4,669	–	236,827	531,293
Transfers from/(to) other asset classes	–	2,860	–	625	72,825	15,921	–	(88,100)	4,131
Depreciation charge	–	(3,812)	(700)	(3,090)	(318,084)	(11,434)	(19)	–	(337,139)
Disposals	(941)	(794)	–	(305)	(11,829)	(30)	–	–	(13,899)
Decommissioning provision	–	–	–	–	(15,937)	–	–	–	(15,937)
Closing carrying amount – 31 December 2024	59,969	98,349	14,121	10,606	7,552,292	30,592	20	563,759	8,329,707
At 31 December 2024									
Cost	59,969	127,343	21,422	53,635	10,636,124	159,397	275	563,759	11,621,923
Accumulated depreciation	–	(28,994)	(7,301)	(43,029)	(3,083,832)	(128,805)	(255)	–	(3,292,216)
Carrying amount	59,969	98,349	14,121	10,606	7,552,292	30,592	20	563,759	8,329,707

Notes to the consolidated financial statements

For the year ended 31 December 2025

Our assets

(b) Accounting policy

The Group recognises the cost of an item of property, plant and equipment as an asset if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the income statement as incurred.

All classes of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises the cost of direct materials, direct labour, an appropriate proportion of direct overheads, and (where relevant) the estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Items of plant and equipment under construction are recognised as construction in progress. Once the asset construction is complete and the asset is capable of operating in the manner intended by management, the item of plant and equipment is transferred from construction in progress to the relevant asset class and depreciation of the asset commences.

Where significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment and depreciated separately.

Depreciation is charged to the income statement on a straight line basis over the estimated useful life of each item of property, plant and equipment. Depreciation of assets used to produce new assets is included in the carrying amount of the new asset. Land is not depreciated.

Disposals of items result in their carrying amount being derecognised immediately.

(c) Critical accounting estimates and judgements

Estimates are made regarding useful lives of items of property, plant and equipment based on factors that are subject to risk including the regulatory environment and technological developments.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Our assets

Note 15. Intangibles

(a) Summary

	Goodwill \$'000 Indefinite	Contract Intangibles \$'000 8 – 33	Electricity distribution license \$'000 Indefinite	Software \$'000 2 – 22	Construction in progress \$'000 n/a	Total \$'000
Useful life (years)						
Year ended 31 December 2025						
Opening carrying amount – 1 January 2025	1,536,373	39,896	10,516	94,825	46,931	1,728,541
Additions	–	–	–	15,761	49,661	65,422
Transfers from/(to) other asset classes	–	–	–	36,934	(38,715)	(1,781)
Amortisation charge	–	(2,190)	–	(42,466)	–	(44,656)
Disposals	–	–	–	–	–	–
Closing carrying amount – 31 December 2025	1,536,373	37,706	10,516	105,054	57,877	1,747,526
At 31 December 2025						
Cost	1,536,373	104,158	10,516	836,713	57,877	2,545,637
Accumulated amortisation	–	(66,452)	–	(731,659)	–	(798,111)
Carrying amount	1,536,373	37,706	10,516	105,054	57,877	1,747,526
Year ended 31 December 2024						
Opening carrying amount – 1 January 2024	1,536,373	42,086	10,516	116,760	29,051	1,734,786
Additions	–	–	–	4,422	37,371	41,793
Transfers from/(to) other asset classes	–	–	–	15,359	(19,491)	(4,132)
Amortisation charge	–	(2,190)	–	(40,890)	–	(43,080)
Disposals	–	–	–	(826)	–	(826)
Closing carrying amount – 31 December 2024	1,536,373	39,896	10,516	94,825	46,931	1,728,541
At 31 December 2024						
Cost	1,536,373	104,158	10,516	784,952	46,931	2,482,930
Accumulated amortisation	–	(64,262)	–	(690,127)	–	(754,389)
Carrying amount	1,536,373	39,896	10,516	94,825	46,931	1,728,541

Notes to the consolidated financial statements

For the year ended 31 December 2025

Our assets

(b) Accounting policy and critical accounting estimates and judgements

All classes of intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is charged to the income statement on a straight line basis over the estimated useful life of each intangible asset with a finite life.

Estimates are made regarding useful lives of items of intangible assets based on factors that are subject to risk including the regulatory environment and technological developments.

(i) Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in business combinations that are not individually identified and separately recognised.

Goodwill is not amortised but is tested for impairment per the impairment policy (refer to note 18).

(ii) Electricity distribution licence

A licence is held to distribute electricity to end-users within the Jemena Electricity Network, covering a defined area of north-west greater Melbourne. The licence is issued in perpetuity so long as the associated regulatory requirements are met. Given the Group continuously monitors compliance with regulatory requirements and intends to continue to maintain the network for the foreseeable future, the licence has an indefinite useful life. Therefore the licence is not amortised but is tested for impairment per the impairment policy.

(iii) Software

Computer software includes the cost of software licences purchased by the Group and other additional software development costs.

The accounting for costs to implement software in Software-as-a-Service ("SaaS") arrangements depends on whether the Group controls the software. In a SaaS arrangement, where the Group controls the software, implementation costs which are directly attributable to preparing the software for its intended use are capitalised. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software in a SaaS arrangement, where the supplier controls the software, are recognised as materials and services expenses when the services are received.

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. Judgement is required to determine whether the additional costs meets the definition of an intangible asset.

(iv) Contract intangibles

Contract intangibles represent the value attributed to the material customer contracts that the Group acquired in business combinations. The value of these contracts are based on independent valuations, predicated on estimates and judgements. The value of these contracts is determined with reference to the separately identifiable net cash flows generated under each contract, discounted back to present value. Their useful lives reflect both the contract terms and, where applicable, assumed renewal periods.

(v) Construction in progress

Internally generated intangibles in progress are recognised as the sum of all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended, at which point the intangible asset is transferred to the relevant asset class and amortisation of the asset commences.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Our assets

Note 16. Investment in associate

(a) United Energy Distribution Holdings Pty Ltd

The Group owns a 34% interest in United Energy Distribution Holdings Pty Ltd ("UEDH"). The UEDH group distributes electricity throughout southeast Melbourne and the Mornington Peninsula in Victoria. The network covers approximately 1,472 square kilometres and services over 700,000 homes and businesses.

(b) Reconciliation of movements in investment in UEDH

	Opening \$'000	Share of profit \$'000	Dividends and Eliminations ¹ \$'000	Share of OCI \$'000	Closing Balance \$'000
2025					
Ordinary shares	360,380	53,359	(24,325)	(2,029)	387,385
Redeemable preference shares ("RPS")	80,783	–	–	–	80,783
	441,163	53,359	(24,325)	(2,029)	468,168
2024					
Ordinary shares	335,953	56,573	(26,240)	(5,906)	360,380
Redeemable preference shares ("RPS")	80,783	–	–	–	80,783
	416,736	56,573	(26,240)	(5,906)	441,163

¹ Comprising of dividends received and receivable and the elimination of the transactions between the Group and the associate.

The following table summarises the balance sheet information of UEDH:

	2025 \$'000	2024 \$'000
Current assets (including cash and cash equivalents – 31 December 2025: \$66.9 million; 31 December 2024: \$31.4 million)	180,689	153,697
Non-current assets (including financial assets – 31 December 2025: \$121.7 million, 31 December 2024: \$168.2 million)	4,284,190	4,168,315
Current liabilities (including financial liabilities – 31 December 2025: (\$293.0) million, 31 December 2024: (\$459.3) million)	(528,767)	(693,739)
Non-current liabilities (including financial liabilities – 31 December 2025: (\$2,380.2) million, 31 December 2024: (\$2,169.0) million)	(2,922,229)	(2,687,624)
Net assets (100%)	1,013,883	940,649

Capital expenditure contracted for at balance date but not recognised as a liability by the UEDH group is as follows:

	2025 \$'000	2024 \$'000
Payable within one year (34%)	4,171	3,996
	4,171	3,996

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The following table summarises the income statement information of UEDH:

	2025 \$'000	2024 \$'000
Revenue	884,168	837,270
Depreciation and amortisation	(190,548)	(169,959)
Interest income	1,604	2,023
Interest expense	(124,900)	(116,607)
Net profit after tax	156,283	163,671
Total comprehensive income for distribution	150,315	146,300

The following table summarises the Group's equity accounting of UEDH:

	2025 \$'000	2024 \$'000
Group's share of net assets (34%)	344,720	319,821
Consolidation adjustments	123,448	121,342
Carrying amount of interest in UEDH	468,168	441,163
Group's share of:		
Profit	53,359	56,573
Other comprehensive income (hedging reserves)	(2,029)	(5,906)
Interest on RPS held by the Company, included within UEDH group's interest expense	9,492	9,518
Group's total recognised comprehensive income from UEDH	60,822	60,185

The Company is not aware of any UEDH group contingent liabilities that could have a material effect on the financial statements.

(c) Accounting policy

Associates are those entities in which the Group has significant influence, but no control or joint control, over the financial or operating policies.

Interests in associates are accounted for using the equity method. They are recognised initially at cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the income statement and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

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Our assets

Note 17. Investment in joint venture

(a) ActewAGL Distribution Partnership

The Group holds a 50% interest in the ActewAGL Distribution Partnership ("ADP"), primarily operating as 'Evoenergy'. The remaining 50% is ultimately held by the Australian Capital Territory ("ACT") Government. ADP owns and operates the electricity networks in the ACT and the gas networks in the ACT, Queanbeyan–Palerang, and Nowra.

ADP's financial year is from 1 July to 30 June, which is different to the Group.

(b) Reconciliation of movements in investment in ADP

	Opening \$'000	Share of profit ¹ \$'000	Dividends and Eliminations ² \$'000	Closing \$'000
As at 31 December 2025				
ActewAGL Distribution Partnership	1,146,367	68,971	(36,213)	1,179,125
	1,146,367	68,971	(36,213)	1,179,125
As at 31 December 2024				
ActewAGL Distribution Partnership	1,137,132	41,240	(32,005)	1,146,367
	1,137,132	41,240	(32,005)	1,146,367

1 Included in the share of profit is under-recovery of feed-in tariff ("FIT") of \$12.2 million (post-tax) (2024: \$24.9 million under-recovery). In the ACT, ADP is subject to a large scale FIT jurisdictional scheme under which FIT support payments are made by ADP to renewable energy generators. ADP is required to collect any shortfall between the average contracted prices and the wholesale spot price on behalf of renewable energy generators from electricity customers.

These FIT support payments operate as a pass through to customers. Where the amount recovered exceeds or is below actual contributions paid to relevant parties, an adjustment is made to future prices to reflect this excess or shortfall. No assets or liabilities is recognised as such an adjustment relates to provision of future services.

2 Comprising of dividends received and receivable and the elimination of the transactions between the Group and the joint venture.

The following table summarises the balance sheet information of ADP:

	2025 \$'000	2024 \$'000
Current assets (including cash and cash equivalents – 31 December 2025: \$50.7 million; 31 December 2024: \$35.0 million)	248,453	301,767
Non-current assets (including financial assets – 31 December 2025: \$34.0 million; 31 December 2024: \$38.5 million)	1,762,138	1,703,508
Current liabilities (including financial liabilities – 31 December 2025: (\$4.8) million; 31 December 2024: (\$4.6) million)	(143,685)	(192,926)
Non-current liabilities (including financial liabilities - 31 December 2025: (\$12.3) million; 31 December 2024: (\$20.7) million)	(14,036)	(23,711)
Net assets (100%)	1,852,870	1,788,638

Capital expenditure contracted for at balance date but not recognised as a liability by the joint venture is as follows:

	2025 \$'000	2024 \$'000
Payable within one year (50%)	8,077	18,180
Payable later than one year but not later than five years (50%)	169	879
	8,246	19,059

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The following table summarises the income statement information of ADP:

	2025 \$'000	2024 \$'000
Revenue	348,255	379,561
Depreciation and amortisation	(79,366)	(69,314)
Interest income	6,120	9,425
Interest expense	(1,005)	(1,288)
Net profit after tax	135,232	78,985
Total comprehensive income for distribution	135,232	78,985

The following table summarises the Group's equity accounting of ADP:

	2025 \$'000	2024 \$'000
Group's share of net assets (50%)	926,435	894,319
Consolidation adjustments	252,690	252,048
Carrying amount of interest in ADP	1,179,125	1,146,367
Total comprehensive income for distribution	135,232	78,985
Group's share of total comprehensive income	68,971	41,240

ADP had contingent liabilities of \$0.86 million relating to bank guarantees as at 31 December 2025 (as at 31 December 2024: \$0.86 million). The Company is not aware of any other ADP contingent liabilities that could have a material effect on the financial statements.

(c) Accounting policy

Joint ventures are arrangements in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. They are recognised initially at cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the income statement and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(d) Critical accounting estimates and judgements

In classifying as a joint venture, the Group considered and made certain judgements about the structure of the arrangement, the legal form of any separate vehicles, the contractual terms of the arrangement and other facts and circumstances.

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Our assets

Note 18. Impairment testing

(a) Impairment testing

The Group's Cash Generating Units ("CGU") and allocated goodwill and intangible assets that have an indefinite useful life identified for impairment testing are as follows:

	2025 \$'000	2024 \$'000
Carrying amounts of goodwill by CGU:		
Jemena Gas Network ("JGN")	502,738	502,738
Jemena Electricity Network ("JEN")	148,144	148,144
Jemena Eastern Gas Pipeline ("EGP")	760,982	760,982
Jemena Queensland Gas Pipeline ("QGP")	10,939	10,939
Jemena Darling Downs Pipeline Network ("DDPN")	25,272	25,272
Zinfra	88,298	88,298
Total goodwill	1,536,373	1,536,373
Intangible Assets – JEN licence	10,516	10,516
Total of licence	10,516	10,516
Total	1,546,889	1,546,889

The Group consists of 11 CGUs. Impairment testing was performed by considering the presence of goodwill and the existence of impairment indicators for the following CGUs: JGN, JEN, EGP, QGP, Northern Gas Pipeline ("NGP"), DDPN and Zinfra. The remaining CGUs (UEDH, ADP, Colongra Gas Pipelines ("CGP") and Roma North Pipelines ("RNP")) were excluded from impairment testing as they do not have goodwill allocated and no impairment indicators were identified. CGU impairment testing was carried out at 31 December 2025 resulting in no impairments being recognised (2024: nil).

(b) Accounting policy

Impairment tests for all non-financial assets (excluding goodwill) are performed when there is an indication of impairment. Goodwill is tested for impairment at least annually.

Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs, being the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. If the carrying amount of the asset or CGU exceeds its recoverable amount, the asset or CGU is impaired and an impairment loss is charged to the income statement so as to reduce the carrying amount in the balance sheet to its recoverable amount.

The recoverable amount of assets is the greater of their fair value less costs of disposal and its value in use. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Previously impaired assets (excluding goodwill as impairment losses are not reversed in subsequent periods) are reviewed for possible reversal of previous impairment at each reporting date. Impairment reversal cannot exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset or CGU. Such reversal is recognised in the income statement.

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(c) Critical accounting estimates and judgements

Fair value less costs of disposal for all CGUs is measured using some inputs that are not based on observable market data, deemed level 3 within the fair value hierarchy as per note 27.

The following table lists critical estimates and assumptions used in estimating the recoverable amount of CGU:

CGU	Cash Flow Horizon (years) ¹	Terminal Value Assumptions ²	Post Tax Discount WACC 2025 ^{3, 4}	Post Tax Discount WACC 2024 ^{3, 4}	Comments on critical estimates and assumptions
JGN	10	RAB 1.35 x (2024: 1.35x)	4.58%	4.78%	- For regulated assets where terminal values are a significant driver of recoverable value, the Group monitors risks and opportunities on an ongoing basis in relation to any change including cross checking with implied market multiples of peers and recent market transactions for recent changes in RAB multiples. In 2025, the free cash flow horizons reflect the key assumptions behind JGN's approved Access Arrangement, renewable gas strategy and JEN's growth strategy. - The RAB multiple for JGN is 1.35x, which is aligned with the Group's expectations of renewable gas uptake and its position in the future energy mix. Management will continue to closely observe market expectations in future periods and will adjust this multiple accordingly. - JGN's market and commercial dynamics continue to evolve in 2026 and Management is focused on further scenario testing with consideration given to JGN's strategy involving the commercial landscape, the role of renewable gas in the energy transition and capital optimisation programme. Furthermore, the current Access Arrangement balances short, medium and long-term goals including the delivery of a safe, reliable network and supporting the energy transition. These focus points will therefore, underpin JGN's future cash flows and recoverable value in a decarbonisation environment. - JEN's RAB multiple is 1.6x and reflects expected growth as the economy decarbonises and becomes more reliant on renewable electricity. JEN's 2026–31 revised proposal aligns with the Group's <i>Climate Transition Plan</i>, focusing on expanding connections to new customers. JEN plays a crucial role in supporting increasing maximum demand and bi-directional flows from electrification and large customer connections from data centres and industrial loads, ensuring long term reliability, sustainability and supporting asset recoverable values.
JEN	10	RAB 1.6 x (2024: 1.6x)	4.18%	4.38%	
EGP	10	Perpetual Growth (0.50%) – 1.0% (2024: (0.50%) – 1.0%)	5.07% – 5.94%	5.33% – 6.20%	
QGP	10				
DDPN	10				
NGP	10				
					- The Group continually monitors risks and opportunities that may affect the key assumptions underpinning the growth rates and forecast cash flows of each CGU. This includes regular assessment of the components of the discount rate, given their potential to materially influence the recoverable amount. In determining the appropriate discount rates for the recoverable amount calculations, the Group has considered prevailing market assessments of the time value of money and its Weighted Average Cost of Capital, with adjustments made for asset specific risks. - The perpetual growth assumption is largely determined by demand/supply dynamics, alternate energy supplies, recontracting and the projected Australian Consumer Price Index.

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CGU	Cash Flow Horizon (years) ¹	Terminal Value Assumptions ²	Post Tax Discount WACC 2025 ^{3,4}	Post Tax Discount WACC 2024 ^{3,4}	Comments on critical estimates and assumptions
Zinfra	5	Contract Growth 1.0% (2024: 1.0%)	6.08%	9.54%	– The market continues to be highly competitive and may potentially impact revenue and EBITDA margin growth rates. The ability to maintain competitive margins as well as managing re-contracting risk for key customers remains a focus for the business. – Growth is primarily driven by increased revenue from project and services contracts, supported by a pipeline of identified opportunities, realistic win-rate assumptions, and historical performance trends. – The principal changes to the discount rate assumptions for the year reflect a recalibration of the risk-free rate, market risk premium, specific risk premium and asset beta, ensuring these inputs are aligned with prevailing market conditions.

Notes

- 1 The forecasts include assumptions related to the growth in revenue, operating expenditure and capital expenditure. For regulated CGUs, the growth assumption is primarily driven by the assumptions in the regulatory building block models with growth being a function of the regulated asset base ("RAB") and the allowable return from the regulator in the current regulatory period and expected future returns in the years post the current regulatory period.
- 2 Terminal values are calculated by applying a multiple to the RAB in the terminal year for regulated assets and terminal growth rates to terminal year cash flows for unregulated assets.
- 3 All CGUs' future nominal cash flows are discounted to their present value using a discount rate based on the weighted average cost of capital ("WACC"). The WACC takes into account the average rates of return required by providers of debt and equity capital (proxy weighted to the market) to compensate them for the time value of money and the inherent risk or uncertainty in achieving the cash flow returns for that outlay of capital estimating a transactional "fair value" environment.
- 4 Long-term risk free rate, market risk premium and debt premium are consistently applied across the discount WACC rates for all CGUs in the Group.

Reasonably possible change in key assumptions

The recoverable amount for the following CGUs approximates their carrying value. Accordingly, any deterioration in the key assumptions would result in possible recoverable amount deficiencies:

The market, regulatory and commercial dynamics particularly pertaining to NGP, EGP and JGN CGUs continue to evolve and Management is focussed on their strategy involving the commercial landscape, the role of renewable gas in the energy transition, access arrangements and capital optimisation programme.

- NGP: Management continues to work to secure additional long-term revenues on NGP through various initiatives. Negotiations continue with multiple counterparties and the cash flows included are based on the best information at reporting date. The uncertainties pertaining to these cash flows are factored into the discount WACC and the terminal value growth rate.
- EGP: Management continues to focus on securing long-term revenue on the EGP, including contracting volumes from the Port Kembla Energy Terminal for delivery into both the NSW and Victorian markets to replace the declining gas supply from the Gippsland Basin and is augmenting the pipeline to maximise optionality for southern flows on the pipeline. Negotiations continue with multiple counterparties and the cash flows included are based on the best information at reporting date on the most current view of demand and supply factors. Further, the cash flow assumptions also assume that, where relevant, re-contracting will be performed in accordance with any Gas Market Reform rules. The uncertainties pertaining to these cash flows are factored into the discount WACC and the terminal value growth rate.
- JGN: Management continues to focus on four priorities: maintaining JGN's viability, supporting decarbonisation for carbon-heavy commercial & industrial customers, facilitate the supply of renewable gas into the Jemena gas distribution network to support decarbonisation targets and exploring options to harness the existing gas infrastructure. In framing these priorities, the Group has considered the policy direction set out in the NSW gas policy framework, which recognises that gas will continue to play a role during the transition to net zero by supporting reliable energy supply, enabling decarbonisation of existing gas use, and facilitating the development and integration of low-emission renewable gases.

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Management believes the terminal value ("TV") assumptions disclosed below represents management's view of the reasonably possible changes to the market and regulatory landscapes. If the assumptions used in the impairment testing were changed to a greater extent than as presented in the following table, the change would, in isolation, lead to an impairment loss being recognised for the three CGUs discussed above in the year ended 31 December 2025.

Any movement in the post-tax discount rate is assessed based on changes in cash flow risk that may wholly or partially be predicated on any changes in the terminal value assumptions. The post-tax discount rates represented in the table below reflect assumptions that (in isolation) result in a zero surplus in recoverable amount over carrying value. Management do not believe that these post-tax discount rates represent reasonably possible changes and therefore in isolation they are unlikely to lead to an impairment loss being recognised for the three CGUs.

CGU	Post-tax discount rate		TV – RAB Multiple		TV – Growth Rate	
	2025	2024	2025	2024	2025	2024
	%	%	x	x	%	%
JGN	5.59	5.25	1.20	1.28	–	–
EGP	6.28	6.41	–	–	(1.10)	(0.86)
NGP	6.20	6.17	–	–	(0.76)	(0.30)

No other assets have reasonably possible changes in assumptions that would lead to an impairment.

Note 19. Capital commitments

Capital expenditure contracted for at balance date but not recognised as a liability by the Group is as follows:

	2025 \$'000	2024 \$'000
Payable within one year	104,905	23,846
Payable later than one year but not later than five years	6,824	–
	111,729	23,846

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Note 20. Interest bearing liabilities

(a) Interest bearing liabilities

Unsecured	Maturity date	Issue rate	Current 2025 \$'000	Current 2024 \$'000	Non-current 2025 \$'000	Non-current 2024 \$'000
Bank loans – Syndicated Facility Agreements			–	615,000	305,000	360,000
Bank loans – Bilateral Facility Agreements			99,168	–	–	540,709
Less: borrowing costs			(542)	(612)	(5,635)	(6,808)
Debt securities						
USD 500m MTN	29-Jul-26	3.250%	738,944	–	–	771,837
HKD 875m MTN	21-May-27	3.330%	–	–	167,166	175,271
USD 500m MTN	07-Jul-27	3.500%	–	–	734,060	767,695
HKD 785m MTN	28-Mar-29	2.850%	–	–	151,139	163,307
AUD 92m MTN	20-Jul-29	2.789%	–	–	92,000	92,000
HKD 739m MTN	20-Dec-29	2.535%	–	–	142,282	153,738
AUD 159m MTN	27-Feb-35	2.680%	–	–	159,000	159,000
AUD 350m MTN	15-Sep-28	1.843%	–	–	341,212	339,160
HKD 900m MTN	04-Jan-27	1.440%	–	–	170,299	177,061
AUD 100m MTN	29-Nov-28	2.525%	–	–	93,799	92,874
AUD 300m MTN	17-Dec-29	2.620%	–	–	273,496	271,401
HKD 800m MTN	18-Oct-32	4.920%	–	–	164,504	170,137
AUD 106m MTN	08-Dec-32	6.056%	–	–	106,000	106,000
AUD 50m MTN	08-Dec-32	6.056%	–	–	49,955	52,022
AUD 175m MTN	15-Jan-30	BBSW + 1.7%	–	–	175,000	175,000
AUD 85m MTN	15-Jan-30	BBSW + 1.7%	–	–	85,000	85,000
HKD 785m MTN	20-Mar-33	4.854%	–	–	161,853	167,248
HKD 600m MTN	09-Jun-30	4.520%	–	–	120,167	125,055
AUD 30m MTN	29-Jun-33	5.988%	–	–	29,845	30,473
AUD 100m MTN	29-Jun-33	5.988%	–	–	98,956	103,542
JPY 5b MTN	13-Jun-39	1.960%	–	–	43,376	51,664
HKD 766.5m MTN	09-Oct-29	3.540%	–	–	151,188	156,986
HKD 530m MTN	25-Mar-35	4.320%	–	–	105,661	–
HKD 1.198b MTN	03-May-30	3.630%	–	–	234,455	–
EUR 500m MTN	08-Oct-32	3.375%	–	–	873,295	–
Add: bond premium and discounts			–	–	3,210	–
Less: borrowing costs			(478)	–	(10,906)	(8,244)
			837,092	614,388	5,015,377	5,272,128

(b) Accounting policy

Borrowings

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Foreign currency transactions

Transactions in foreign currencies are translated into the Group's functional currency using the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at balance date. Foreign currency differences arising on translation are recognised in the income statement, except for differences arising on the translation of qualifying cash flow hedges, which are recognised in other comprehensive income.

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Note 21. Finance income and costs

(a) Summary

	Note	2025 \$'000	2024 \$'000
Finance income			
Interest on funds invested		1,338	795
Interest on lease receivable		5,293	5,943
Defined benefit net interest		2,384	2,471
		9,015	9,209
Finance costs			
Interest and finance charges paid/payable on borrowings		(244,211)	(232,441)
Gain/(loss) on the fair value hedging instruments (fair value hedges)		85,914	13,018
Gain/(loss) on the fair value hedged items (fair value hedges)		(85,866)	(12,695)
Ineffectiveness from cash flow hedges		(875)	533
Capitalised finance charges		11,666	9,897
Interest on leases		(4,310)	(3,980)
Unwinding of discount on liabilities	13	(1,581)	(2,346)
		(239,263)	(228,014)

(b) Accounting policy

Finance income and costs are recognised using the effective interest method.

Borrowing costs that are directly attributable to the construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. The capitalisation rate used to determine the amount of borrowing costs to be included in the cost of qualifying assets is the weighted average interest rate of 4.26% for the year applicable to the Group's outstanding borrowings (year ended 31 December 2024: 4.25%).

Note 22. Derivative financial instruments and hedging reserve

(a) Summary of carrying amount

	Current 2025 \$'000	Current 2024 \$'000	Non-current 2025 \$'000	Non-current 2024 \$'000
Derivative financial instruments – assets¹				
Fair value hedges				
Cross currency swap contracts	(9,862)	–	8,216	(89,845)
Interest rate swap contracts	–	–	2,052	5,786
Cash flow hedges				
Cross currency swap contracts	82,640	–	154,488	450,063
Interest rate swap contracts	1,086	1,107	207,351	209,829
Forward foreign exchange contracts	–	259	6	31
	73,864	1,366	372,113	575,864

¹ The Group classifies individual derivative financial instruments with positive fair values as assets and negative fair values as liabilities, with the entire hedge relationship presented as a single entity. The Group also presents the fair value of the derivative financial instruments based on their bifurcated and trifurcated hedge accounting designations.

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	Current 2025 \$'000	Current 2024 \$'000	Non-current 2025 \$'000	Non-current 2024 \$'000
Derivative financial instruments – liabilities¹				
Fair value hedges				
Cross-currency swap contracts	–	–	3,613	–
Interest rate swap contracts	–	–	41,475	46,142
Cash flow hedges				
Cross-currency swap contracts	–	–	36,402	–
Interest rate swap contracts	–	–	1,996	9,297
Forward foreign exchange contracts	241	–	24	–
	241	–	83,510	55,439

1 The Group classifies individual derivative financial instruments with positive fair values as assets and negative fair values as liabilities, with the entire hedge relationship presented as a single entity. The Group also presents the fair value of the derivative financial instruments based on their bifurcated and trifurcated hedge accounting designations.

	2025 %	2024 %
Weighted average interest rate		
Cross currency swap contracts	5.30	5.71
Interest rate swap contracts	(0.86)	(1.21)

(b) Foreign currency risk management

The following table summarises the carrying amount and hedge accounting designations of foreign exchange contracts used to manage foreign currency exposure:

	Weighted average exchange rate	Foreign currency contract value FC'000	Carrying amount \$'000	Less than 1 year \$'000	1– 5 years \$'000
2025					
Forward foreign currency contracts					
Buy USD (United States Dollar)	0.6583	17,425	(252)	(234)	(18)
Buy EUR (Euro)	0.5586	224	(7)	(7)	–
2024					
Forward foreign currency contracts					
Buy USD (United States Dollar)	0.6485	4,007	290	259	31

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(c) Hedge accounting

As 31 December 2025, the Group held various types of derivative financial instruments and formally designated them in cash flow and fair value hedge relationships for accounting purposes, in accordance with the requirements of AASB 9. The following table summarises the derivative financial instruments in the consolidated balance sheet and the effects of hedge accounting on the Group's financial position and performance for 2025 and 2024.

2025

	Nominal amount of hedging instrument \$'000	Change in the value of the hedging instrument used for calculating hedge ineffectiveness \$'000	Change in value of the hedged item used for calculating hedge ineffectiveness \$'000	Change in value of the hedging instrument recognised in hedging reserve \$'000	Hedge ineffectiveness recognised in (profit) and loss \$'000	Amount reclassified from the cash flow hedge reserve to (profit) or loss \$'000
Cash flow hedges						
Interest (up to 11 years)	3,780,000	4,802	(4,802)	(4,802)	–	–
Capital expenditure (up to 1 year)	21,567	(548)	548	584	–	–
Foreign currency debt (up to 8 years)	3,861,685	(249,336)	248,461	248,461	875	251,441
Fair value hedges						
Local currency debt (up to 8 years)	680,000	932	(1,002)	N/A	70	N/A
Foreign currency debt (up to 8 years)	3,582,351	84,982	(84,864)	N/A	(118)	N/A

2024

	Nominal amount of hedging instrument \$'000	Change in the value of the hedging instrument used for calculating hedge ineffectiveness \$'000	Change in value of the hedged item used for calculating hedge ineffectiveness \$'000	Change in value of the hedging instrument recognised in hedging reserve \$'000	Hedge ineffectiveness recognised in (profit) and loss \$'000	Amount reclassified from the cash flow hedge reserve to (profit) or loss \$'000
Cash flow hedges						
Interest (up to 11 years)	3,835,000	(33,982)	33,982	33,982	–	–
Capital expenditure (up to 1 year)	6,178	361	(361)	(361)	–	–
Foreign currency debt (up to 8 years)	2,618,221	276,899	(276,365)	(276,365)	(533)	(283,407)
Fair value hedges						
Local currency debt (up to 8 years)	680,000	13,469	(13,709)	N/A	240	N/A
Foreign currency debt (up to 8 years)	2,338,887	(689)	1,013	N/A	(563)	N/A

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The following table summarises the carrying amounts and accumulated fair value adjustments of the hedged items:

		Carrying amount \$'000	Accumulated fair value adjustment \$'000
Hedged items			
As at 31 December 2025			
Bank loans	Interest bearing liabilities	(99,168)	(365)
Debt securities	Interest bearing liabilities	(4,348,863)	45,529
		(4,448,031)	45,164
As at 31 December 2024			
Bank loans	Interest bearing liabilities	(100,709)	633
Debt securities	Interest bearing liabilities	(3,519,470)	130,360
		(3,620,179)	130,993

(d) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net changes in the fair value of cash flow hedging instruments related to highly probable forecast transactions and also recognised financial liabilities (i.e. the variable interest risk rate on borrowings). The future periods in which the cash flows associated with derivative financial instruments in the cash flow hedge reserve are expected to impact profit and loss are the same as when the hedged highly probable cash flows are expected to occur.

	2025 ¹ \$'000	2024 ¹ \$'000
Balance at the beginning of the year	148,459	181,224
Revaluation (cash flow hedge accounting)	5,984	(23,962)
Revaluation (foreign currency basis spreads) ²	(1,173)	(4,669)
Share of associate's hedge reserve	(1,420)	(4,134)
Balance at end of the year	151,850	148,459

1 The numbers are net of tax.

2 AASB 9 requires the foreign currency basis spreads of cross currency swaps to be separated from hedge relationships in Equity.

(e) Accounting policy

The Group uses derivative financial instruments such as interest rate swaps, cross currency swaps and foreign exchange contracts to hedge its exposure to foreign exchange and interest rate risks arising from financing activities. The Group does not speculatively trade in derivative financial instruments, however, derivative financial instruments that do not qualify for hedge accounting are accounted for as held for trading.

Derivative financial instruments are recognised at fair value (refer to note 27) determined using level 2 fair value hierarchy inputs, and using discounted cash flow analysis.

The Group applies the maturity date approach to classify derivative financial instruments. Derivative financial instruments are classified as non-current, except for those instruments that mature in less than 12 months from balance date, which are classified as current.

In order to qualify for hedge accounting all of the following hedge effectiveness testing criteria need to be met:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio is the same as that resulting from actual amounts of hedged items and hedging instruments for risk management.

(i) Hedge ineffectiveness

Hedge ineffectiveness may arise from counterparty credit risk, changes in timing of the forecast transactions and forecast transactions not occurring. However, the Group tests the hedging effectiveness periodically to ensure that the sources of ineffectiveness do not dominate the hedge relationship.

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(ii) Fair value hedges

Changes in the fair value of a derivative financial instrument designated as a fair value hedge of the exposure to changes in fair value of a recognised asset, liability or unrecognised firm commitment, is recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged, the gain or loss attributable to the hedged risk is recognised in the income statement with an adjustment to the carrying amount of the hedged item.

(iii) Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated in the hedging reserve. The ineffective portion of the gain or loss is recognised in the income statement.

When the forecast transaction subsequently results in the recognition of a non-financial asset or liability, or a forecast transaction for a non-financial asset or liability becomes a firm commitment for which hedge accounting is applied, the associated cumulative gains or losses is removed from equity and included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecasted transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into the income statement in the same year or years during which the asset acquired or liability assumed affects the income statement (e.g. when interest expense is recognised). In either case, if the amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into the income statement.

When a cash flow hedging instrument expires or is sold, terminated or exercised, and the hedged forecast transaction is still expected to occur, the cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement or used to adjust the initial cost of the non-financial item. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in equity is immediately transferred to the income statement.

(iv) Foreign currency basis spreads

The cumulative change in fair value of the foreign currency basis spreads of cross currency interest rate swaps designated in hedge relationships is recognised as a cost of hedging in a separate component of the hedging reserve.

(f) Critical accounting estimates and judgements

The fair value of derivative financial instruments is determined as follows:

- the fair value of derivative financial instruments with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices. The quoted market price used is the current mid-price, as the derivative financial instruments are in hedging relationships with offsetting market risks; and
- the fair value of other derivative financial instruments is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Judgements about whether the Group's hedges are in effective economic relationships are on the basis of critical terms of the hedging instrument and hedged item being aligned; including face values, cash flows and currency, and the relationship between the hedged risk and the corresponding value of the hedging derivatives resulting in a hedge ratio of one.

Note 23. Financial risk management

Overview

The Group has exposure to the following risks from the use of financial instruments:

- interest rate risk
- currency risk
- credit risk
- liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

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Risk management framework

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Risk, Health, Safety and Environment Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The risk management framework operates in conjunction with several other policies of the Group, including the:

- Delegations of Financial Authority which sets out the approvals required for such transactions as investment of surplus funds, execution of hedging transactions, borrowings and issue of guarantees and indemnities;
- Treasury Operations Manual which sets out the day-to-day Treasury front office processes such as cash management and the operations of the Treasury back office, such as settlement processes and bank account operations; and
- Refinancing and Hedging Strategy which sets out the refinancing and hedging strategies over the relevant financial period.

Together, these policies provide a financial risk management framework which supports the Group's objectives of finding the right balance between risk and reward to enhance profitability and business performance while minimising current and future exposures.

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including:

- forward foreign exchange contracts;
- interest rate swaps ("IRS"); and
- cross currency swaps.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

It is the Group's policy to ensure, wherever possible, that all hedging activities comply with the hedge accounting requirements of AASB 9 Financial Instruments. However, there may be instances where it makes commercial and economic sense to enter into derivative financial instrument transactions that do not achieve hedge accounting. In these instances, under AASB 9 such derivative financial instruments must be classified as "held for trading". However, this classification is not an indication of intent to trade in derivative financial instruments.

The material financial risks associated with the Group's activities are each described below, together with details of the Group's policies for managing the risk.

(a) Interest rate risk

The Group is exposed to the risk of movements in interest rates on its borrowings. In addition, the regulated electricity distribution business and gas distribution business revenues are impacted directly by changes in the interest rates relating to each of their respective price review periods. This is a result of the "building block" approach where interest rates are considered in the determination of the regulatory weighted average cost of capital and consequently, regulated revenues. The price review period is five years for gas and electricity distribution. The Australian Energy Regulator ("AER") has in December 2018 issued its guidelines for determining the rate of return for regulated assets. This guideline impacts the hedging approach taken by the Group, as it now references a 10-year trailing average method rather than market observation at the start of the regulatory period. Hedging of interest rate exposure is aligned to the transition path proposed by the AER.

The objective of hedging activities carried out by the Group in relation to these businesses is to minimise the exposure to changes in interest rates by matching the actual cost of debt with the cost of debt assumed by the regulator when setting the rate of return for the relevant business. The exposure is managed by maintaining an appropriate mix of fixed and floating rate borrowings and by the use of IRS.

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The debt portfolio of the Group consists of both floating rate debt and fixed rate debt. The Group's interest rate hedging policy is linked to debt notionally allocated to the asset classes. Interest rate derivative financial instruments are used in order to maintain the percentage of allocated fixed rate debt according to the asset classes (Jemena, which includes regulated network assets and pipelines; and Zinfra, which is an infrastructure services business), as approved by the board of directors. Hedging of the regulated assets is aligned with tenures linked to the respective regulatory reset periods.

As at balance date, the Group had the following financial assets and liabilities exposed to fair value interest rate risk that were not designated in a hedging relationship:

	2025 \$'000	2024 \$'000
Financial assets		
Cash at bank and in hand	76,224	57,815
	76,224	57,815
Financial liabilities		
Bank loans and debt securities not designated in an interest rate hedging relationship	1,047,351	1,008,887
	1,047,351	1,008,887

The Group utilises IRS to manage its exposure to interest rate risk. Under IRS, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on debt held.

Due to the Group's interest rate risk management policies, the exposure at a corporate level to interest rate risk at any point in time is significantly reduced. At balance date, 90.8% (2024: 84.6%) of the Group's borrowings are fixed through either fixed rate debt or pay fixed IRS.

The Group's exposure to changes in interest rates is limited to exposure denominated in Australian dollars due to our policy of mitigating interest rate risk exposure on foreign currency debt. As a result, the sensitivity analysis below has only been performed based on movements in Australian interest rates. As at reporting date, if Australian interest rates had increased and decreased by 218 basis points as at 31 December 2025 (2024: 234 basis points), with all other variables held constant, post-tax profit and equity would have increased/(decreased) as follows:

Sensitivity Analysis

	2025 Net profit/(loss) \$'000	2025 Equity \$'000	2024 Net profit/(loss) \$'000	2024 Equity \$'000
Increase in Australian interest rates	(11,908)	254,947	(16,559)	262,853
Decrease in Australian interest rates	13,408	(295,826)	15,468	(307,749)

(b) Currency risk

The Group's policy is to eliminate all currency risk due to funding activities in offshore debt markets. All foreign currency denominated debt has been fully hedged through the use of CCS into Australian dollar debt. Other foreign exchange rate exposures arising from commitments to foreign currency purchases are managed within approved policy parameters utilising forward foreign exchange contracts.

The objective of the Group's currency risk management program is to eliminate material foreign exchange risk by utilising various hedging techniques as approved by the Board. The Group therefore considers currency risk exposure to be minimal.

The Group enters into CCS to manage exposures from foreign currency loans in USD, CNY, HKD, JPY and EUR (refer to note 22(c)). It is the policy of the Group to cover 100% of the exposure generated by these loans.

Under CCS, the Group agrees to exchange specified principal and interest foreign currency amounts at an agreed future date at a specified exchange rate. Such contracts enable the Group to mitigate the risk of adverse movements in foreign exchange rates.

As at balance date, the Group held the following CCS for foreign currency denominated borrowings. The maturity of these swaps matches the maturity of the relevant foreign currency denominated borrowings.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Financing our business

	2025 \$'000	2024 \$'000
Cross currency swaps notional amounts		
USD	1,319,558	1,319,558
HKD	1,503,337	1,152,890
CNH	97,793	97,793
JPY	47,980	47,980
EUR	893,017	–
	3,861,685	2,618,221

The Group also enters into forward foreign exchange contracts to hedge the exchange rate risk in relation to specific purchase orders (refer to note 22(d)). It is the policy of the Group to fully hedge currency exposures above an approved threshold once the exposure is recognised. The derivative financial instrument used to hedge the exposure is entered into when there is a high degree of certainty as to the nature of the exposure, including currency, amount and delivery date so as to ensure a high level of effectiveness in cash flow hedging.

As at balance date, the Group had the following financial assets and liabilities exposed to currency risk that were not designated in a hedging relationship.

	2025 \$'000	2024 \$'000
Financial assets		
Cash (USD denominated)	943	81
	943	81

Sensitivity analysis performed by management showed that movement in foreign currencies and the impact on net profit and equity is not material.

(c) Credit risk

Credit risk refers to the risk a counterparty will default on its contractual obligations resulting in financial loss to the Group and arises from the Group's financial assets, comprising cash and cash equivalents, trade and other receivables and derivative financial instruments.

The Group has adopted a policy of only dealing with creditworthy counterparties. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate values of transactions conducted are spread amongst approved counterparties. The Group therefore considers credit risk exposure to be minimal.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with strong investment grade credit ratings assigned by international credit rating agencies. Accounts receivable consist of a number of customers, spread across a range of industries and geographical areas. In most part, the Group's revenue is sourced from its regulated energy networks, contracted gas pipelines with large industrial customers, and maintenance services provided predominantly to other regulated energy utilities. Despite the relatively low risk of bad debts, the Group regularly monitors the financial condition of its accounts receivable balances to ensure the exposure to bad debts is minimised. Refer to note 11 for more information.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for impairment losses and credit value adjustments, represents the Group's maximum exposure to credit risk.

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For the year ended 31 December 2025

Financing our business

(d) Liquidity risk

The Group targets a minimum net liquidity, defined as available short-term funds and committed financing facilities. As at balance date, the Group had the following committed financing facilities available:

	2025 \$'000	2024 \$'000
Floating rate		
Unsecured working capital, reviewed annually:		
Amounts used - bank guarantees	53,001	37,607
Amount unused	146,999	162,393
Unsecured bilateral facilities with various maturity dates and which may be extended by mutual agreement:		
Amount used	97,793	537,793
Amount unused	100,000	25,000
Unsecured syndicated bank loan facilities:		
Amount used	305,000	975,000
Amount unused	1,095,000	525,000
Total amount used	455,794	1,550,400
Total amount unused (refer to note 1(a))¹	1,341,999	712,393

¹ Included within the total amount unused is \$907 million which are available for more than 12 months from 31 December 2025.

The Group manages liquidity risk by maintaining adequate cash reserves, committed banking facilities and reserve borrowing facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

As part of managing liquidity risk, the Group aims to maintain a diversified debt portfolio, in terms of maturity and source. In this regard, the Group has raised funds in both the bank debt market, the domestic and offshore capital markets. The investment grade credit rating of the Group ensures ready access to both domestic and offshore capital markets.

Liquidity risk is managed by the Group based on expected net cash inflows and outflows from financial assets and liabilities and available banking facilities combined with access to global capital markets.

Notes to the consolidated financial statements

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Financing our business

The Group continues to manage liquidity and refinancing risks in accordance with the board approved treasury management framework and long term funding principles. The following table summarises the maturities of the Group's financial assets and liabilities based on the remaining earliest contractual maturities at carrying amount.

		Undiscounted contractual cash flow				
	Carrying amounts \$'000	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total \$'000
As at 31 December 2025						
Financial assets						
Cash and cash equivalents	76,224	76,224	–	–	–	76,224
Receivables	387,011	388,127	–	–	–	388,127
Lease receivables ¹	71,994	12,354	12,589	22,809	55,786	103,538
Interest rate swaps	210,489	39,151	45,565	115,215	53,985	253,916
Cross-currency swaps	235,482	58,902	140,276	17,054	–	216,232
Forward foreign currency contracts	6	1	–	–	–	1
	981,206	574,759	198,430	155,078	109,771	1,038,038
Financial liabilities						
Variable interest rate loans	545,676	25,627	26,549	509,737	106,895	668,808
Fixed interest rate loans	5,306,793	925,609	1,242,948	1,942,420	1,964,226	6,075,203
Payables	195,711	195,711	–	–	–	195,711
Lease liabilities	105,425	38,072	35,079	35,677	4,510	113,338
Interest rate swaps	43,471	12,502	13,631	21,366	(227)	47,272
Cross-currency swaps	40,015	26,287	32,271	105,858	104,349	268,765
Forward foreign currency contracts	265	264	38	67	–	369
	6,237,356	1,224,072	1,350,516	2,615,125	2,179,753	7,369,466
Net maturity		(649,313)	(1,152,086)	(2,460,047)	(2,069,982)	(6,331,428)

¹ The unearned finance income arising from the lease receivables is \$31.5 million (2024: \$35.4 million).

Notes to the consolidated financial statements

For the year ended 31 December 2025

Financing our business

		Undiscounted contractual cash flow				
	Carrying amounts \$'000	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total \$'000
As at 31 December 2024						
Financial assets						
Cash and cash equivalents	57,815	57,815	–	–	–	57,815
Receivables	333,925	338,296	–	–	–	338,296
Lease receivables	80,309	12,126	12,354	28,719	62,465	115,664
Interest rate swaps	216,722	59,476	44,900	113,441	63,571	281,388
Cross-currency swaps	360,218	(39,399)	121,383	280,074	21,016	383,074
Forward foreign currency contracts	290	262	35	–	–	297
	1,049,279	428,576	178,672	422,234	147,052	1,176,534
Financial liabilities						
Variable interest rate loans	1,227,580	511,307	1,071,288	378,503	297,054	2,258,152
Fixed interest rate loans	4,658,936	142,256	945,908	2,751,636	1,103,608	4,943,408
Payables	214,529	214,529	–	–	–	214,529
Lease liabilities	93,711	29,839	27,396	43,664	–	100,899
Interest rate swaps	55,439	13,567	13,362	33,842	(2,310)	58,461
Cross-currency swaps	–	3,016	2,330	7,886	14,590	27,822
Forward foreign currency contracts	–	–	–	–	–	–
	6,250,195	914,514	2,060,284	3,215,531	1,412,942	7,603,271
Net maturity		(485,938)	(1,881,612)	(2,793,297)	(1,265,890)	(6,426,737)

(e) Fair value of financial assets and liabilities

The Group classified the fair value measurements (refer note to 27) of its financial instruments using a level 2 fair value hierarchy that reflects the significance of the inputs used in making the measurements. Fair value is measured using valuation techniques and significant market observable data as well as market corroboration based on active quotes. These include industry standard interest rate, foreign exchange and currency basis yield curves sourced directly from the Treasury Management System. In addition, an adjustment to the fair value for all cross currency and interest rate swap contracts is applied for credit risk in accordance with AASB 13 Fair Value Measurement. Credit risk is obtained directly from the observable Credit Default Swap curves within the Treasury Management System for each of the relevant counterparties, with the bilateral credit risk applied uniformly across all swap assets and liabilities as at balance date.

With the exception of the below, the fair values of other financial assets and liabilities approximate their carrying amounts. For the bonds disclosed below, the carrying amount is determined by applying the last observable trading price at balance date to the instrument's face value.

	Carrying amount 2025 \$'000	Carrying amount 2024 \$'000	Fair value 2025 \$'000	Fair value 2024 \$'000
Financial liabilities				
Debt securities (fixed rate)	5,207,625	4,118,227	4,919,818	3,602,374
Debt securities (floating rate)	246,853	260,000	265,208	266,126

Notes to the consolidated financial statements

For the year ended 31 December 2025

Financing our business

(f) Financial covenants

The Group's secured bank loans are subject to specific covenants. A breach occurs if, on 30 June or 31 December of each year, (i) the Interest Cover Ratio falls to 1.5 times or below, or (ii) the Gearing Ratio reaches or exceeds 70%. In such cases, the Group may be required to repay its liabilities earlier than the contractual maturity dates. While these liabilities are classified as non-current at 31 December 2025, a future breach of the related covenants may require the Group to repay the liabilities earlier than the contractual maturity dates.

The Group regularly monitors compliance with its financial covenants and reports the outcome to its banking syndicate on a semi-annual basis. There were no covenant breaches during the year, and the Group expects to remain in compliance with the covenants for the next 12 months from the reporting date.

Note 24. Share capital

(a) Summary

	2025	2024
Fully paid ordinary shares (at \$1 each)	4,000,000,100	4,000,000,100
	4,000,000,100	4,000,000,100

(b) Accounting policy

Ordinary share capital is recorded at the fair value of consideration received. The costs of issuing securities are charged against the share capital. Ordinary share capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Financing our business

Note 25. Reconciliation of movements of assets and liabilities to cash flows arising from financing activities

	1 January 2025	Cash flows				Non-cash changes			31 December 2025
	Opening balance \$'000	Proceeds from borrowings \$'000	Repayment of borrowings \$'000	Payment of lease liabilities \$'000	Other \$'000	Fair value changes \$'000	Additions/ (Disposals) \$'000	Non-cash changes Other \$'000	Closing balance \$'000
Derivative financial instruments – assets									
Cross currency swap contracts	360,218	–	–	–	–	(124,736)	–	–	235,482
Interest rate swap contracts	216,722	–	–	–	–	(6,233)	–	–	210,489
Forward foreign exchange contracts	290	–	–	–	–	(284)	–	–	6
	577,230	–	–	–	–	(131,253)	–	–	445,977
Interest bearing liabilities									
Bank loans	1,508,289	770,000	(1,880,000)	–	–	(1,540)	–	1,242	397,991
Debt securities	4,378,227	1,243,464	–	–	–	(164,072)	–	(3,141)	5,454,478
	5,886,516	2,013,464	(1,880,000)	–	–	(165,612)	–	(1,899)	5,852,469
Derivative financial instruments – liabilities									
Cross currency swap contracts	–	–	–	–	–	40,015	–	–	40,015
Interest rate swap contracts	55,439	–	–	–	–	(11,968)	–	–	43,471
Forward foreign exchange contracts	–	–	–	–	–	265	–	–	265
	55,439	–	–	–	–	28,312	–	–	83,751
Lease liabilities									
Lease liabilities	93,711	–	–	(38,602)	–	–	46,006	4,310	105,425
	93,711	–	–	(38,602)	–	–	46,006	4,310	105,425

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Financing our business

	Cash flows					Non-cash changes			31 December 2024
	1 January 2024 Opening balance \$'000	Proceeds from borrowings \$'000	Repayment of borrowings \$'000	Payment of lease liabilities \$'000	Other \$'000	Fair value changes \$'000	Additions/ (Disposals) \$'000	Other \$'000	Closing balance \$'000
Derivative financial instruments – assets									
Cross currency swap contracts	96,434	–	–	–	–	263,784	–	–	360,218
Interest rate swap contracts	244,123	–	–	–	–	(27,401)	–	–	216,722
Forward foreign exchange contracts	74	–	–	–	–	216	–	–	290
	340,631	–	–	–	–	236,599	–	–	577,230
Interest bearing liabilities									
Bank loans	1,444,378	804,000	(744,000)	–	–	5,426	–	(1,515)	1,508,289
Debt securities	3,991,939	343,648	(250,000)	–	–	290,676	–	1,963	4,378,226
Convertible Instruments	800,000	–	–	–	–	–	–	(800,000)	–
	6,236,317	1,147,648	(994,000)	–	–	296,102	–	(799,552)	5,886,515
Derivative financial instruments – liabilities									
Cross currency swap contracts	12,427	–	–	–	–	(12,427)	–	–	–
Interest rate swap contracts	62,326	–	–	–	–	(6,887)	–	–	55,439
Forward foreign exchange contracts	144	–	–	–	–	(144)	–	–	–
	74,897	–	–	–	–	(19,458)	–	–	55,439
Lease liabilities									
Lease liabilities	101,496	–	–	(32,327)	–	–	20,562	3,980	93,711
	101,496	–	–	(32,327)	–	–	20,562	3,980	93,711

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Financing our business

Note 26. Leases

(a) Right-of-use assets

	Land and buildings \$'000	Motor Vehicles \$'000	Other Property, Plant and Equipment \$'000	Total \$'000
Year ended 31 December 2025				
Opening carrying amount - 1 January 2025	28,811	26,985	738	56,534
Additions	24,075	25,067	415	49,557
Depreciation charge	(11,009)	(15,201)	(745)	(26,955)
Disposals	(4)	(30)	–	(34)
Impairment loss	(1,505)	–	–	(1,505)
Closing carrying amount - 31 December 2025	40,368	36,821	408	77,597
At 31 December 2025				
Cost	123,430	108,480	6,221	238,131
Accumulated depreciation	(83,062)	(71,659)	(5,813)	(160,534)
Carrying amount	40,368	36,821	408	77,597
Year ended 31 December 2024				
Opening carrying amount - 1 January 2024	31,313	20,489	210	52,012
Additions	6,328	17,501	1,329	25,158
Depreciation charge	(8,822)	(10,997)	(801)	(20,620)
Disposals	(8)	(8)	–	(16)
Closing carrying amount - 31 December 2024	28,811	26,985	738	56,534
At 31 December 2024				
Cost	99,464	83,497	5,806	188,767
Accumulated depreciation	(70,653)	(56,512)	(5,068)	(132,233)
Carrying amount	28,811	26,985	738	56,534

(b) Lease receivables

At 31 December 2025, the lease receivables of \$72.0 million, pertain to two categories: property sub-leases, which are classified as finance sub-leases and finance leases of the Group's owned infrastructure assets. Of the total balance, \$8.4 million are due within 12 months of the reporting date and \$63.6 million are due beyond 12 months.

The maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date, is disclosed in note 23(d).

(c) Lease liabilities

	2025 \$'000	2024 \$'000
Balance as at 1 January	93,711	101,496
Additions/(Disposals)	46,006	20,562
Interest expense	4,310	3,980
Payments	(38,602)	(32,327)
Balance as at 31 December	105,425	93,711
Comprising:		
Current	34,407	26,520
Non-current	71,018	67,191
	105,425	93,711

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Financing our business

(d) Accounting policy

As a lessee

All leases with the exception of short-term (under 12 months) and low-value leases are recognised on the balance sheet, as a right-of-use asset and a corresponding lease liability. Lease liabilities are initially measured at the present value of the future lease payments from the lease commencement date and are subsequently adjusted to reflect the interest on lease liabilities, lease payments and any remeasurements due to, for example, lease modifications or a change to future lease payments linked to an index or rate. Lease payments are discounted using the interest rate implicit in the lease or, where the rate is not readily determinable, the interest payments are discounted at the Group's weighted average incremental borrowing rate, adjusted to reflect factors specific to the lease, including where relevant the currency, tenor and location of the lease.

Low-value and short-term leases are expensed to the income statement. Variable lease payments not dependent on an index or rate are excluded from lease liabilities, and expensed to the income statement.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies AASB 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in AASB 9 to the net investment in the lease and regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

(e) Critical accounting estimates and judgements

The assessment of lease term requires judgement as to whether the Group is reasonably certain to exercise extension options.

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where applicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group re-assesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Note 27. Fair value measurement

(a) Accounting policy

The Group defines a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 inputs: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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Group structure

Note 28. Parent entity information

(a) Parent entities

The Company is the ultimate Australian parent of the Group.

The ultimate parent entity is State Grid Corporation of China which maintains a 60% controlling interest in the Group. The remaining 40% interest in the Group is held by Singapore Power Limited.

(b) Financial information of the Company

	2025 \$'000	2024 \$'000
Balance sheet		
Current assets	6,022,655	5,380,012
Non-current assets	6,451,441	6,623,669
Total assets	12,474,096	12,003,681
Current liabilities	4,658,626	3,959,808
Non-current liabilities	4,768,426	4,991,734
Total liabilities	9,427,052	8,951,542
Share capital	4,000,000	4,000,000
Reserves	112,784	107,589
Retained earnings	24,892	35,182
Accumulated losses	(1,090,632)	(1,090,632)
Total equity	3,047,044	3,052,139
Income statement		
Profit for the year	193,310	274,226
Other comprehensive loss for the year	5,195	(28,884)
Total comprehensive income for the year	198,505	245,342
Dividends		
Dividends paid to shareholders: \$0.05 per share (year ended 31 December 2024: \$0.07 per share)	203,600	252,800

(c) Disclosures of the Company

The Company has provided performance guarantees on behalf of the Group. No liability was recognised as the fair value of the guarantees is immaterial.

The Company did not have any contractual commitments for the acquisition of property, plant and equipment as at 31 December 2025 nor 31 December 2024.

Notes to the consolidated financial statements

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Group structure

Note 29. Subsidiaries

(a) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities, equity, revenues and expenses and cash flows of the following subsidiaries:

Name of entity

Jemena Limited
Jemena Asset Management Pty Ltd
Jemena Asset Management (5) Pty Ltd
Jemena Management Holdings Pty Ltd
Jemena Management Services Pty Ltd
Jemena Electricity Networks (Vic) Ltd
Jemena Gas Networks (NSW) Ltd
Jemena Gas Pipelines Holdings Pty Ltd
Jemena Eastern Gas Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd
Jemena Eastern Gas Pipeline (3) Pty Ltd
Jemena Networks (ACT) Pty Ltd
Jemena Eastern Gas Pipeline Holdings Pty Ltd
Jemena Roma North Pipeline Pty Ltd
Jemena Atlas Processing Pty Ltd
Jemena Roma North Processing Pty Ltd
Jemena Contracting Services (West) Pty Ltd
Jemena NSGC Pty Ltd
Jemena Gas Transmission Pty Ltd
Jemena VicHub Pipeline Pty Ltd

Name of entity

Jemena Queensland Gas Pipeline (1) Pty Ltd
Jemena Queensland Gas Pipeline (2) Pty Ltd
Jemena Malabar Pipeline Pty Ltd
Jemena Colongra Pty Ltd
Jemena EH Pty Ltd
Jemena Holdings Pty Ltd
Jemena Group Holdings Pty Ltd
QGP Unit Trust
Jemena Gas Trust
Jemena Northern Gas Pipeline Pty Ltd
Jemena Darling Downs Pipeline (1) Pty Ltd
Jemena Darling Downs Pipeline (2) Pty Ltd
Jemena Darling Downs Pipeline (3) Pty Ltd
Ovida Infrastructure Pty Ltd
Ovida Pty Ltd
CLM Infrastructure Pty Ltd
Zinfra Pty Ltd
ZNX Pty Ltd
ZNX (2) Pty Ltd
Zinfra Contracting Pty Ltd

All subsidiaries are incorporated in Australia and 100% of their share capital / units issued was owned by the Group during the current year and prior year.

(b) Accounting policy

(i) Business combinations

The Group accounts for business combinations using the acquisition method. The Group identifies the acquirer and the acquisition date. As of the acquisition date, the Group recognises the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values. Then, the Group recognises goodwill as of the acquisition date, measured as the excess of the fair value of consideration transferred over the net assets or net liabilities recognised as described.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and other components of equity. Any resulting gain or loss is recognised in the income statement. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

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Group structure

Note 30. Deed of cross guarantee

Pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785 ("Instrument") the wholly-owned subsidiaries ("Instrument") listed below are relieved from the Corporations Act 2001 (Cth) requirements for preparation, audit and lodgement of financial reports, and directors' reports.

The relief is conditional upon the Company and each subsidiary entering into a Deed of Cross Guarantee ("ASIC Deed"). The effect of the Deed is that in an insolvency scenario each party to the deed will guarantee payment to creditors of the proven debts of an insolvent entity that is party to the ASIC Deed.

In the year ended 31 December 2019, the Company entered into two ASIC Deeds, being with the Jemena subsidiaries ("Jemena closed group") and the Zinfra subsidiaries ("Zinfra closed group") as specified below.

The subsidiaries subject to the Jemena closed group ASIC Deed are:

Jemena Limited	Jemena Gas Transmission Pty Ltd
Jemena Asset Management Pty Ltd	Jemena VicHub Pipeline Pty Ltd
Jemena Management Holdings Pty Ltd	Jemena Queensland Gas Pipeline (1) Pty Ltd
Jemena Management Services Pty Ltd	Jemena Queensland Gas Pipeline (2) Pty Ltd
Jemena Electricity Networks (Vic) Ltd	Jemena Malabar Pipeline Pty Ltd
Jemena Gas Networks (NSW) Ltd	Jemena Colongra Pty Ltd
Jemena Gas Pipelines Holdings Pty Ltd	Jemena EH Pty Ltd
Jemena Eastern Gas Pipeline (1) Pty Ltd	Jemena Holdings Pty Ltd
Jemena Eastern Gas Pipeline (2) Pty Ltd	Jemena Group Holdings Pty Ltd
Jemena Eastern Gas Pipeline (3) Pty Ltd	Jemena Northern Gas Pipeline Pty Ltd
Jemena Networks (ACT) Pty Ltd	Jemena Darling Downs Pipeline (1) Pty Ltd
Jemena Eastern Gas Pipeline Holdings Pty Ltd	Jemena Darling Downs Pipeline (2) Pty Ltd
Jemena Roma North Pipeline Pty Ltd	Jemena Darling Downs Pipeline (3) Pty Ltd
Jemena Roma North Processing Pty Ltd ¹	Jemena Atlas Processing Pty Ltd ¹

¹ Jemena Roma North Processing Pty Ltd and Jemena Atlas Processing Pty Ltd became parties to the existing ASIC Deed for the Jemena closed group during the year ended 31 December 2025.

The subsidiaries subject to the Zinfra closed group ASIC Deed are:

Zinfra Pty Ltd	Zinfra Contracting Pty Ltd
ZNX (2) Pty Ltd	ZNX Pty Ltd

There have been no changes to the Zinfra closed group during the year ended 31 December 2025.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Group structure

A consolidated income statement, comprehensive income and balance sheet, comprising the Company and controlled entities which are a party to the ASIC Deeds, after eliminating all transactions between parties to the ASIC Deeds for the year ended 31 December 2025 is set out as follows:

Income statement for the year ended 31 December 2025

	2025 Jemena closed group ¹ \$'000	2025 Zinfra closed group ¹ \$'000	2024 Jemena closed group ¹ \$'000	2024 Zinfra closed group ¹ \$'000
Revenue	1,643,472	1,376,005	1,572,866	1,214,139
Other income	15,230	299,546	9,764	374,520
Share of net profits of associate and joint venture	122,330	53,359	97,813	56,572
Expenses excluding net finance costs	(1,064,752)	(1,323,385)	(1,008,942)	(1,163,985)
Operating profit	716,280	405,525	671,501	481,246
Finance income	8,250	47,337	8,429	45,983
Finance costs	(237,348)	(246,492)	(227,120)	(232,510)
Net finance costs	(229,098)	(199,155)	(218,691)	(186,527)
Profit before income tax expense	487,182	206,370	452,810	294,719
Income tax expense	(128,901)	34,902	(120,353)	29,010
Profit after income tax expense for the year	358,281	241,272	332,457	323,729
Other comprehensive (loss)/income for the year²	3,451	5,817	(31,871)	(30,590)
Total comprehensive income for the year	361,732	247,089	300,586	293,139

During the year, the Company paid dividends of \$203.6 million to the shareholders (2024: \$252.8 million).

1 The closed group comprises SGSPAA and certain Jemena (for Jemena closed group) or Zinfra (for Zinfra closed group) subsidiaries as listed above.

2 Other comprehensive income comprises defined benefit superannuation plan actuarial gain/(loss), movement in hedging reserve and share of other comprehensive income from the associate.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Group structure

Balance Sheet as at 31 December 2025

	2025 Jemena closed group ¹ \$'000	2025 Zinfra closed group ¹ \$'000	2024 Jemena closed group ¹ \$'000	2024 Zinfra closed group ¹ \$'000
Current assets				
Cash at bank and in hand	15,754	60,000	–	58,197
Receivables	177,699	3,849,680	227,277	3,752,355
Inventories	15,951	86,126	13,263	69,349
Derivative financial instruments	73,865	73,864	1,340	1,132
Lease receivables	7,774	–	7,308	–
Prepayments and deposits	34,265	5,227	32,078	4,386
Total current assets	325,308	4,074,897	281,226	3,885,419
Non-current assets				
Property, plant and equipment	8,752,839	61,756	8,473,123	35,719
Intangible assets	1,710,213	37,311	1,689,760	38,763
Investment in subsidiaries	–	4,715,299	–	4,715,299
Investments in associate and joint venture	1,658,707	468,169	1,600,546	441,163
Right of use assets	31,732	45,864	23,160	33,374
Lease receivables	58,349	–	66,537	–
Prepayments and deposits	866	–	442	–
Derivative financial instruments	372,113	372,107	575,864	575,833
Defined benefit superannuation plans	16,774	43,135	17,156	37,498
Total non-current assets	12,601,593	5,743,641	12,446,146	5,877,649
Total assets	12,926,901	9,818,538	12,727,854	9,763,068
Current liabilities				
Payables	186,788	118,676	327,214	134,815
Provisions	93,286	132,864	93,946	93,888
Interest bearing liabilities	837,092	837,092	614,388	614,388
Income tax payable	26,322	26,322	17,072	17,072
Contract liabilities	274,716	14,786	150,827	45,068
Derivative financial instruments	112	128	–	–
Lease liabilities	18,120	16,287	16,294	10,226
Total current liabilities	1,436,436	1,146,155	1,219,741	915,457
Non-current liabilities				
Interest bearing liabilities	5,015,378	5,015,378	5,272,128	5,272,128
Provisions	137,733	18,739	96,201	10,228
Deferred tax	1,199,588	28,368	1,159,294	34,054
Lease liabilities	39,934	31,084	43,098	24,093
Contract liabilities	14,313	–	15,009	–
Derivative financial instruments	83,511	83,487	55,438	55,438
Total non-current liabilities	6,490,457	5,177,056	6,641,168	5,395,941
Total liabilities	7,926,893	6,323,211	7,860,909	6,311,398
Net assets	5,000,008	3,495,327	4,866,945	3,451,670
Share capital	4,000,000	4,000,000	4,000,000	4,000,000
Reserves	(36,117)	220,457	(39,615)	216,790
Retained earnings	1,036,125	(725,130)	906,560	(765,120)
Total equity	5,000,008	3,495,327	4,866,945	3,451,670

1 The closed group comprises SGSPAA and certain Jemena (for Jemena closed group) or Zinfra (for Zinfra closed group) subsidiaries as listed above.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Group structure

Jemena's closed group current liabilities exceed its current assets by \$1,111 million, mainly due to the classification of debt facilities that are set to mature in 2026. The Jemena closed group has access to unused debt facilities of \$1,342 million (refer to note 23(d)), of which \$907 million are available for more than 12 months from the date of authorisation of these financial statements. On the basis of present forecasts for positive future operating cash flows, the ability of the closed group to manage its investing activities and the current status of refinancing activities for debt facilities which mature over the next twelve months, there are reasonable grounds to believe that each entity of the closed group will be able to meet any liabilities to which they are, or may become, liable pursuant to the ASIC Deed.

Note 31. Related party transactions

(a) Related entities

Following are the Group's related entities which are identified in accordance with AASBs:

- The Group, via Zinfra, engages in related party transactions with its associate, UEDH, for construction and maintenance of its electricity network in Victoria.
- The Group engages in related party transactions with its joint venture, ADP, regarding to the management, development, construction, operation and maintenance of the electricity and the gas networks in ACT, Queanbeyan and Nowra, and other ancillary arrangements with ADP.

Services between related parties are provided on mutually agreed terms.

(b) Subsidiaries

Interests in subsidiaries are set out in note 29(b).

(c) Key management personnel

Key management personnel compensation paid (including salaries, superannuation and bonuses) is set out below. The key management personnel of the Group comprise the directors and those executives that report directly to the Managing Director.

	2025 \$'000	2024 \$'000
Short-term employee benefits	10,271	8,784
Long-term employee benefits	2,531	1,249
Post-employment benefits	276	314
Total	13,078	10,347

Notes to the consolidated financial statements

For the year ended 31 December 2025

Group structure

(d) Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2025	2024
	\$'000	\$'000
Sales of goods and services		
Associate	205,235	182,218
Joint venture	30,678	31,021
Other income		
Associate - interest on redeemable preference shares	9,492	9,520
Associate – directors' fees	30	30
Joint venture – directors' fees	277	253
Purchase of goods		
Administration expenses to shareholders	7	7
Dividend payments		
Dividend payments to:		
Shareholders	203,600	252,800

(e) Outstanding balances with related parties

The following related party balances are outstanding at balance date:

	Consolidated	
	2025	2024
	\$'000	\$'000
Current receivables		
Associate	37,420	30,301
Joint venture	6,547	13,016

Notes to the consolidated financial statements

For the year ended 31 December 2025

Other disclosures

Note 32. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Company and its subsidiaries.

(a) Audit services

	Consolidated	
	2025	2024
	\$'000	\$'000
Statutory audit	1,100	550
Regulatory audits	353	681
Sustainability report assurance	87	–
Total remuneration for audit services	1,540	1,231

(b) Other services

	Consolidated	
	2025	2024
	\$'000	\$'000
Taxation services	114	14
Other assurance services	79	161
Regulatory advisory services	106	68
Total remuneration for other services	299	243

The Group changed its external auditor during the year ended 31 December 2025. As a result, the auditor remuneration disclosed for the current year relates to Ernst & Young, while the comparative amounts relate to the former auditor, KPMG.

Ernst & Young performs both the statutory audit, sustainability assurance and the audit of regulatory returns as these returns represent an extension of the information obtained from the statutory audit. Using the same firm for these audits contributes to the efficiency of the audit process.

Note 33. Events occurring after the reporting period

No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Director's declaration

For the year ended 31 December 2025

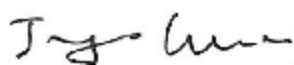
In the directors' opinion:

- 1 The consolidated financial statements and notes set out on pages 6 to 68 are in accordance with the *Corporations Act 2001*, including:
 - (a) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the year ended on that date; and
 - (b) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements.
- 2 There are reasonable grounds to believe that the Company:
 - (a) will be able to pay its debts as and when they become due and payable: and
 - (b) together with the group subsidiaries identified in note 30, as parties to the Deeds of Cross Guarantee ("ASIC Deeds"), will be able to meet any liabilities to which they are, or may become, liable pursuant to the ASIC Deeds.
- 3 The directors draw attention to note 1 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the board of directors.



David Gillespie
Managing Director



Jiang Longhua
Chairman

12 March 2026



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Independent Auditor's Report to the Members of SGSP (Australia) Assets Pty Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of SGSP (Australia) Assets Pty Ltd (the Company) and its subsidiaries (collectively the Group), which comprises:

- ▶ The Group consolidated and Company balance sheet as at 31 December 2025;
- ▶ The Group consolidated and Company income statement, statements of other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended;
- ▶ Notes to the financial statements, including material accounting policy information; and
- ▶ The directors' declaration.

In our opinion, the accompanying financial report is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Company's and the Group's financial position as at 31 December 2025 and of their financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Impairment testing of non-current assets, including goodwill

Why significant	How our audit addressed the key audit matter
At 31 December 2025, the Group has recognised non-current assets including property, plant and equipment (\$8,602.6 million), goodwill (\$1,536.4 million) and other intangible assets (\$192.1 million). These non-current assets, represents 78% of the total assets held at 31 December 2025. Management conducts annual impairment tests (or more frequently if impairment indicators exist) to assess the recoverable amount of goodwill, other intangible assets and property plant and equipment balances. These assessments are performed through the preparation of discounted cash flow fair value less cost of disposal models to assess whether the carrying value of these assets exceed their recoverable amount. As the Group operates in an industry that is highly regulated and subject to ongoing market risk due to energy transition, the determination of recoverable amount requires significant judgements and assumptions. These judgements and assumptions include future returns, estimated capital and operating expenditure, discount rates, growth rates and terminal value assumptions. The estimate of recoverable amounts of certain cash generating units (CGUs) are highly sensitive to changes in these key assumptions. There is a risk that management does not forecast reasonable 'best estimate' scenarios in assessing the impacts of climate change and energy transition related risks when assessing CGUs for impairment. Given the value of the non-current assets held and the significance of management's judgements and assumptions in estimating recoverable amount, the assessment of the outcomes from impairment testing undertaken was a key audit matter. The Group's disclosures are included in Note 18 of the financial report, which specifically explain the key assumptions used.	Our audit procedures included assessing the appropriateness of the Group's determination of its CGUs where impairment testing was performed, taking into consideration the levels at which management monitors business performance and the interdependency of cash flows. In respect of the Group's cashflow forecasts, for relevant CGUs, where indicators of impairment were present or in CGUs that contained significant goodwill balances as at 31 December 2025, with the assistance of valuation specialists where appropriate, we: ▶ Assessed the Group's results in comparison to historical forecasts to assess forecast accuracy ▶ Compared future cash flows to approved budgets ▶ Assessed the Group's assumptions for discount rates, long term growth rates and terminal value to economic and industry forecasts and independent data ▶ Assessed the adequacy of capital expenditure forecasts ▶ Assessed discount rates through comparing the cost of capital for the Group with comparable businesses ▶ Assessed the Group's assumptions related to climate change and energy transition risks including the capital expenditure and costs required to meet its committed decarbonisation plans ▶ Considered the indicative multiples against comparable companies as a valuation cross check ▶ Tested the mathematical accuracy of the discounted cash flow model Where considered necessary, we performed a sensitivity analysis in respect of the assumptions noted above which were considered to have the most significant impact on carrying values, to ascertain the extent of changes in those assumptions which either individually or collectively would be required for the non-current assets (including goodwill) to be impaired. We assessed the likelihood of these changes in assumptions arising. We assessed the adequacy of the Group's disclosures of those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination



Why significant	How our audit addressed the key audit matter
	of the recoverable amount of non-current assets, including goodwill. We assessed the adequacy of the Group's disclosures of those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of non-current assets, including goodwill.

Recognition of electricity and gas distribution revenue and infrastructure services revenue

Why significant	How our audit addressed the key audit matter
For the year ended 31 December 2025, the Group has recognised \$2,368.1 million of revenue (as disclosed in Note 5 Operating Segments and Note 6 Revenue of the financial statements). Revenue recognised during the year largely arose from electricity and gas distribution revenue (\$1,078.9 million) and infrastructure services revenue (\$748.6 million). These revenue streams represent 77.2% of the Group's total revenue for the year. A significant component of the electricity and gas distribution revenue recognition processes relies on IT systems with automated controls over the measurement and recording of a high-volume of transactions. This was a key focus of our audit due to the complexity of the IT processes used to capture consumption volumes and tariff information to calculate electricity and gas distribution revenue. In addition, the measurement and recognition of infrastructure services revenue projects involves key estimates, which includes estimated project costs to complete, forecasted contract value (including approved variations) and the recoverability of costs recognised as work in progress. As there are greater estimation uncertainty and complexity in these areas, auditing these estimates requires significant judgement. Given the above, we have identified the recognition of electricity and gas distribution revenue and infrastructure services revenue as a key audit matter.	In combination with our IT specialists, we assessed the Group's automated controls relating to IT systems relevant to the recognition of electricity and gas distribution revenue. Where testing of controls was not considered to be an appropriate or efficient testing approach, alternative audit procedures were performed on the information being produced by those systems. We have also performed other audit procedures including: ▶ Testing a sample of tariffs from the billing system back to approved regulatory determinations. ▶ Performed correlation analysis of electricity and gas distribution revenue through comparison to movements in external trade receivables and/or cash receipts (supported by sample testing of cash receipts to bank statements). ▶ Tested a sample of electricity and gas unbilled revenue balances back to actual billings post year end. ▶ Performed substantive analytical procedures on the electricity and gas unbilled revenue balance at year end using historical consumption patterns and approved tariff rates. For a selection of infrastructure services projects based on qualitative and quantitative factors, we performed the following procedures: ▶ Tested the forecasted contract value for a sample of infrastructure services projects back to supporting evidence such as contracts, approved variation orders and/or claims.



Why significant	How our audit addressed the key audit matter
	▶ Conducted interviews with Project Managers to understand the status of the project and the existence of any material claims or disputes. ▶ Assessed the cost to complete estimate which is used to calculate the percentage of completion applied to contract value. ▶ Assessed the recoverability of work in progress and accounts receivable balances which included obtaining evidence of project progress updates, approved project budget updates, customer approved contracts and/or approved variations. ▶ Recalculated the revenue based on the input method for fixed price projects to assess the amount of revenue recorded.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2025 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or Group or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in blue ink, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink, appearing to read 'Brett Croft'.

Brett Croft
Partner
12 March 2026

Financial Sustainability Report

AASB S2



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Cover artwork

The artwork presented within the shape on the previous page was created by Chern'ee Sutton, a proud Kalkadoon woman and Aboriginal artist from Mount Isa, Queensland.

1.

Preface



1.1. CY25 climate-related financial disclosures

This Sustainability Report contains a complete set of material climate-related financial information for the **Group**. This report has been prepared in accordance with s292A of the *Corporations Act 2001* (Cth) and AASB S2 *Climate-related Disclosures* (**AASB S2**), which is the mandatory Australian Sustainability Reporting Standard (**ASRS**) that has been issued by the Australian Accounting Standards Board (AASB). This Sustainability Report discloses the **Group's** material financial risks and opportunities related to climate for the financial year ended 31 December 2025.

The **Group** has early adopted the Amendments to AASB S2 *Climate-related Disclosures*, issued by the Australian Accounting Standards Board in December 2025, for the reporting period ended 31 December 2025. The amendments are effective for annual reporting periods beginning on or after 1 January 2027, but with early adoption permitted.

The **Group** calculates its Scope 3 emissions voluntarily in accordance with the Greenhouse Gas (**GHG**) Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3). The **Group** applies the year 1 transition relief available under paragraph C4(b) of AASB S2, whereby Scope 3 emissions are not yet required to be calculated and reported in accordance with the AASB S2 framework. As such, the **Group** has not obtained independent assurance on its CY25 Scope 3 emissions. The **Group** is also applying the transition relief per AASB S2 paragraph C3 not to disclose comparatives.

This Sustainability Report has been prepared for the same consolidated reporting entity and reporting period as the **Group's** Consolidated Financial Statements (please refer to "Note 1 Basis of preparation" in the Financial Statements) and has incorporated the AASB S2 required climate-related information of the **Group**.

1.2. Directors' declaration

In the opinion of the Directors of the **Company**, we state that the **Company** has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report of the **Group** for the year ended 31 December 2025, as presented on pages 78 to 124, are in accordance with the *Corporations Act 2001* (Cth), including:

- complying with Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* and any further requirements determined under *Section 296C(2)* of the *Corporations Act 2001*; and
- containing the climate statement disclosures required by *Section 296D* of the *Corporations Act 2001*.

Made in accordance with a resolution of the directors of the **Company** pursuant to *Section 296A(6)* of the *Corporations Act 2001*, as modified by *Section 1707C(2)* of the *Corporations Act 2001*.

On behalf of the board of directors

David Gillespie
Managing Director

Jiang Longhua
Chairman

12 March 2026

1.3. Important information about this sustainability report

This report has been prepared for the purpose of complying with mandatory climate-related financial disclosures required under the *Corporations Act 2001* (Cth) and should not be used for any other purpose. The assessment of climate-related risks and opportunities that could reasonably be expected to affect the **Group's** prospects, and their current and anticipated effects on the **Group's** business model and value chain, strategy and decision making, financial position, financial performance and cash flows, has been made using all reasonable and supportable information available to the **Group** at the date of this Sustainability Report without undue cost or effort. The **Group** has used data collated from across its value chain to disclose quantitative and qualitative metrics and financial effects. Where these effects are forward-looking or cannot be measured directly, the **Group** has provided estimates using internal and external information (including industry and expert benchmarks and reports) that are available.

Any statements made in this document as to future actions by the **Group**, including without limitation climate change, sustainability, and net zero related forward-looking statements, targets, commitments, estimates, and assumptions, are predictive in nature. While the **Group** has made every effort to ensure that forward-looking statements are reasonably based and the assumptions underlying the statements are made clear, such statements and the implementation process or outcome(s) may be affected by incorrect assumptions or by known and unknown risks, uncertainties and events beyond the control of the **Group**. As a result, the ultimate action(s) and outcome(s) may differ from the assessment(s) and statement(s) described in this Sustainability Report.

The scenario modelling used in *Section 2.5 Building resilience through climate scenario analysis* of this report to assess the **Group's** resilience to climate-related transition risks drew on scenarios prepared by the Australian Energy Market Operator (**AEMO**) and presented in its *2024 Integrated System Plan (ISP)* and draft *2025 Inputs, Assumptions and Scenarios Report (IASR)* (February 2025). Physical climate risk scenario modelling is derived from various inputs including AECOM's Climate Change Study for Victorian Electricity Distribution Businesses – Phase 1 and the Climate Council's Climate Risk Map of Australia. The scenario modelling presents multiple plausible futures and is adopted here as relevant to the **Group's** business to assist in the assessment of climate resilience. Predictive in nature, there is no assurance given as to future outcomes or that any particular scenario will be realised.

The **Group** and its officers, employees, agents and advisers give no guarantee of future performance or outcomes and, to the extent permitted by law, are not liable for any loss or damage arising out of, or in connection with, any use of, or reliance on, the information contained in this document.

2.

Strategy



2.1. Group view of Australia's future energy system

Australia's energy system is becoming more complex and interconnected as we transition toward a net zero future. A diverse range of energy sources is anticipated to be required to power society while ensuring an inclusive transition for all.

Residential and commercial end users have demonstrated strong electrification adoption and growing use of Consumer Energy Resources (CER). Industrial electrification is increasing, particularly in sectors not reliant on high-grade heat to power their operations. The transport sector is also evolving, with the rise of electric vehicles placing more demand on electricity networks. The growing adoption of Artificial Intelligence (AI) across industries is anticipated to drive up electricity demand, particularly for powering data centres. Challenges remain in decarbonising industrial processes that rely on high-grade heat, as well as sectors beyond those currently connected to energy distribution networks like commercial transport and aviation.

During this transition, natural gas and its infrastructure continue to support applications that are difficult or costly to electrify by switching from higher emitting fuels such as coal to gas. Increasing use of flexible gas-powered generation (GPG) is anticipated to be required to replace retiring coal-fired generation, firming the increasing penetration of intermittent renewable electricity generation. Renewable low-emission gases like biomethane, synthetic methane and renewable hydrogen (< 10 per cent¹) can connect into existing gas infrastructure and contribute to decarbonisation of hard-to-electrify end users.

According to AEMO's draft 2026 ISP, renewable electricity firming by storage and backed up by GPG offers the optimal development pathway to decarbonise the National Electricity Market (NEM).

The **Group** makes the following assumptions on key factors shaping the energy transition. These are anticipated to impact our identification and assessment of climate-related risks and opportunities that informs the **Group's** strategic decisions in a changing operating environment.

- **Continued demand for gas:** Gas infrastructure is expected under current assumptions to remain essential through 2050, supporting renewable electricity generation through increased GPG and other users who have high barriers to electrification.
- **Recognition of renewable gases:** Governments recognise biomethane and hydrogen as key energy sources, providing incentives through initiatives such as *Future Made in Australia*.
- **Electrification and transition pace:** Australia's electricity demand is projected to nearly double by 2050, requiring a rapid transition and diversification of its energy system supported by significant investment across all areas of the power system value chain.
- **Government policies and regulation:** Governments are setting medium-term climate targets that require a step-change in emissions reduction across all sectors. Achieving these targets will require a set of comprehensive policies and regulations to enable a coordinated whole-of-system approach to deliver transition to net zero emissions future through renewable gases, efficiency measures, GPG, and electrification.

¹ Currently, hydrogen must be blended because it needs to be transported under higher pressure. In transitioning towards using hydrogen within gas networks, network operators are currently blending small amounts of hydrogen, as the current network and appliances are not hydrogen capable. Around the world, blends of up to 10 per cent hydrogen are being used without compromising or modifying existing gas networks and research continues in this area to increase our understanding of what is required to achieve higher blends (see for instance Future Fuels CRC research in this area).

2.2. Business strategy

The **Group's** Vision is "Creating sustainable energy solutions with communities", and its aspiration is to reach net zero Scope 1 and 2 emissions² by 2050, delivering a mix of fuels and services safely, reliably, and affordably.

The **Group's** business strategy is focused on the following key energy markets, in which it operates:³

- regulated gas and electricity distribution networks;
- gas transmission and gas processing assets; and
- energy infrastructure services.

THE GROUP'S STRATEGY OBJECTIVES:



Continue to build a safe and inclusive workplace

- Ensure our people are safe and feel a sense of belonging in our diverse workforce.



Deliver safe, reliable, and affordable energy and sustainable performance for all

- Deliver products and services that customers want at prices they are willing to pay to deliver appropriate market risk weighted returns.
- Optimise and continually improve operations to remain competitive in existing markets and position ourselves to realise opportunities to profitably grow value.
- Sustainably manage our value growth, risks, investment, and asset utilisation over the short, medium, and long term for stakeholders.



Transition our assets to enable a resilient energy future

- Position the business to continuously adapt and proactively respond to the opportunities and risks created through the evolving Australian energy markets, rapid technological and regulatory developments and our customers' changing and varied needs.

The **Group** continues to play an important part in supporting Australia's energy transition to achieve a net zero future, as it continues to implement the **Group's** Climate Transition Plan (CTP) released in February 2025. Through its CTP, the **Group** is:

- aiming to invest \$185 million in energy and climate transition initiatives;
- targeting a 30 per cent reduction in Scope 1 and Scope 2 greenhouse gas emissions by 2030, compared to a 2021–22 baseline; and
- fully integrating climate considerations into our climate processes and business.

Following further review in 2025, the **Group** has adjusted its CTP objective to achieve 55–45 gas–electricity portfolio by 2030, through investment in opportunities arising in the Jemena Electricity Network. This is to enable a disciplined and prudent capital allocation approach towards material transitional risk and opportunities arising from the energy transition. We do not anticipate this having an impact on our ability to achieve our interim 2030 greenhouse gas emissions targets.

The **Group** anticipates that ongoing strong Federal and State/Territory policies and regulatory positioning on the role of gas in energy transition will support asset investments. The energy demand from electrification and data centres continues to drive growth in the **Group's** electricity network and for the energy infrastructure services business.

Zinfra provides growth opportunities and helps complement the **Group's** financial performance and position. By leveraging the key relationships with its clients and its workforce with in-demand skills for energy transition, the **Group** anticipates increasing earnings supported by disciplined cost management and operational efficiency resulting in year-on-year revenue growth, productivity and Earnings before interest and taxes improvement.

² Net zero emissions is defined as "an overall balance between greenhouse gas emissions and removals" per Australia's Net Zero Plan. This covers Scope 1 and 2 emissions, with offsets used only as a last resort.

³ Information about our activities and the location and function of our networks, assets, energy infrastructure services (Zinfra) is in the 'Principal Activities' section on page 1 of this report.

2.3. Relevant climate-related risks and opportunities

The **Group** identified its climate-related risks and opportunities and determined their anticipated effects on each core business through the processes outlined in *Section 5 Risk management*. This process is used to identify whether these are driven by transition climate developments (transition risks and opportunities) or physical climate hazards (physical risks). The **Group** notes that these risks and opportunities are anticipated to evolve over time with reference to the following defined time horizons:



Short-term
(0–5 years)



Medium-term
(5–10 years)



Long-term
(10–25 years)

The **Group's** time horizons are set based on the regulatory cycles of its assets, alignment with internal business planning horizons, asset lives of infrastructure, and the availability of AEMO data sets.

The risks and opportunities are not geographically concentrated unless otherwise stated.

The anticipated effects of climate-related risks and opportunities are integrated into long-term strategic planning and risk management. Each of the specific risks and opportunities and their anticipated effects over the short, medium, and long term are detailed below.

The **Group** utilises its Investment Management Framework (IMF) to maintain capital discipline and ensure prudent capital allocation to generate resilient returns for the **Group** and its stakeholders.

Leveraging the **Group's** core competencies in the asset business and the energy infrastructure services business, the **Group** is well positioned to transition its assets and deliver safe, affordable and sustainable energy. The **CTP** (*Section 2.4 Climate Transition Plan*) articulates how the **Group** intends to decarbonise and achieve its interim climate targets by 2030.

INTERACTION WITH MATERIAL INFORMATION IN FINANCIAL STATEMENTS

The **Group's** material risks and opportunities (including climate hazards and developments) inform key assumptions used in impairment testing and asset life estimates. Further information about impairment testing is disclosed in note 18 (Impairment testing) of the financial statements.

Climate-related opportunities

Climate-related opportunities refer to the potential positive effects arising from climate change for an entity. Efforts by government and the economy to mitigate and adapt to climate change can produce opportunities for the Group through new markets and/or increase value of the offering.

TRANSITION OPPORTUNITY:

Increased demand for electricity drives network growth opportunities

The electrification of homes, businesses, transport (EVs), and industry, alongside expanding digital services (data centres and AI), is generating substantial electricity demand growth. This creates significant opportunities for revenue growth and network expansion. The same trends create opportunities in adjacent sectors of the electricity market, e.g. energy storage.

TIME HORIZON



CONCENTRATION IN THE BUSINESS MODEL

Electricity distribution, adjacent sectors of the electricity market

DRIVERS

- Sustained electrification across residential, commercial, and industrial customer segments (including mobility/transport solutions) driven by government policies, regulation, climate commitments, and technology cost reductions.
- Increasing frequency of extreme weather events driving higher cooling and heating electricity peak demand across the network.

POTENTIAL EFFECTS OF THE OPPORTUNITY

- Increased capital expenditure (**CAPEX**) to expand the electricity network to meet demand, and/or invest in new assets.
- Increased utilisation and revenue of existing assets, and/or revenue from new assets.
- Increased operational expenditure (**OPEX**) to support expanded network, and/or new assets.

BUSINESS MODEL ADAPTATION

- Proactive expansion and enhancement of the network including partnerships to deliver and integrate behind-the-meter generation and storage into the network.
- Investment in digital infrastructure, grid stability technologies, and network resilience capabilities that support long-term asset value creation and operational efficiency.
- Continued evaluation of investment opportunities in adjacent sectors of the electricity market.

ANTICIPATED FINANCIAL EFFECT

The **Group** anticipates material increase in revenue and capex in the next regulatory period (2026–2031) to support network services and enable the energy transition. Based on the draft decision from the regulator in September 2025, forecast revenue is anticipated to increase by 3 per cent (real, smoothed) from current regulatory period (2021–2026). To achieve the evolving obligations and customer expectations, the **Group** is forecasting a capex (excluding data centres connections) increase of 57 per cent from the current period. The price reset process by which the regulator approves the maximum allowable revenue it can recover from its customers is currently underway, with the regulator's final decision expected in April 2026.

TRANSITION OPPORTUNITY:

Emerging demand for renewable gas as an abatement pathway for natural gas

The **Group** is positioned to capitalise on emerging renewable gas demand, using existing competitive advantage in gas infrastructure to decarbonise hard-to-electrify sectors.

TIME HORIZON**CONCENTRATION IN THE BUSINESS MODEL**

Gas distribution

DRIVERS

- Australia's legislated emissions reduction targets and supportive policy such as the Federal Safeguard Mechanism are driving demand for low-emission alternatives for gas usage.
- Hard-to-abate industries face challenges to electrification due to chemical, technical, or practical limitations like usage of natural gas as chemical feedstock or for combustion in high-heat processes. These industries are anticipated to require a gas abatement pathway.
- Regulatory changes in 2025 enable a market-based reporting mechanism for renewable gas under the National Greenhouse and Energy Reporting Scheme (**NGERS**) framework. This provides formal recognition of the decarbonisation benefit of biomethane and hydrogen delivered through gas infrastructure to reduce Scope 1 emissions.
- NSW Government has released its Renewable Fuel Strategy and expanded the Renewable Fuel Scheme to include biomethane, reinforcing its commitment to renewable gases and setting a long-term direction for the network's role in meeting climate targets.
- Federal level: Energy industry groups are working with the Federal Government on a national renewable gas policy and anticipate long-term support for developing a renewable gas market.

POTENTIAL EFFECTS OF THE OPPORTUNITY

- Increased CAPEX to adapt infrastructure to renewable gas injection and distribution.
- Increased revenue through renewable gas utilisation in the network, countering potential revenue loss from natural gas to sustain overall revenue.
- Increased OPEX to support renewable gas blending, quality management, and customer transition services.

BUSINESS MODEL ADAPTATION

- Leading research projects as part of Gas Infrastructure Research Australia to explore delivery of biomethane and renewable hydrogen through existing gas infrastructure.
- Engaging with producers and end-users to develop renewable gas value propositions for both generation and consumption.
- Investing in network infrastructure upgrades to deliver renewable gas to consumers.⁴
- Advocating for renewable gas policy frameworks and regulatory mechanisms. Progress on the advocacy efforts are tracked in *Section 3.5 Non-emissions targets*.

ANTICIPATED FINANCIAL EFFECT

The **Group** anticipates new connection CAPEX investment will be material in the short term (to 2031) to connect biomethane supply into the network.

In the final access arrangement decision, AER did not approve the capex requested by JGN (\$79M, real 2024–25 dollars) for connecting biomethane supply given the external uncertainties in this developing industry.

However, the AER had noted that amount was likely to be efficient expenditure in connecting the biomethane projects identified by JGN in its proposal, and that its final decision does not prevent JGN from undertaking this capex in the current regulatory period (2025–2030) and seeking to either have the capex assessed as part of the opening capital base for the next regulatory period (2030–35), or by using the speculative capex account.

⁴ Projects include the Malabar wastewater biomethane plant and Western Sydney Hydrogen Hub.

TRANSITION OPPORTUNITY:

Gas as a fuel enabling Australia's orderly energy transition

Displacement of coal energy and increasing need to firm intermittent renewables creates significant demand for GPG and increased gas demand from some industrial processes which the **Group** is well positioned to meet.

TIME HORIZON**CONCENTRATION IN THE BUSINESS MODEL**

Gas distribution and transmission assets

DRIVERS

- Coal-fired power station retirements and increasing penetration of intermittent renewables are driving demand for increased GPG short, medium and long-term.
- AEMO forecasts an additional 15-gigawatt (**GW**) GPG capacity is needed by 2050 to support NEM stability during renewable droughts and increasing extreme weather events.
- Hard-to-electrify industrial processes increasing demand for natural gas in the short to medium term and renewable gas in the medium to long term.

POTENTIAL EFFECTS OF THE OPPORTUNITY

- Increased CAPEX to connect new GPG projects and associated storage infrastructure to existing transmission pipelines.
- Increased revenue from existing gas distribution and transmission pipelines to industrial and GPG customers.
- Increased asset utilisation from higher throughput.
- Potential transmission pipeline expansion beyond nameplate capacity to meet growing GPG and industrial demand from renewable firming and coal to gas transition respectively.

BUSINESS MODEL ADAPTATION

- Connect new supply sources to ensure sufficient natural gas available to meet forecast gas demand as coal fired power plants reach end of life.
- Actively engage with GPG proponents and identify opportunities for connection, infrastructure expansion, and project participation.
- Pipeline modelling to prepare for change in operation of transmission pipelines from stable to increasingly intermittent flows.

ANTICIPATED FINANCIAL EFFECT

The **Group** is actively assessing and progressing opportunities to support GPG which would result in short-term capital expenditure associated with connections, expansions and storage capability, and medium-to-long term revenue growth. The **Group** is assessing various opportunities and consequently does not have reasonable and supportable information to disclose quantified short, medium, or long-term capital and revenue impacts currently.

TRANSITION OPPORTUNITY:

Engineer, construct, connect and maintain energy infrastructure to enable a resilient energy transition

The energy sector's transformation towards renewable generation and electrification creates significant opportunities for the **Group** to deliver the energy infrastructure and services required to enable efficient, climate-resilient energy delivery.

TIME HORIZON**CONCENTRATION IN THE BUSINESS MODEL**

Energy Infrastructure Services (Zinfra)

DRIVERS

- Energy transition is driving sustained demand growth for both electricity and gas sectors.
- Growth of the **Group's** assets and investments and the assets of Zinfra's key clients due to energy transition and build out of energy infrastructure to meet Australia's future energy demands and decarbonisation targets.
- High demand for skills and capability to support the delivery and ongoing maintenance of energy infrastructure.

POTENTIAL EFFECTS OF THE OPPORTUNITY

- Increased revenue due to delivering growth in **Group** assets, **Group** investments and energy infrastructure of key clients and provision of services to these growing asset bases.
- Growth in capability and workforce.

BUSINESS MODEL ADAPTATION

- Retention and attainment of long-term contracts with key clients to provide climate resilience engineering, project management, construction, operations and maintenance services.
- Development of supply chain network to unlock sustainability and economic advantages that support the transition increasing revenue and benefiting the **Group** and key client assets.
- Development of capability, including energy storage and renewable energy integration, to diversify service offering and capture growth.
- Integrate risks and opportunities identified through 'Workforce of the Future' program to attract, retain and develop key talent and the skills required.

ANTICIPATED FINANCIAL EFFECT

Zinfra's gross revenue is anticipated to increase by approximately 15 per cent in the short term (2030) due to growth in infrastructure development, delivery of long-term service contracts and energy transition opportunities. Due to the short-term nature of Zinfra's projects and programs of work, the **Group** has not quantified the anticipated financial effects in the medium and long term.

Climate-related transition risks

Transition risks are those that arise from efforts to transition the global economy to a net zero future. They include policy, legal, technological, market, and reputational risks. These risks may increase costs, reduce revenues, devalue assets, or introduce new technological disruption.

MARKET RISK:

The **Group** fails to adapt portfolio strategy to changing market conditions driven by electrification and energy transition

The **Group's** portfolio mix of gas and electricity distribution and gas transmission assets may not match market demand as Australia's energy system transitions, reducing utilisation, revenue and return on the **Group's** assets.

TIME HORIZON



CONCENTRATION IN THE BUSINESS MODEL

Gas and electricity distribution and gas transmission assets

DRIVERS

- Accelerating electrification across residential, commercial, and industrial segments, aided by policy and falling costs of electric technologies, decreases demand for natural gas and increases demand for electricity in the medium to long term.
- Inversely, growth in electric vehicle (**EV**) adoption increases demand for electricity and GPG to firm intermittent renewables in the short to long term.
- Industrial decarbonisation driving fuel switching away from coal to natural gas in the short and medium term, increasing demand for natural gas, then from natural gas to renewable gases in the long term, decreasing demand for natural gas and potentially increasing demand for renewable gas.
- Higher energy and labour costs may put pressure on industrial operations, leading to reduced domestic production or shifts in investment offshore.
- Rooftop photovoltaic systems (**PVs**) and batteries decentralising energy generation and reducing electricity grid utilisation.

UNTREATED RISK IMPACT

- Reduced revenue and asset utilisation across distribution and transmission assets in the long term.
- Opportunity cost from inability to meet demand for specific energy types.

BUSINESS MODEL ADAPTATION

- Connections to new supply, adapting the role of the pipelines to support changes in market dynamics and forecast GPG growth; long term support and recognition of industrial customers switching from coal to gas.
- Execution of the Jemena Gas Networks (**JGN**) strategy, including renewable gas initiatives, and optimisation of total network expenditure.
- Development of a decarbonised, digitally enabled, and decentralised electricity network to ensure long-term affordability and system reliability, while capturing growth from customer electrification and data centre integration.

ANTICIPATED FINANCIAL EFFECTS

- JGN is anticipated to see steady revenue growth over the short term supported by its large existing customer base in New South Wales. Compared to the previous regulatory period (2020–2025), the revenue allowance is anticipated to increase by 16 per cent (real, smoothed) for the current period (2025–2030) based on the final decision from the AER in May 2025.
- The Jemena Electricity Network (**JEN**) is projected to experience stronger growth, driven by electrification of residential, commercial, and industrial loads and population growth in growth corridors near JEN assets. This is anticipated to result in increased regulated revenues over short and medium term.
- Both JGN and JEN are expected to increase the number of large customers including direct connections, increasing network utilisation and profitability of assets under current assumptions.
- In the short and medium term, gas transmission revenues are anticipated to remain resilient due to existing contracts, new supply connections, and continued gas demand. Targeted capital investments that support growth areas such as connecting new supply and GPG as well as the adaptation of the assets via expansions and reversals are anticipated to drive utilisation through the to the 2050s.

Overall, the **Group** does not expect a material impact to its short- or medium-term financial performance based on the adaptation actions under current assumptions.

OPERATIONAL RISK:

Exposure to carbon pricing mechanisms constrains the **Group's** financial performance and increases operational costs

The **Group** faces increasing costs and regulatory compliance obligations as Australia's carbon pricing mechanisms evolve, particularly through the Federal Government's Safeguard Mechanism which sets declining emissions baselines for large emitters.

TIME HORIZON**CONCENTRATION IN THE BUSINESS MODEL**

Group wide

DRIVERS

- The Safeguard Mechanism requires the **Group's** liable facilities (currently only JGN) to reduce emissions annually or procure Australian Carbon Credit Units (**ACCUs**) or Safeguard Mechanism Credits (**SMCs**) for excess emissions. The inherent likelihood of exceedances and the cost of procuring sufficient ACCUs/SMCs is anticipated to increase over time as recent reforms lower baselines under Clean Energy Regulator determinations through to 2030. The Safeguard threshold is also anticipated to be reduced, bringing additional facilities into scheme coverage.
- The Federal Government announcement of its national target to reduce emissions by 62–70 per cent below 2005 levels by 2035 and growing political pressure may introduce additional carbon pricing mechanisms or strengthen existing requirements, potentially increasing the likelihood and consequence of this risk.
- The **Group** has set a voluntary interim emissions reduction target outlined in *Section 3 Metrics and targets*, and this could result in offset purchases.

UNTREATED RISK IMPACT

- Direct operational costs through mandatory ACCUs/SMCs purchases where required to meet Safeguard Mechanism compliance obligations if emissions reduction targets are not achieved.
- Working capital impacts from timing differences between emissions reporting periods and ACCUs/SMCs procurement requirements.

BUSINESS MODEL ADAPTATION

- In the short, medium, and long term, delivering the **CTP** is anticipated to reduce the likelihood and consequence of carbon pricing risk.
- Deployment of leak detection technology across JGN is anticipated to enable better management and measurement of direct methane emissions, lowering exposure to carbon pricing mechanisms and supporting compliance with declining baselines.
- GHG emissions inventories are produced annually under the **NGERS** rules and submitted to the Clean Energy Regulator.
- The procurement of ACCUs/SMCs for any emissions over a facility's baseline is managed in accordance with the **Group's** Carbon Offset Management Framework.
- Recovery of ACCUs/SMCs procured by JGN under current regulatory framework.

ANTICIPATED FINANCIAL EFFECTS

The **Group** doesn't expect any material ACCUs or SMCs purchases in the short term based on the current progress and anticipated progress towards the 2030 emissions target by executing the **CTP**.

The **Group** anticipates it may need to purchase ACCUs or SMCs if planned emissions reduction initiatives underperform or if there are changes to the Safeguard Mechanism rules.

The **Group** anticipates material increases in ACCUs or SMCs price (based on existing CER forecasts) and purchase volumes in the long term, driven by increased demand. The **Group** recognises increased uncertainty surrounding policy and regulation beyond 10 years has the potential to create substantial variability in the market.

FINANCIAL RISK:

Evolving capital market expectations relating to climate change constrain the **Group's** access to capital

The **Group's** access to capital markets, including debt, equity investors and insurance, may become more challenging where environmental, social, or governance (**ESG**) pressures increase, or its energy transition timing does not meet the evolving expectations of these markets.

TIME HORIZON**CONCENTRATION IN THE BUSINESS MODEL**

Group wide

DRIVERS

- Investor concern about transition risk for fossil fuel industries may reduce investor risk appetite and increase the cost of capital in the medium to long term.
- Capital markets may reduce credit lines with companies they consider misaligned with their climate objectives or **ESG** expectations.

UNTREATED RISK IMPACT

- Increased cost of capital and insurance premiums, negatively impacting financial performance of the **Group's** portfolio.
- Restricted access to funding may constrain largescale growth initiatives.

BUSINESS MODEL ADAPTATION

- Delivery of the **CTP** and promotion of progress aligned with investor objectives.
- Enhanced climate scenario analysis and reporting to demonstrate resilience and creditworthiness.
- Continuous engagement with key financial stakeholders to understand expectations, build trust and increase transparency.

ANTICIPATED FINANCIAL EFFECTS

The **Group** anticipates the ongoing delivery of its **CTP** and **Group** strategy will materially satisfy investor concerns regarding transition risk exposure noting that measurable progress is being made on the commitments stated in the **CTP** as detailed in *Section 3.3 Performance against climate-related targets*. The **Group** does not currently anticipate any material effect on the **Group's** credit ratings in the short, medium, or long term because of transition risk.

REPUTATIONAL RISK:

Failure to meet climate commitments and reporting obligations exposes the **Group** to reputational and compliance risks

The **Group** faces increasing expectations from stakeholders (including public, customers, community and environmental groups, regulators and financial institutions) to disclose climate-related financial effects and long-term climate commitments. These expectations may result in reputational damage and financial penalties if the **Group** fails to achieve climate commitments or if its disclosures or communications are found to be misleading or deceptive.

TIME HORIZON**CONCENTRATION IN THE BUSINESS MODEL**

Group wide

DRIVERS

- Mandatory climate reporting requirements, including AASB S2, increases compliance obligations and establishes penalties for incomplete disclosures.
- Heightened regulator and public awareness increase scrutiny on decarbonisation commitments with potential for commensurate increase in allegations of misleading and deceptive statements.
- Stakeholders are increasingly conscious of transition risk and expect transparent reporting on energy companies' transition plans and resilience.

UNTREATED RISK IMPACT

- Litigation costs, penalties, and reputational damage for misleading and deceptive statements allegations.
- Indirect reputational costs, including higher recruitment and employee retention costs, if the **Group** is perceived as vulnerable to the transition or failing to transition.
- Direct regulatory penalties for breaches of AASB S2 reporting obligations.
- Direct impact on project/program schedule and cost from community action.

BUSINESS MODEL ADAPTATION

- Full integration of climate reporting within the **Group's** reporting governance framework and external assurance to ensure completeness and accuracy of statements.
- Regular stakeholder engagement to align commitments with expectations.
- Proactive reporting of progress against the **Group's** CTP and resilient business strategy.
- Workforce of the Future Strategy to retain and attract key talent.

ANTICIPATED FINANCIAL EFFECTS

The **Group** anticipates its controls to remain effective, with no material effect on the **Group's** litigation costs, reputation, or talent attraction and retention in the short and medium term.

POLICY AND REGULATORY RISK:

Changes to climate-focused policy or regulation negatively impact the **Group's** strategic outcomes and/or operations

Further policy and regulatory changes are likely for State/Territory and Federal governments to achieve their medium-term and long-term climate targets. Such policy may significantly impact the **Group's** existing gas transmission, gas distribution, and electricity networks and constrain pursuit of new business opportunities. The role of regulation in an uncertain world is anticipated to also evolve. Changes that increase regulation of gas pipelines and distribution networks result in increased compliance costs and could lead to decreased utilisation, premature devaluation, or stranding of assets.

TIME HORIZON



CONCENTRATION IN THE BUSINESS MODEL

Group wide including upstream and downstream gas and electricity

DRIVERS

- Strong Federal Government commitment to decarbonise can result in policy intervention that affects gas infrastructure settings, heightening uncertainty for long-term investment, approvals, connection costs, and operating constraints.
- Varied policy approaches across government jurisdictions increase uncertainty and compliance costs.
- Conflicting priorities between the ambition of achieving emissions reduction targets and the economic outcomes of low-cost energy for governments and regulators may inhibit the **Group's** ability to meet stakeholder expectations.
- Potential adverse New South Wales (**NSW**) government electrification targets that accelerate disconnections ahead of end of life.
- Increased government intervention in infrastructure management (e.g. suspension, decommissioning, abandonment requirements) and signalling of preference to alternative energy solutions could increase stranded asset risk.
- Decisions by the regulator and other regulatory changes that constrain the efficient recovery of investments.

UNTREATED RISK IMPACT

- Approval delays and costs impact project viability and profitability or limit growth.
- The **Group** may have to revisit its decarbonisation targets if conflicting priorities between multiple stakeholders reduces approved CAPEX for decarbonisation initiatives.
- Regulatory constraints limit utilisation or increase operating costs.
- Premature asset devaluation.
- Stranding of assets if reasonable opportunity to recover costs is limited or removed.

BUSINESS MODEL ADAPTATION

- Deliver the **CTP** to maintain competitive advantage under low-emission gas and electricity environment.
- An internal carbon price of \$110/tCO₂-e is currently in place and applied to capital planning through to 2030.⁵
- Proactive collaboration with governments and regulators to support informed policy development and regulatory outcomes that achieve decarbonisation goals in a stable and just transition that benefits all stakeholders.
- Delivery of projects such as the Malabar Biomethane Injection Plant that demonstrate the feasibility of renewable gas enabling development of new supply projects (memorandums of understanding to inject 9PJ's currently signed with multiple producers).
- Participation in public consultations and industry forums to share knowledge, shape policy and communicate the role of infrastructure in the energy system.

ANTICIPATED FINANCIAL EFFECT

The **Group** integrates policy and regulatory risk into its 10-year asset impairment analysis and does not anticipate a material financial effect in the short or medium term.

The **Group** recognises increased uncertainty surrounding policy and regulation beyond 10 years (long term), including proposed end-of-life requirements and decommissioning planning.

The **Group** considers this a material risk in the long term and continues to monitor these developments closely. Due to the uncertainty surrounding the long-term policy and regulatory landscape the climate-related financial impacts on the **Group's** cannot be reliably estimated at this time. The **Group** will continue to monitor relevant policy and regulatory developments that could reasonably be expected to impact this assessment.

⁵ Aligned with the Clean Energy Regulator's ACCU price cap

Climate related physical risks

Physical risks are those that arise from climate change, being event driven (acute risk) or from longer-term shifts in climatic patterns (chronic risk). Acute physical risks arise from weather-related events such as storms, floods, drought, or heatwaves, which are increasing in severity and frequency. Chronic physical risks arise from longer-term shifts in climatic patterns including changes in precipitation and temperature which could lead to sea level rise, reduced water availability, biodiversity loss, and changes in soil productivity. These risks could increase costs from damage and disruption and impact the value of assets.

OPERATIONAL RISK:

Extreme weather events damage critical infrastructure and disrupt operations

The **Group's** assets and engineering and construction operations face increasing risk of disruption and damage from acute physical climate hazards including bushfires, flooding, extreme heat, and high winds, alongside chronic changes in climate patterns.

A significant proportion of the **Group's** gas assets are underground in urban and regional areas of Australia. The **Group's** electricity network is aboveground in urban northwest Melbourne, Victoria. The energy infrastructure services business delivers a comprehensive range of engineering, project management, construction, operations, and maintenance services to various types of assets across Australia.

TIME HORIZON



CONCENTRATION IN THE BUSINESS MODEL

Group wide

DRIVERS

- Increased frequency and severity of extreme weather and chronic climate changes may increase damage and emergency response, maintenance frequency, and costs for both the **Group** and its suppliers.
- Failure to integrate climate projections into asset planning may expose the network to higher failure rates and outages.

UNTREATED RISK IMPACT

- Increased personnel safety risk, resource planning, scheduling and fatigue management risks in meeting emergency response and day-to-day operational requirements.
- Increased CAPEX for asset repair following extreme weather events.
- Increased OPEX for emergency responses, extended outages, and rapid repair.
- Reduced revenue from service interruptions, including those driven by upstream supplier outages, with long term impacts on customer reliability reputation and regulatory performance metrics resulting in financial penalties and compensations.
- Reduced insurer capacity due to adverse claims experience resulting in increased costs for insurance premiums, increase in deductibles, reduction in policy cover and increased policy exclusions.
- Increased costs for enhanced safety protocols and equipment for field personnel, and business continuity measures.

BUSINESS MODEL ADAPTATION

- The **Group's** safety, business continuity, and maintenance controls are anticipated to manage rising costs and can scale to minimise residual disruption and damage.
- Integration of climate modelling into capital planning, asset design, contracts, and business continuity to manage weather-related damage and maintenance.

ANTICIPATED FINANCIAL EFFECTS

In the short term, the **Group** does not anticipate a material increase in financial exposure from climate-related damage, maintenance, or continuity costs.

Under current climate projections the **Group** anticipates increased frequency and severity of extreme weather in the medium and long term, with potential impacts on damage and maintenance costs. The **Group** has integrated potential increases in damage costs into its resilience assessment through climate scenario analysis detailed in *Section 2.5 Building resilience through scenario analysis*. The **Group** conducted asset specific, quantitative physical climate related risk assessments but has not yet quantified the anticipated medium-term and long-term financial impact under the latest climate projections.

Risks and opportunities from the Group's partially owned interests

The **Group** has assessed the climate related risks and opportunities associated with ADP and UEDH and determined that they are not expected to have material impact on the **Group** as of 31 December 2025. Under current assumptions, no material impacts are anticipated on the dividend income and the carrying value of the **Group's** investments in ADP and UEDH. However, uncertainty surrounding the long-term climate transition may result in climate-related financial impacts on the **Group's** investments in ADP and UEDH in the future, which cannot be reliably estimated at this time. The **Group** will continue to monitor relevant market and policy developments that could reasonably be expected to impact this assessment with ADP and UEDH.

Current financial effects

The impacts of the **Group's** climate-related risks and opportunities on its financial position, financial performance and cash flows for the current reporting period, where applicable, have been reflected in the financial statements. However, as these impacts are not considered material for the current year, they have not been separately disclosed and are instead included within the relevant line items (e.g. expenses, revenue, property, plant and equipment, and cash flows). Where a direct link exists to a specific note in the financial statements, this has been specifically referenced throughout the report.

2.4. Climate Transition Plan

In addition to integrating climate-related risk and opportunity within the business and risk management strategies, the **Group** developed a **CTP** and published this in February 2025⁶. The **CTP** organises the **Group's** collective targets, actions, and resources into a centralised strategy that articulates how the **Group** anticipates maintaining performance by adapting to a net zero economy and the growing physical impacts of climate change. The below table summarises the key actions and targets of the **CTP**.

The **CTP** is designed around optionality, with defined decision gates aligned to regulatory resets, policy clarity and market demand. The targets in the **CTP** are further detailed in *Section 3 Metrics and targets*.

⁶ The CTP can be accessed at <https://www.jemena.com.au/media/climate-transition-plan-sets-pathway-to-net-zero/>

OUR CLIMATE AMBITIONS AND ACTIONS



To achieve a just transition for all our stakeholders

Engaging meaningfully with our customers, our communities and other stakeholders

We will continue engaging with the broad spectrum of customers, ranging from people with low energy literacy or experiencing disadvantage to major industrial energy users, to understand their needs as the energy sector transforms, and to achieve an inclusive transition.

Continuing to keep our people safe, both in terms of physical and psychological health

As a leading energy infrastructure and services company, we know there are risks involved in what we do. We continue pursuing excellence in safety because it is not only important for our people, but also because it's crucial to delivering energy to our customers and communities reliably and safely.

Our Health and Safety Strategy 2025–2028 is available at sustainability.jemena.com.au.

Transforming jobs in the energy industry

As the energy sector transforms, we will continue upskilling our people to respond to the needs of the industry.



To fully integrate climate considerations in our systems and processes

Continue to integrate climate considerations into business decision-making and planning

Our key business processes, including annual business planning, have featured climate as a decision factor since the establishment of our first emissions reduction plan in 2020.

This also includes our risk management processes, which take into account the economic, regulatory and physical risks of climate change.

Building climate resilience by integrating climate mitigation and adaptation planning into business planning process.

Details about our governance of climate-related decision-making are on pages 103–108.

Consider emissions alongside economic factors in our decision-making

Our project and asset augmentation approvals include emissions impact as one of the decision criteria and carbon pricing is integrated in our investment framework.



To play our role in servicing the energy transition and support Australia's decarbonisation commitments

Reducing our Scope 1 and Scope 2 emissions, and enabling our customers to reduce emissions

We have set a target to reduce our operational emissions by 2030 by 30 per cent, compared to our 2021–22 baseline. Our Scope 1 and 2 emissions for 2021–22 were 940.2 ktCO₂-e, meaning our target for 2029–30 is 658.0ktCO₂-e.

We will also continue to support our customers to meet their emissions reduction targets, helping to bring about decarbonisation of the wider Australian economy.

Transforming our operations and leveraging opportunities resulting from the energy transition

Our current asset optimisation plans aim to maintain energy reliability, safe operations and minimise energy costs for our customers. We recognise our responsibility to support the energy transition in Australia and we do this by reducing our own emissions and helping our customers to reduce theirs. We are also working to help establish an Australian renewable gas sector to enable natural gas substitutes and to support Australia towards achieving its net zero by 2050 goal.

Expanding the JEN to support increasing electrification

Engage with the regulator to achieve regulatory outcomes that support the network growth to achieve energy and climate transition outcomes. With the JEN investments, the **Group** expects to achieve a 55–45 (gas–electricity) portfolio by 2030.

Growing our energy services business to deliver infrastructure projects supporting the energy transition

We will explore opportunities for growth provided through the energy transition for our services business, which provides engineering, project management, construction, operations and maintenance services to the energy sector. This will include setting up our business and deepening our capabilities to deliver renewable energy projects.

Investing in pipeline transmission assets to support energy security and decarbonisation via gas powered generation

We will consider investments in gas transmission assets that support energy reliability or gas-powered electricity generation and assist the retirement of higher emitting industrial fuels for our customers. We will explore the potential for carbon capture and storage in the longer term.

Key assumptions and dependencies

The **Group** has developed the **CTP** on the same assumptions as the business strategy outlined in *Section 2.2 The Group's view of Australia's future energy system*. Full detail on these assumptions and the impact on the appropriateness and effectiveness of the plan is detailed in pages 12–14 of the **CTP**.

Monitoring progress

Since developing the Plan, the **Group** has integrated the targets and activities into each business unit. Progress is embedded in annual key performance indicators (KPIs), tracked monthly, and overseen by the ESG Steering Committee (SteerCo), which reports regularly to the Leadership Team and the Board of Directors. The SteerCo is the **Group's** management governance body comprised of 4 Executive General Managers (EGMs). The **Group's** climate targets and performance is disclosed under *Section 3.2 Metrics and targets*.

The **Group** is committed to continuous improvement and anticipates refining the **CTP** to incorporate new regulatory guidance and best practices as they emerge. The **Group** will continuously monitor the relevance of the current CTP and will refresh it if there are any significant changes that could affect it.

2.5. Building resilience through climate scenario analysis

Scenario analysis process

The **Group** conducted climate-related scenario analysis in 2025 to assess the resilience of its strategy against multiple plausible futures. The scenario analysis directly supported the identification and quantification of climate-related risks and opportunities. Modelling multiple futures provided forward-looking insights into demand, financial and operational outcomes, contributing to the **Group's** assessment of the resilience of its strategy and business model.

The quantitative modelling of transition risks and opportunities was undertaken cross-functionally and was supported by independent demand forecasts from ACIL Allen and Blunomy. Data from AEMO's 2024 ISP and 2025 Draft IASR were used to model demand forecasts applicable to the **Group's** assets. Following on from the demand modelling, financial modelling was conducted to quantify impacts of risks and opportunities arising from transition. The **Group** acknowledges that in August 2025, AEMO has finalised the 2025 IASR with changes to the Green Energy Exports scenario (now Accelerated Transition) and progressive change (now slow change). The **Group** anticipates incorporating the updated data in future scenario analyses and planning cycles.

The quantitative modelling of physical risk was split across the **Group's** electricity assets and gas assets to reflect their different exposure and vulnerability. Electricity assets were analysed as part of the *Climate Change Study for Victorian Electricity Distribution Businesses – Phase 1* by AECOM in combination with United Energy, CitiPower, Powercor Australia, and AusNet Services. Gas asset analysis was supported by independent physical hazard data from the Climate Council's Climate Risk Map of Australia. The climate models are built on outputs from Global Climate Models (**GCMs**) and Regional Climate Models (**RCMs**) from Coupled Model Intercomparison Project (**CMIP**) climate models. The analysis covered all major **Group** asset businesses, including JGN, JEN, and key gas transmission pipelines and processing facilities such as the Eastern Gas Pipeline (EGP), Queensland Gas Pipeline (QGP), Northern Gas Pipeline (NGP), and Darling Downs Pipeline (DDP). The outputs of this modelling were used to assess flow-on impact to Zinfra.

DESCRIPTION OF CLIMATE CHANGE SCENARIOS

For consistency and credibility, the **Group's** scenarios are aligned with nationally and internationally recognised energy transition and emissions pathways. AEMO transition scenarios incorporate both emissions reduction targets and other eligible government policies of that participating jurisdiction.⁷ These 'included policies' are consistently applied across all transition scenarios to ensure alignment with jurisdictional commitments and reflective of the policy landscape at the time of scenario release. Each transition scenario incorporates different assumptions around electrification, energy efficiency, fuel switching, economic growth, global policy and coordination, and national decarbonisation targets, which are used to reflect different decarbonisation pathways. CMIP based physical scenarios use Representative Concentration Pathways (**RCPs**) for physical risk testing ensuring forecasts are comparable across the **Group's** peers. The **Group** selected these scenarios as they are consistent with Australia's geography, legislated emissions targets and capture credible market and policy uncertainties needed to assess strategic resilience. The analysis was conducted across short-term (2025–2030), medium-term (2030–2035), and long term (2035–2050) horizons.

⁷ See rule 5.22.3 of the National Electricity Rules.

DESCRIPTIONS OF CLIMATE CHANGE SCENARIOS

Temperature outcome by 2100

Scenario

Risk type

1.5°C

Representative Concentration Pathway (RCP) 1.9
(aligned with s 296D(2B) (b) of the *Corporations Act 2001* requirement for 1.5°C)

Green energy export scenario⁸

Reflects very strong decarbonisation activities domestically and globally, consistent with limiting temperature increase to less than 1.5°C. It envisions a rapid transformation of Australia's energy sector, driven by ambitious climate policy and technology uptake, including a strong use of electrification, green hydrogen, and biomethane. In this scenario, Australia becomes a green hydrogen (H2) export superpower, and there is intended to be minimal constraints (no supply chain / workforce / planning approvals) in developing renewable energy projects in the NEM and new infrastructure. High economic growth accelerates technological developments and leads a decline in the cost of new technologies. Consumers heavily invest in CER with the greatest uptake of rooftop solar and to batteries.

Transition risk and opportunities

1.8°C

(RCP 2.6)
(aligned with the Paris Agreement and the *Climate Change Act 2022* (Cth))

Step change scenario

Features an energy transformation that supports Australia's contribution to limiting global temperature rise to well below 2°C compared to pre-industrial levels. It explores a future with strong decarbonisation ambition and rapid electrification across sectors. Consumers play a key role in the transition investment in electrification and CER such as rooftop solar and batteries. The scenario captures some of the ambition in developing hydrogen associated opportunities, reflecting the economic challenges of establishing this new industry, while trends in artificial intelligence and other data-heavy applications encourage continued growth in data centres in Australia. The electrification of commercial and large industrial segments results in new electricity demand.

Transition risk and opportunities

2.6°C

(RCP 4.5)
(aligned with s 296D(2B) (a) of the *Corporations Act 2001* requirement for well above 2°C)

Progressive change scenario

Describes a world that aims to achieve Australia's current emissions reduction target of 43 per cent by 2030 and gradually achieve net zero emissions by 2050. This scenario features weaker global coordination and action, which is insufficient to limit temperature rise to less than 2°C. Consumers remain supportive of decarbonisation but have less capacity to invest in energy efficiency and electrification due to more challenging economic conditions. Energy intensive industries are at greater risk of closure due to the weak economic circumstances. Supply chains have more challenges relative to other scenarios. This more gradual transition scenario features slower economic growth and more limited policy coordination. Electrification occurs at a slower pace, and energy efficiency plays a more prominent role in reducing gas demand.

Transition risk and opportunities

2.6°C

(RCP 4.5)
(aligned with s 296D(2B) (a) of the *Corporations Act 2001* requirement for well above 2°C)

Physical risk scenario

Under this scenario, physical climate risks are moderate but increasing over time as global warming progresses. Chronic risks such as sustained heat stress, gradual asset degradation continue to intensify, particularly in vulnerable regions. Acute risks including bushfires, severe storms, and flooding occur more frequently than today. The greater frequency and severity of extreme weather events lead to increased disruption across energy networks and supply chains.

Physical risk

The **Group** anticipates aligning subsequent analyses with any updates to these scenarios to maintain relevance. Full details on each scenario including the physical hazards and transition developments explore, the variables and the underlying inputs used, and key assumptions are captured in **Appendix A**.

⁸ The proposed Green Energy scenario, outlined in the 2025 Draft IASR, included two variants: Green Energy Industries (with a greater domestic focus on green energy and hydrogen opportunities) and Green Energy Exports. In the Final IASR, the Green Energy scenario was renamed Accelerated Transition and reflects the Green Energy Industries variant and the Progressive change was renamed as Slow change. Jemena's analysis prior to this name change referred to the Green Energy Exports scenario.

Climate change resilience

Taking into consideration the risks and opportunities explored in *Section 2.3 Relevant climate-related risks and opportunities*, the **Group** considers current climate-related risks to be well managed across operations and strategy.

Considering the range of potential futures, the **Group** has assessed its resilience to extreme but plausible future risks and opportunities arising from the three scenarios, and considers the **Group** has low to moderate vulnerability to plausible transition developments and moderate vulnerability to plausible physical hazards. The **Group** is well-positioned to adapt its strategy and business model to maintain financial performance in the short, medium, and long term.

The below tables summarise the **Group's** assessment of residual impact on revenue across the three scenarios for the two major gas businesses, and the electricity business.

RESIDUAL IMPACT ON FINANCIAL PERFORMANCE (REVENUE VS CY26 FORECAST)

			 Short term 0–5 years	 Medium term 5–10 years	 Long term 10–25 years
Jemena gas assets	Gas transmission	1.5°C	Opportunity	Negligible	Low
		<2°C (1.8°C)	Negligible	Opportunity	Opportunity
		>2.5°C	Negligible	Negligible	Opportunity
	Gas distribution	1.5°C	Negligible	Negligible	Negligible
		<2°C (1.8°C)	Negligible	Negligible	Negligible
		>2.5°C	Negligible	Negligible	Negligible
Jemena electricity assets	Electricity distribution	1.5°C	Opportunity	Opportunity	Opportunity
		<2°C (1.8°C)	Opportunity	Opportunity	Opportunity
		>2.5°C	Opportunity	Opportunity	Opportunity
Energy infrastructure services	Zinfra	1.5°C	Opportunity	Opportunity	Opportunity
		<2°C (1.8°C)	Opportunity	Opportunity	Opportunity
		>2.5°C	Opportunity	Opportunity	Opportunity

Opportunity (> +10%)
Negligible (<10% to -5%)
Low (-5% to -15%)
Moderate (-15% to -25%)
High (-25%+)

The residual impact on asset value, representing the majority of the **Group's** financial position, was explored as part of the resilience assessment. Based on the financial performance in the scenarios above, the **Group** maintains that its financial position would remain resilient in the short, medium, and long term under all three scenarios. Full detail on the scenario analysis results for each scenario and each business unit is captured in **Appendix A**.

3.

Metrics and targets



3.1. Greenhouse gas emissions targets

As outlined in its 2025 **CTP**, the **Group** is committed to delivering measurable GHG emissions reductions in line with Australia's net zero goals. As part of this commitment, the **Company** has set a target to reduce its net operational Scope 1 and 2 GHG emissions by 30 per cent by FY 2029–30, relative to a FY 2021–22 baseline. This target excludes ADP and UEDH.

Progress against the target is measured in carbon dioxide equivalent (CO₂-e) and is tracked using a Group-wide emissions reduction metric. The target covers all the **Company's** Scope 1 and 2 GHG emissions, being carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and sulphur hexafluoride (SF₆). GHG emissions intensity (tCO₂-e per terajoule of energy consumed) is also monitored internally as a contextual indicator of performance, however, is not part of the **Company's** formal target.

The target has been informed by the principles and guidance of the Science Based Targets initiative (SBTi). Noting that a SBTi pathway for the utilities sector was not available at the time the target was set, the **Company** considered the SBTi's Corporate Net-Zero Standard in setting its targets. The SBTi has indicated that a validated pathway will be included in the Power Sector Standard to be published no earlier than Q4 2026. The **Company** will consider this standard when it reviews its GHG emissions targets in 2027, if it has been released.

The emissions reduction target aligns with the objectives of the Paris Agreement and the *Climate Change Act 2022* (Cth) and has been set in line with the *GHG Protocol Corporate Accounting and Reporting Standard*. Internal modelling has adopted RCP 2.6 as the basis for emissions trajectory planning, consistent with limiting global warming to well below 2°C by the end of the century.

The **Company** has not yet established a Scope 3 emissions reduction target. The **Company** intends to develop a Scope 3 target by 2027.

Carbon credits

The **Company's** GHG emissions reduction target is a net target focused on achieving actual emissions reductions through avoidance, reduction, and replacement initiatives. Although the **Company's** emissions reduction pathway doesn't rely on the use of carbon credits, the **Company** may still be required to procure Clean Energy Regulator validated ACCUs and/or SMCs to ensure compliance with the Safeguard Mechanism. The **Company's** Carbon Offset Management Framework was affirmed by the Funding and Disclosure Committee in December 2025. It outlines the governance, eligibility criteria, and accountabilities for the **Group** relating to carbon offsets specific to mandatory Safeguard Mechanism requirements.

The **Company** currently does not have any contractual arrangements in place for the purchase of ACCUs/SMCs. This position could change in the future subject to market and policy conditions.

3.2. Greenhouse gas emissions performance

In CY25, the **Group's** total Scope 1 and Scope 2 absolute (gross) GHG emissions were 817,484 tCO₂-e, representing 596,943 tCO₂-e from Scope 1 emissions and 220,541 tCO₂-e from Scope 2 emissions. The table on page 99 summarises the **Group's** GHG emissions over the reporting period.

The **Group** has attained assurance for some of its GHG emissions as noted in the table. The **Group** is not obligated to report Scope 3 GHG emissions as this is the first year in which it has applied AASB S2. However, the **Group** has elected to disclose this information voluntarily in this Sustainability Report.

TABLE 1: THE GROUP'S GHG EMISSIONS⁹

	2025 (tCO ₂ -e)	2025 assurance
Gas transmission pipelines and processing facilities	287,314	✓
Gas distribution (JGN)	270,786	✓
Electricity distribution (JEN)	3,457	✓
Energy infrastructure services (Zinfra)	7,332	✓
Corporate	25	✓
ActewAGL Distribution Partnership (ADP)	28,031	✓
Total Scope 1 emissions	596,943	✓
Gas transmission pipelines and processing facilities	3,314	✓
Gas distribution (JGN)	791	✓
Electricity distribution (JEN)	144,657	✓
Energy infrastructure services (Zinfra)	1,067	✓
Corporate	502	✓
ActewAGL Distribution Partnership (ADP)	70,210	✓
Total Scope 2 emissions	220,541	✓
Total Scope 1 and 2 emissions	817,484	✓

TABLE 2: DISAGGREGATED SCOPE 1 AND SCOPE 2 GHG EMISSIONS⁹

	2025 (tCO ₂ -e)	2025 assurance
Scope 1		
The Company	568,912	✓
ActewAGL Distribution Partnership (ADP)	28,031	✓
Scope 2		
The Company	150,331	✓
ActewAGL Distribution Partnership (ADP)	70,210	✓
Total Scope 1 + 2 emissions (operational control basis)	817,484	✓

TABLE 3: SCOPE 3 EMISSIONS^{9,10}

	2025 (tCO ₂ -e)	2025 assurance
Category 1: Purchased goods and services	71,730	✗
Category 2: Capital goods	32,656	✗
Category 3: Fuel and energy-related activities	33,461	✗
Category 4: Upstream transportation and distribution	200	✗
Category 5: Waste generated in operations	7,816	✗
Category 6: Business travel	2,620	✗
Category 7: Employee commuting	4,987	✗
Category 11: Use of sold products	0	✗
Category 15: Investments ¹¹	88,540	✗
Total Scope 3 emissions	242,010	✗

 Reasonable assurance
  Limited assurance
  No assurance

9 Amounts are rounded to the nearest tCO₂-e and totals may not sum precisely. GHG emissions were calculated based on operational control basis.

10 The Group calculates its Scope 3 emissions voluntarily in accordance with the GHG Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3). The Group applies the year 1 transition relief available under paragraph C4(b) of AASB S2, whereby Scope 3 emissions are not yet required to be calculated and reported in accordance with the AASB S2 framework.

11 This includes emissions from United Energy Distribution Holdings (UEDH). UEDH does not fall within the Company's operational control boundary for Scope 1 and 2 GHG emissions.

3.3. Performance against climate-related targets

In 2025 the **Company** achieved a 23.5 per cent reduction in absolute Scope 1 and 2 emissions, equating to a reduction of 220,941tCO₂-e compared to the FY2021–22 baseline. This performance is in line the **Company's** overall interim trajectory towards its FY2029–30 target.

The **Company's** performance is a result of its active intervention initiatives like leak detection in gas distribution network, operational improvements of gas transmission assets and electricity network assets. External factors also influence emissions performance like – energy demand (throughput changes), regulatory updates, and methodological adjustments.

The **Company's** historical trends and current forecasts indicate it is on track to achieve its 2030 target. Continued focus will be placed on decarbonisation activities and energy transition initiatives to maintain performance.

3.4. Other cross-industry metrics

Assets and business activities exposed to climate-related risk and opportunity

With reference to the climate-related risks and opportunities identified and assessed in *Section 2.3 Relevant climate-related risks and opportunities*, the **Group** has determined the amount and percentage of assets or business activities vulnerable to climate-related risks and opportunities. The **Group** has defined vulnerability to mean that a portion of revenue could be at risk, resulting in reduced financial performance for its stakeholders.

VULNERABILITY TO CLIMATE-RELATED RISK

	Short- and medium-term exposure (0–10 years)	Long-term exposure (10–25 years)
Amount and percentage of assets vulnerable to climate-related transition risks	0% (\$0) In short and medium term, our assets are contracted via commercial agreements and regulatory cycles providing certainty of financial position and financial performance.	Revenue from JGN for year ending 31 December 2025: 28.2% (\$668.5M) of the Group. The Group's gas distribution network (JGN) is vulnerable to transition risk if customer gas demand changes due to electrification and other market factors. Consequently, a portion of this revenue is at risk in the long term.
Amount and percentage of assets vulnerable to climate-related physical risks	100% (\$8.602B) All the Group's assets are exposed to acute and chronic weather events. However, the Group assesses this exposure to be low as most the Group's gas assets are underground, and the majority of electricity assets are in urban areas with lower bushfire, flooding and extreme weather exposure risk. The Group has adequate critical incident procedures to maintain operational resilience, and consequently while all assets are vulnerable, their residual risk from climate-related physical risk is moderate.	

ALIGNMENT TO CLIMATE-RELATED OPPORTUNITIES

	Short- and medium-term exposure (0–10 years)	Long-term exposure (10–25 years)
Amount and percentage of assets aligned with climate-related transition opportunities	100% (\$8.602B) All revenue-generating assets are aligned with climate-related opportunities in the short and medium term. Gas distribution and transmission are anticipated to benefit from increased natural and renewable gas use to replace coal and firm renewables. Electricity distribution is anticipated to benefit from increased energy demand and electrification.	100% (\$8.602B) All assets are aligned with climate-related opportunities in the long term. While gas distribution and transmission are vulnerable to climate-related risks, it is anticipated that they remain aligned with climate-related opportunities to replace the remaining use of coal and for grid firming in the long term. Electricity distribution is anticipated to continue to benefit from increased energy demand and electrification.

Capital expenditure and carbon pricing

With reference to the business adaptations identified and assessed in *Section 2.3 Relevant climate-related risks and opportunities*, the **Company** applies an internal carbon price of \$110/tCO₂e and has spent \$26.41M in CY25 in response to climate-related risks and opportunities. The **Company** has chosen not to disclose a quantitative figure for medium- or long-term CAPEX as this remains too dependent on external factors with high uncertainty.



Short-term target	\$185M
CY25 actual spend	\$26.41M

3.5. Non-emissions targets

The **Company's** quantitative outcome target is supported by the following qualitative activity targets:

TABLE 4: 2025 CLIMATE TRANSITION PLAN TARGETS

Objective	Action/targets	Metric	Base period	Period	Scope	Progress
Adaptation	Engage with stakeholders to support a just transition. Conduct a Double Materiality Assessment (DMA) to understand stakeholder priorities and financial, impact materiality.	Total participants invited: 159 Participation rate: 60%	2025	2025	Entire Group	The DMA is complete, and findings are anticipated to be integrated into the 2026 sustainability strategy.
	Invest in electricity assets to leverage electrification growth in the JEN.	Increased JEN investments to achieve 55–45 gas–electricity portfolio by 2030	2024	2025–2030	Entire Group	Ongoing growth in regulated electricity distribution networks (JEN, UED, ADP). Awaiting final decision for JEN price reset by AER in April 2026.
Mitigation	Accelerate the establishment of a renewable gas sector.	4PJ commissioned and injecting into JGN, plus a further 3PJ having achieved FID	2025	2025–2030	JGN	The Group contributed to the following advocacy: – Market based reporting mechanism for renewable gas (biomethane and hydrogen) included under the NGRS from 1 July 2025. – NSW updated its Renewable Fuels Strategy by expanding its Renewable Fuel Scheme to include biomethane and setting a target of 15 percent renewable industrial gas use by 2035. – Renewable gas development recognised as one of the five key actions to get to net zero by 2050 in the Federal Governments Net Zero Electricity and Energy Sector Plan. – Several memorandums of understanding signed to support the development of renewable gas projects (9PJs).
	Support customers to reduce emissions.	Customer emissions reduction initiatives	2025	Ongoing	Entire Group	JGN: Large industrial customers enquiring with biomethane production facilities to sign off take agreements. JEN: Support increase of rooftop solar penetration from 16% (2023) to 29% (2031).

Objective	Action/targets	Metric	Base period	Period	Scope	Progress
Adaptation and mitigation	Invest in gas transmission infrastructure to enable fuel switching (coal to natural gas), energy security and explore carbon capture and storage (CCS).	Execution of Gas transmission strategy	2024	Ongoing	Gas transmission	Connection of Port Kembla lateral complete and construction on EGP bi-directional project in progress. NGP reversal project complete. Progressing several new supply connections and GPG opportunities. Continuing to monitor CCS landscape.
	Expand electricity distribution network (JEN) to support electrification.	Growth in JEN demand from 4.56 TWhr to 8.59 TWhr	2026	2026–2031	JEN	Price reset process ongoing with AER. Final decision due in April 2026.

These metrics have been internally developed and are not prescribed under the ASRS or supporting guidance. The metrics reflect the **Group's** specific operational context and have been developed to provide a logical, meaningful basis for tracking progress against climate-related goals and transition activities. They are subject to change based on changes to market and policy conditions.

3.6. Methodology for calculating greenhouse gas emissions

The **Group** follows the *National Greenhouse and Energy Reporting Measurement Determination 2008* (NGER Determination) methods for the calculation of its GHG emissions and consequently applies jurisdiction-specific relief articulated in AASB S2 to not measure using the GHG Protocol. All Scope 1 emissions sources are reported using Method 1 unless otherwise noted. An exception applies to GHG emissions associated with JGN, which are now calculated using Method 3 following a change in FY24. The **Group** calculates its Scope 2 emissions using a location-based approach. Emissions are calculated using Method A1 under *Section 7.2* of the NGER Determination.

The **Group** calculates its Scope 3 emissions voluntarily in accordance with the *Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3)*.

Refer to Appendix B for the full GHG emissions calculation methodology including boundary, methodology, and data collection.

3.7. Process for setting, reviewing, and monitoring climate-related targets

The **Company's** GHG emissions reduction target and underlying methodology have been developed with reference to the SBTi guidance and principles, which are grounded in climate science and widely adopted across industry (see *Section 3.1 Greenhouse gas emissions targets*). The target has not been formally validated by a third-party. The **Group's** Steerco is responsible for annual reviews of the **Company's** climate-related targets.

Progress towards the **Company's** GHG emissions reduction target is monitored using absolute emissions measured in tonnes CO₂ equivalent (tCO₂-e). The **Company** has established KPIs to localise this metric to business units and roles to support ongoing performance management. Performance against these KPIs is factored into executive remuneration as detailed in *Section 4.4 Executive remuneration*.

No revisions have been made to the **Company's** GHG emissions reduction target during the current reporting period. Any future changes to the target or underlying methodology will be disclosed and explained in updates to the **CTP** and subsequent Sustainability Reports.

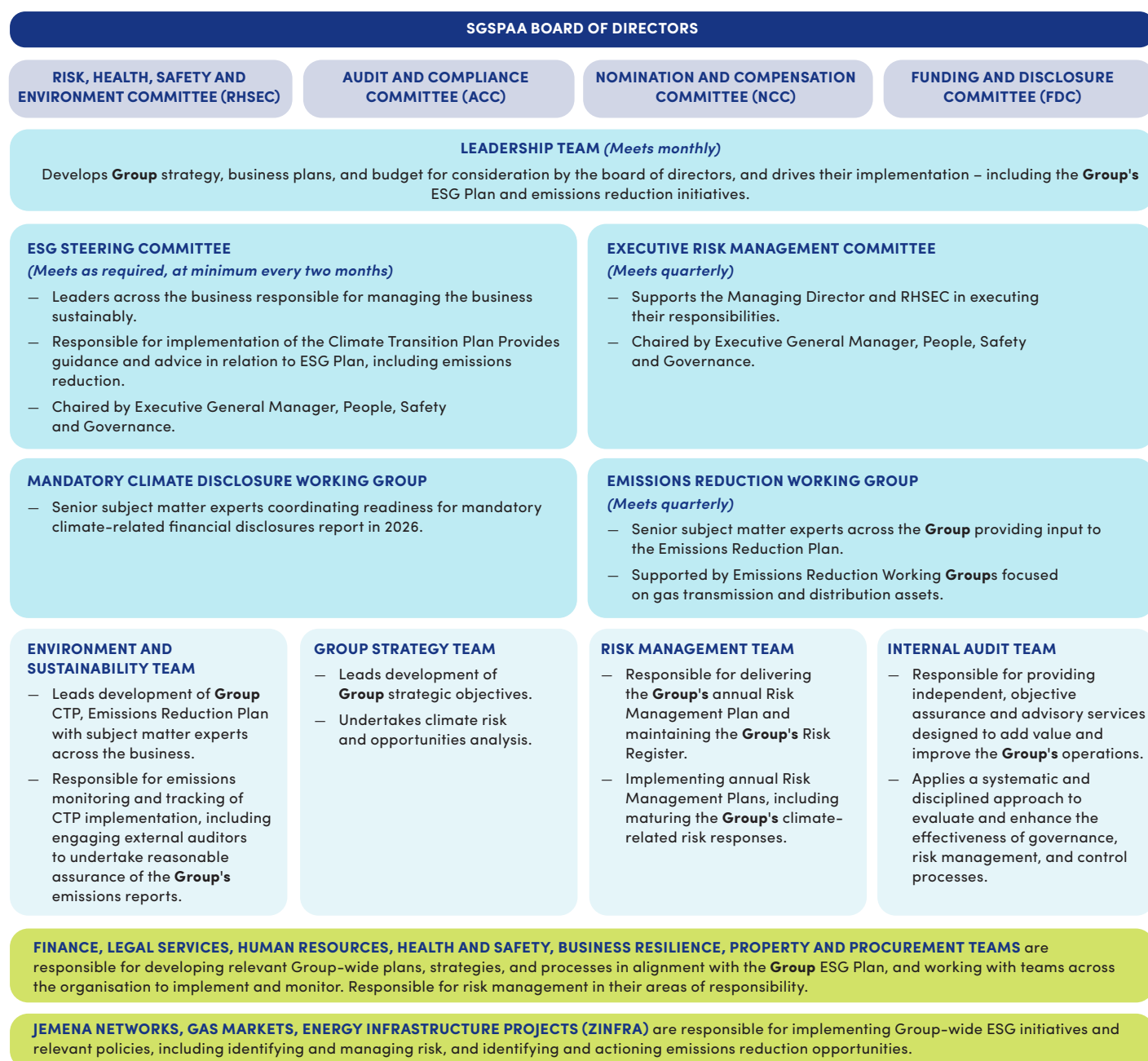
4.

Governance



4.1. Climate-related governance structure

The below diagram illustrates the **Group's** climate-related governance structure, outlining the relationship between its Board of Directors, executive committees, and supporting governance levels.



4.2. Responsibilities for climate governance

The Board of Directors is the highest authority for climate governance, holding ultimate accountability for aligning strategic objectives – including climate response goals – with the **Group's** broader vision and regulatory obligations. It approves the climate strategy and high-level targets, monitors progress, and ensures the necessary expertise is in place to oversee material climate impacts, risks, and opportunities (**IROs**).

The Board consists of eight members (including the managing director) who are appointed by the **Company's** two shareholders. The majority of the directors are Australian residents, 25 per cent of the directors are independent in accordance with Australian Foreign Review Board conditions. Board meeting attendance was 93 per cent for 2025, with all quorum and independent director attendance fulfilled.

The **Group's** Board members bring deep and diverse competencies that reinforce their ability to oversee climate effectively. Members have:

- extensive leadership in energy and infrastructure gained through senior executive international and domestic experience, including development of and operationalisation of sustainability and climate initiatives and strategies;
- strong governance experience through directorships and chair roles in listed companies, government advisory boards, and international organisations. Members are also leading industry advocates in dialogue on energy transition; and
- global financial acumen, including direct involvement in sustainable financing.

The Board oversees the development of the **Group's** strategic climate priorities and analysis of emerging topics, ensuring that the **Group's** climate agenda remains aligned with developments in the business environment. Climate **IRO** considerations are embedded into governance, strategy, and risk management, ensuring that material issues are addressed comprehensively.

The governance structure supports transparency, informed decision-making, and alignment with the **Group's** corporate and climate goals and is fundamental to the **Group's** long-term success and resilience. The division of oversight across Board committees ensures that expertise of members is applied appropriately, distributes workload efficiently while maintaining rigorous governance standards. Each Committee is assessed as being collectively equipped with the necessary expertise to support the Committee mandates in relation to climate considerations. Each committee reports quarterly to the Board on its meeting and activities.

The Board and Committee receive updates on strategic priorities and material **IROs** (refer to *Section 2.3 Relevant climate-related risks and opportunities*), engages in deep dives on key topics identified through the **Group's** risk and materiality assessment, and reviews and approves the climate strategy and **CTP** to ensure alignment with business goals and external requirements. Implementation is delegated to the Leadership Team, while the Board maintains oversight through regular monitoring and committee engagement. Members receive ongoing training and are informed of developments in ESG matters, risk perspectives and associated climate related regulatory and Australian Standards changes and updates through its Board and Board sub-committee forums. Due to the complexity of the **Group's** business, each incoming director receives a fulsome induction program, and the Board receives regular briefings and education sessions. The frequency and types of updates are outlined on page 105.

GOVERNANCE BODY:

Board

MEETINGS IN 2025

6

GOVERNING DOCUMENT

Board Charter

CLIMATE RESPONSIBILITIES

- Monitoring and optimising the **Group's** financial and non-financial performance
- Decision-making on material climate-related matters including emissions reduction targets and approval of the **CTP**
- Advising and approving strategies to establish the **Group's** long-term viability and sustainability
- Maintaining oversight of risks facing the **Group**, including climate-related risks (physical, reputational and transition)
- Annual Review of Board Charter and Board Committee Terms of Reference for alignment to climate oversight and disclosure requirements

FREQUENCY OF UPDATES

- Annual Plan and Policy Reviews
- Annual Strategy session
- Annual business and financial plan
- Quarterly updates from Committee
- Quarterly updates on performance, targets, trends, and risk updates
- Monthly business performance review

CLIMATE CAPABILITIES HELD BY MEMBERS

- Experience in and knowledge of:
- Identification and evaluation of physical, transition, and reputational climate risks and their financial implications
 - Governance, policy, and climate related legal, accounting, and financial frameworks
 - Local and international energy industry trends and competitiveness
 - Sustainable sourcing and energy security
 - Financial and non-financial risk analysis and strategy, in highly regulated industries
 - Stakeholder, industry, government and regulator collaboration and liaison
 - Reporting management of IROs and compliance in informing broader strategy development

SPECIALIST BRIEFINGS, SKILLS, AND INSIGHT SESSIONS 2025

- Energy Transition (SGSPAA director lead international industry forum)
- Climate disclosures regulatory briefing conducted by the company's auditor
- Safety and Asset Management professional development day – including climate related IROs
- Infrastructure site visits – including insights on related climate IROs.
- Electrification impacts and energy resilience
- System process resilience – focus of cyber security
- Group Strategy – including climate related IROs (refer to *Section 3 Metrics and targets*)

GOVERNANCE BODY:

RHSEC

MEETINGS IN 2025

4

GOVERNING DOCUMENT

Terms of Reference

CLIMATE RESPONSIBILITIES

- Review environmental and strategic risks – includes climate-related risks and monitoring physical, transitional, and reputational risk events
- Reviews the effectiveness of risk mitigation strategies and the resourcing of the risk management function, including for addressing climate-related risks where applicable
- Assesses emerging environmental and climate related risks
- Oversight responsibilities concerning risk management and related frameworks, controls and processes relating to ESG factors as drivers of existing risk, risk appetite, and materiality
- Review of insurance requirements

FREQUENCY OF UPDATES

Quarterly

CLIMATE CAPABILITIES HELD BY MEMBERS

- Experience in and knowledge of:
- Identification and prioritising of climate risks relevant to the **Group**
 - Overseeing the integration of climate risk management with the **Group's** overall risk management and assurance processes
 - Understanding of physical, transition, and reputational climate risks and financial implications
 - Emerging policy and regulatory developments, including in relation to disclosures and ESG representations on a range of topics
 - Methods of financial and non-financial risk analysis and strategy

SPECIALIST BRIEFINGS, SKILLS, AND INSIGHT SESSIONS 2025

*Committee members included in Board specialist briefings

GOVERNANCE BODY:

ACC

MEETINGS IN 2025

4

GOVERNING DOCUMENT

Terms of Reference

CLIMATE RESPONSIBILITIES

- Sustainability governance, disclosures and compliance
- Environmental compliance oversight
- Monitoring the **Group's** financial and sustainability reporting processes and reviewing the annual consolidated sustainability reporting

FREQUENCY OF UPDATES

Quarterly

CLIMATE CAPABILITIES HELD BY MEMBERS

- Experience in and knowledge of:
- Emerging policy and regulatory developments, including in relation to disclosures and climate representations on a range of topics
 - Regulatory requirements and international trends in climate disclosure reporting
 - The relationship between climate disclosures and financial risks and opportunities
 - Climate action strategy embedment

SPECIALIST BRIEFINGS, SKILLS, AND INSIGHT SESSIONS 2025

*Committee members included in Board specialist briefings

GOVERNANCE BODY:

NCC

MEETINGS IN 2025

4

GOVERNING DOCUMENT

Terms of Reference

CLIMATE RESPONSIBILITIES

- Responsible for preparing and presenting proposals to the Board on remuneration matters, including integration of ESG KPIs and strategic priorities for diversity and inclusion into the remuneration programmes
- Endorses the **Group's** climate-related performance measures and reviewing annual performance against these targets
- Ensures that climate-related KPIs are embedded within the executive remuneration framework, aligning performance outcomes with sustainability priorities

FREQUENCY OF UPDATES

Quarterly
Annual

CLIMATE CAPABILITIES HELD BY MEMBERS

- Experience in and knowledge of:
- Material climate targets, metrics, and outcomes
 - Integration of climate risk management into enterprise targets

SPECIALIST BRIEFINGS, SKILLS, AND INSIGHT SESSIONS 2025

*Committee members included in Board specialist briefings

GOVERNANCE BODY:

FDC

MEETINGS IN 2025

4

GOVERNING DOCUMENT

Terms of Reference

CLIMATE RESPONSIBILITIES

- Managing the **Group's** Funding strategy, which includes the Green Finance Framework
- Oversees the **Group's** carbon offsets management framework and approves the purchase of any mandated ACCUs/SMCs where required
- Oversees the purchase of financial instruments, including the potential purchase of large generation certificates where necessary
- Assists the Board in managing the continuous disclosure obligations, including mandatory climate-related disclosures

FREQUENCY OF UPDATES

- Quarterly review of funding markets
- Annual review of Frameworks
- Market disclosures as required

CLIMATE CAPABILITIES HELD BY MEMBERS

- Experience in and knowledge of:
- Sustainable finance standards, taxonomies, and regulation
 - Key sustainable finance and investment concepts and products, including assessing impact of products on customers and other stakeholder groups
 - Barriers and opportunities to integrating sustainability considerations in financial assessments
 - Carbon pricing frameworks

SPECIALIST BRIEFINGS, SKILLS, AND INSIGHT SESSIONS 2025

*Committee members included in Board specialist briefings

4.3. Leadership team responsibilities, oversight, controls, and procedures

The SteerCo coordinates the **Group's** Sustainability strategy and ensures that understanding and responding to climate change is considered a core strategic priority. The Committee oversees identification and management of relevant climate-related risks and opportunities, including performance management and regular review of the **CTP**. Its membership includes a cross-section of executive and senior leaders, including the EGM – People, Safety and Governance (Chair), the Chief Financial Officer, the EGM – Jemena Networks, and the EGM – Gas Markets. Senior leaders such as the General Manager (GM) – Environment and Sustainability (Secretary) and GM – Strategy and Investments also participate in the Committee. The Committee meets at least four times a year, with documented meetings confirming more frequent engagement where climate has featured prominently. Oversight of climate topics is led by the Chair in line with the Committee's strategic remit.

Climate-related risks and opportunities are fully integrated into the risk profile of each business unit and owned by the respective EGMs. These leaders are accountable for identification, assessment, and day-to-day management of climate-related risk and opportunity for their business unit, with centralised expert support from the Group Environment and Sustainability team. The policies and manuals that make up the Risk Management Framework (**RMF**), including climate-specific guidance, are detailed in *Section 5 Risk management*.

The Leadership Team's oversight is supported by structured controls and procedures that are integrated into the **Group's** broader risk and performance management systems. These include regular monitoring of climate-related performance, assessment of implementation progress against strategy, and processes to identify emerging risks, opportunities, or areas for improvement. Further information on management controls is detailed in *[5] Risk Management*.

4.4. Executive remuneration

Climate-related considerations are embedded in the **Group's** executive remuneration framework to ensure alignment between strategic objectives and leadership accountability. The Nomination and Compensation Committee meets quarterly and reviews and endorses climate-related KPIs, as well as reviewing annual performance outcomes against the KPIs.

To support delivery of the **Group's** climate strategy, emissions reduction and other climate initiatives are a part of Group KPIs which are integrated into the Short-Term Incentive Plan (STIP) payments for executives.

5.

Risk management



5.1. Risk and opportunity management processes

Climate-related risks and opportunities are identified, assessed, prioritised, and monitored in accordance with the Group Risk Policy, Group Risk Appetite Statement, *Group Risk Management Manual*, and the *Procedure for Managing Climate Related Risks and Opportunities*. These documents collectively define the **Group's** RMF, which governs all applicable categories of enterprise risk, including climate-related risks. The *Group Risk Management Manual*, aligned to AS ISO 31000:2018, outlines the **Group's** risk management process, principles, and practices. It serves as a guide for systematically identifying and managing risks across the **Group**.

The **Group's** risk management process comprises six key steps, covering risk scoping, risk assessment (identification, analysis, evaluation), treatment, communication, monitoring, and reporting. These steps are applied to climate-related risks and opportunities through the *Procedure for Managing Climate Related Risks and Opportunities*, ensuring that climate-related risk and opportunity is embedded into risk management practice. Climate-related risk and opportunity assessment is supported by additional inputs including:

1. Climate scenario analysis, which helps identify emerging risks and assess potential impacts across short, medium, and long-term horizons. Scenario analysis enables consistent assumptions across the business and informs evaluation of risks to strategy, major projects, and assets. The data inputs of scenario analysis are detailed in *Section 2.5 Building resilience through climate scenario analysis*, and
2. Science-based climate projections, including the National Climate Risk Assessment, the Commonwealth Scientific and Industrial Research Organisation (CSIRO) State of the Climate Reports, the Intergovernmental Panel on Climate Change (IPCC) Assessment Reports, and the Climate Council Climate Risk Map of Australia. These reports and datasets support the **Group's** assessment of climate physical risks that are reasonably expected to occur in the short, medium, and long term by providing a credible view of how climate variables are anticipated to evolve.

The **Group** applies a combination of qualitative and quantitative criteria in assessing climate-related risks and opportunities, considering both their likelihood and their potential impacts on strategic objectives, financial

performance, safety, operational continuity, regulatory compliance, and reputation. A risk consequence and likelihood matrix is utilised to guide the prioritisation of risk treatment.

Climate-related risks and opportunities are recorded in a central risk register, which is managed within the **Group's** risk and compliance management system. These risks and opportunities are periodically reviewed and reassessed when significant changes occur, including regulatory shifts or operational developments.

5.2. Monitoring climate-related risks

The **Group** monitors and reviews climate-related risks to assess the performance of climate-related controls, inform risk treatments, and identify emerging risks. The outcomes of this process are reported to relevant stakeholders to support risk dialogue and decision-making. The RMF supports defined accountabilities, authorities, and responsibilities, along with an escalation process to support monitoring and management of climate-related risks. The escalation process provides a mechanism to address any conflicting objectives, including those between climate-related and non-climate-related risks and opportunities, should they arise.

Climate-related risks and opportunities are monitored through the **Group's** risk and compliance management system and processes. Each risk is assigned to designated management personnel with defined review dates and monitoring schedules. Incidents are managed in accordance with the *Managing Incidents Procedure*.

The Board of Directors are ultimately accountable for risk management including climate-related risk. The Board of Directors is supported by the RHSEC which provides additional oversight of climate-related risks within the broader context of the **Group's** risk profile. The Committee meets quarterly and is responsible for reviewing the effectiveness of risk mitigation strategies and the resourcing of the risk management function, including climate-related risks where applicable (refer to *Section 4 Governance*).

The SteerCo is the Committee responsible for monitoring of strategies to manage ESG risks and consider climate-related opportunities. The SteerCo reports regularly to the RHSEC and escalates relevant risk matters to the Executive Risk Management Committee where risks have the potential to exceed appetite or where there are conflicts or trade-offs with non-climate-related risk and opportunity.

5.3. Risk governance

The **Group** adopts the Three Lines of Accountability (3LoA) model, which is embedded in its RMF and applies equally to climate-related risk as to all other risk types.

Three lines of approach

Accountabilities

First Line of Accountability (1LoA):

Business operations

Management, including all employees, is accountable for identifying, assessing, monitoring, managing, and reporting risks as part of day-to-day operations, with Line 1 Business Risk Teams providing support.

Second Line of Accountability (2LoA):

Risk oversight and support functions

Second line roles enabled by the Risk team, provide complementary expertise, oversight, and challenge to support effective risk management. 2LoA is accountable for designing, maintaining, and monitoring risk management practices whilst also advising and supporting the business in managing both financial and non-financial risks. In doing so, it enables the 1LoA (the business) to foster and embed a strong risk culture and implement strategies that deliver sound risk outcomes.

Third Line of Accountability (3LoA):

Internal audit

The primary role of Internal Audit is to provide independent, risk-based, objective assurance, advice and insights on the adequacy and effectiveness of governance, risk management, and internal control. Through a systematic and disciplined approach, Internal Audit supports the organisation in achieving its strategic objectives by delivering insights that promote accountability and continuous improvement.

Further details on the **Group's** overall governance for risk management can be found in *Section 4 Governance*.

5.4. Integration of opportunities into strategy

The **Group** integrates climate-related opportunities within its annual Group Strategy Review and Business Plan process. Climate inputs to Group Strategy are provided via:

- climate scenario analysis and resilience assessments;
- impact of climate-related risks and opportunities;
- business unit specific initiatives, commitments, and continuous improvement;
- shareholder input and feedback;
- external policy/regulatory drivers (including the Safeguard Mechanism) and customer-driven opportunities (including CER); and
- **CTP** and climate-related financial disclosures.

These insights are used during Group Strategy Review and Business Plan development which includes broad engagement with business units, finance, senior leadership, and the Board of Directors. The final Business Plan, Budget, and Corporate KPIs, including any climate-related elements, are approved annually by the Board of Directors and shareholders.

6.

Appendix A



6.1. Hazards and developments explored in the climate scenario analysis

The scenarios explored the impact of the following climate variables deemed most relevant to the **Group's** primary business units.

Transition developments

- Electrification
- Energy efficiency adoption and regulation
- Fuel switching and impacts on domestic and international demand, including shifts from coal to natural gas, and natural gas to biomethane and hydrogen [Green energy export scenario only]
- Population changes and associated energy demand
- Reduced cost of new technologies
- Grid decentralisation from adoption of rooftop solar and home batteries

Physical hazards

- Extreme rainfall
- Bushfire
- Extreme heat
- Average temperature
- Extreme wind
- Coastal erosion
- Coastal flooding
- Lightning
- Drought
- Humidity
- Increased solar radiation
- Riverine flooding
- Surface water flooding
- Tropical cyclone wind

6.2. Transition climate scenarios detail

The table on page 112 summarises AEMO's IASR 2025 detail, inputs, and assumptions for each of the **Group's** transition climate scenarios.

The RCPs span the range of plausible climate scenarios with none of the scenarios deemed more likely than others, however, some require major and rapid changes in human activity to be achieved. Each RCP reflects a different concentration of global GHG emissions, based on assumptions of different combinations of possible future economic, technological, demographic, policy, and institutional trajectories.

Parameter	1. Green energy export scenario ¹²	2. Step change scenario	3. Progressive change scenario
Description and key assumptions	Reflects very strong decarbonisation activities domestically and globally, consistent with limiting temperature increase to less than 1.5°C. It envisions a rapid transformation of Australia's energy sector, driven by ambitious climate policy and technology uptake, including a strong use of electrification, green hydrogen, and biomethane. In this scenario, Australia becomes a green H ₂ export superpower, and there is intended to be minimal constraints (no supply chain/workforce/planning approvals) in developing renewable energy projects in the NEM and new infrastructure. High economic growth accelerates technological developments and leads to a decline in the cost of new technologies. Consumers heavily invest in CER with the greatest uptake of rooftop solar and batteries.	Features an energy transformation that supports Australia's contribution to limiting global temperature rise to well below 2°C compared to pre-industrial levels. It explores a future with strong decarbonisation ambition and rapid electrification across sectors. Consumers play a key role in the transition investment in electrification and CER such as rooftop solar and batteries. The scenario captures some of the ambition in developing renewable gas associated opportunities (biomethane and hydrogen), reflecting the economic challenges of establishing this new industry, while trends in artificial intelligence and other data-heavy applications encourage continued growth in data centres in Australia. The electrification of commercial and large industrial segments results new electricity demand.	Describes a world that aims to achieve Australia's current emissions reduction target of 43 per cent by 2030 and gradually achieve net zero emissions by 2050. This scenario features weaker global coordination and action, which is insufficient to limit temperature rise to less than 2°C. Consumers remain supportive of decarbonisation but have less capacity to invest in energy efficiency and electrification due to more challenging economic conditions. Energy intensive industries are at greater risk of closure due to the weak economic circumstances. Supply chains experience more challenges relative to other scenarios. Electrification occurs at a slower pace, and energy efficiency plays a more prominent role in reducing gas demand. Renewable gas modelling is similar to Step change scenario.
Temperature outcome (approximate warming by 2100)	1.5°C (RCP 1.9) (aligned with the requirement for a scenario for 1.5°C set out in s 296D(2B) (b) of the <i>Corporations Act 2001</i> (Cth))	1.8°C (RCP 2.6) (aligned with the Paris Agreement and the <i>Climate Change Act 2022</i> (Cth))	2.6°C (RCP 4.5) (aligned with the requirement for a scenario well above 2°C set out in s 296D(2B)(a) of the <i>Corporations Act 2001</i> (Cth))
Net zero emissions by 2050	Yes	Yes	Yes
82% NEM Renewable energy target year	2030	2030	2030
NEM Carbon Budget (2025–2052)	Green Energy Exports (2025–2052: 357 Mt)	Step Change (2025–2052: 681 Mt)	Progressive Change (2025–2052: 1203 Mt)
H₂ for power generation	From 2030	From 2035	From 2040
Renewable gas adoption	High. Industrial users adopt biomethane and later switch to green hydrogen to decarbonise.	Low due to lack of NGER recognition and economic challenges in establishing a new industry.	Low due to lack of NGER recognition and economic challenges in establishing a new industry.
Policy timing (federal and state)	Committed policy met ahead of schedule; value of emissions reduction introduced from 2030 to achieve carbon budget.	Committed policy met on time; value of emissions reduction introduced from 2035 to achieve carbon budget.	Committed policy met on time; value of emissions reduction introduced from 2040 to achieve carbon budget.
Storage targets	New South Wales Roadmap: 2GW long-duration storage by 2030 Victoria energy storage targets: At least 2.6 GW storage capacity by 2030; At least 6.3 GW storage capacity by 2035.	New South Wales Roadmap: 2GW long-duration storage by 2030 Victoria energy storage targets: At least 2.6 GW storage capacity by 2030; At least 6.3 GW storage capacity by 2035.	New South Wales Roadmap: 2GW long-duration storage by 2030 Victoria energy storage targets: At least 2.6 GW storage capacity by 2030; At least 6.3 GW storage capacity by 2035.

12. The proposed Green Energy scenario, outlined in the Draft 2025 IASR, included two variants: Green Energy Industries (with a greater domestic focus on green energy and hydrogen opportunities) and Green Energy Exports. In the Final IASR, the Green Energy scenario was renamed Accelerated Transition and reflects the Green Energy Industries variant. Jemena's analysis prior to this name change referred to the Green Energy Exports scenario.

Parameter	1. Green energy export scenario ¹²	2. Step change scenario	3. Progressive change scenario
Fuel costs, new entrant capital costs	AEMO 2024 ISP Green Energy Exports	AEMO 2024 ISP Step Change	AEMO 2024 ISP Progressive Change
CER uptake (rooftop PV, behind the meter, battery energy storage systems, electric vehicles)	AEMO 2024 ISP Green Energy Exports	AEMO 2024 ISP Step Change	AEMO 2024 ISP Progressive Change
Timing for major transmission projects	EnergyConnect (Jul 2027) Heywood upgrade (Jul 2027) Humelink/VNI West (Apr 2029) QNI connect (Jul 2029) CopperString (Jul 2029) QNI medium upgrade (Jul 2030) Marinus Link 1 (Jul 2030) Marinus Link 2 (Jul 2032)	EnergyConnect (Jul 2027) Heywood upgrade (Jul 2027) Humelink/VNI West (Apr 2029) QNI connect (Jul 2029) CopperString (Jul 2029) QNI medium upgrade (Jul 2030) Marinus Link 1 (Jul 2030) Marinus Link 2 (Jul 2032)	EnergyConnect (Jul 2027) Heywood upgrade (Jul 2030) Humelink/VNI West (Apr 2032) QNI connect (Jul 2032) CopperString (Jul 2029) QNI medium upgrade (Jul 2032) Marinus Link 1 (Jul 2033) Marinus Link 2 (not developed)
Coal plant closure assumptions	Earlier closure/mothballing than committed and market signals	Earlier closure/mothballing than committed and market signals	Earlier closure/mothballing than committed and market signals
Black coal plant seasonal operation	All black coal	Work along this order to achieve profitability and carbon budget: New South Wales – ER/MP/VP/BW; Queensland – STAN/TARONG/TNPS/ CPP	Work along this order to achieve profitability and carbon budget: New South Wales – ER/MP/VP/BW; Queensland – STAN/TARONG/TNPS/ CPP
NEM underlying consumption demand in terawatt hours (TWh)	345 TWh at 2040	301 TWh at 2040	231 TWh at 2040
Hydrogen consumption (domestic) in TWh	50 TWh at 2040	15 TWh at 2040	9 TWh at 2040

6.3. Physical climate scenario detail

The below table summarises the detail, inputs, and limitations of AECOM's *Climate Change Study for Victorian Electricity Distribution Businesses – Phase 1* ("AECOM") and the *Climate Council's Climate Risk Map of Australia* ("Climate Council") used for the **Group's** physical climate scenario. The information is an output of a range of GCMs and RCMs from the CMIP (Coupled Model Intercomparison Project). CMIP is an international climate modelling initiative to understand changes in climate via creating a model. This model digitises the processes and interactions between parts of Earth's climate system: the atmosphere, ocean, land surface, cryosphere, and biosphere. These are models are used to explore how changes in human activities impact the Earth's climate, such as how much it warms, and how floods, droughts and other extremes are anticipated to change.

Parameter	4. Physical risk scenario
Description and key assumptions	Under the RCP4.5 scenario, physical climate risks are moderate but increasing over time as global warming progresses. Chronic risks such as sustained heat stress, gradual asset degradation continue to intensify, particularly in vulnerable regions. Acute risks including bushfires, severe storms, and flooding occur more frequently than today. The greater frequency and severity of extreme weather events lead to increased disruption across energy networks and supply chains.
Temperature outcome (Approximate warming by 2100)	1.7–3.2°C (RCP 4.5) (aligned with the requirement for a scenario well above 2°C set out in s 296D(2B) (a) of the <i>Corporations Act 2001</i> (Cth))
Net zero emissions by 2050	Yes
Global greenhouse gas emissions pathway	Emissions peak around 2040
AECOM Extreme rainfall (flooding)	Climate variable Vicmap Planning – Planning Scheme Overlay Polygon Commentary on spatial data Victorian planning overlays, specifically Special Building Overlay (SBO), Land Subject to Inundation Overlay (LISO), Floodway Overlays (FO), Rural Flood Overlay (RFO) and Urban Flood Zone (UFZ) were used. Representative of historic areas at risk of flooding. Limitations Overlays are based on a 1-in-100-year event and does not consider climate change. The Project has applied a 50 m and 100 m buffer to identify assets that have the potential to become exposed to floods as intensity of rainfall events increase and flood hazard profiles change. No flood overlays exist for Mornington Peninsula Shire Council. Source discover.data.vic.gov.au/dataset/vicmap-planning-planning-scheme-overlay-polygon
AECOM Extreme rainfall	Climate variable Very wet days (more than 20 mm) – RCP 4.5 Commentary on spatial data Spatial resolution of 5 km. Climate model NorESM1-M-CCAM-QME was used. Limitations These represent plausible projections of future climate. For detail on the limitations and assumptions refer to the source of the data. Source https://vicfutureclimatetool.indraweb.io/
AECOM Bushfire	Climate variable Vicmap Planning – Planning Scheme Overlay Polygon Commentary on spatial data The Bushfire Management Overlay (BMO) represents locations of Very High or Extreme bushfire hazard. Limitations The BMO does not consider the projected increase in frequency and intensity of fire weather conditions (i.e., increase in Forest Fire Danger Index days > 25). However, the extent, or locations at risk, are largely determined by terrain and vegetation. Source https://discover.data.vic.gov.au/dataset/vicmap-planning-planningscheme-overlay-polygon

Parameter	4. Physical risk scenario
AECOM Extreme heat	Climate variable Hot Days (max above) 35°C – RCP 4.5 Hot Days (max above) 40°C – RCP4.5 Commentary on spatial data Spatial resolution of 5 km. Climate model HadGEM2-CC was used. Limitations Does not consider the potential impact of the urban heat island effect on urbanised areas. Source https://vicfutureclimatetool.indraweb.io/
AECOM Average temperature	Climate variable Change in mean temperature (°C) – RCP 4.5 Commentary on spatial data Spatial resolution of 5 km. Climate model HadGEM2-CC was used. Limitations These represent plausible projections of future climate. For detail on the limitations and assumptions refer to the source of the data. Source https://vicfutureclimatetool.indraweb.io/
AECOM Extreme wind	Climate variable Vicmap Planning – Vegetation Tree Extent Commentary on spatial data Represents a presence/absence of tree cover derived from the statewide dataset aerial photography with a minimum 20cm pixel resolution. Mapping of tree cover is based upon a machine learning technique. Tree cover is defined as woody vegetation greater than approximately 2 m in height. Limitations There is low confidence associated with projections of extreme wind. The use of the vegetation tree extent layer provides a proxy for assets that may be exposed to damage from tree contact due to extreme wind conditions. It does not represent assets in open areas that may be at risk of extreme wind events. Source https://discover.data.vic.gov.au/dataset/vicmap-vegetation-tree-extent-rest-api
AECOM Extreme wind	Climate variable Number of days with maximum wind gust over 100 km/h Commentary on spatial data Projections were developed by ClimSystems using a 2005 baseline sourced from the Bureau of Meteorology Atmospheric high resolution Regional Reanalysis for Australia (BARRA) and derived from CMIP6 ESM daily maximum wind Speed projections. Limitations Projections were developed for this project at a 5 km spatial resolution. Source https://www.climsystems.com/
AECOM Coastal erosion	Climate variable Victorian Coastal Hazard 2017 Erosion Vulnerability Results Commentary on spatial data Extents represent locations where coastal erosion has the greatest potential to occur as sea level rise, or the intensity of coastal storm events increase. Limitations These represent plausible projections of future climate. For detail on the limitations and assumptions refer to the source of the data. Source ¹³ https://corpgis.mapshare.vic.gov.au/arcgis/rest/services/CoastKit/CHAErosion/MapServer/1

13 This dataset has been removed and is no longer available at this URL. Please reach out to AECOM for original data.

Parameter

4. Physical risk scenario

AECOM

Coastal flooding

Climate variable

Sea level rise and storm surge related inundation – RCP 4.5, 2040 and 2070

Commentary on spatial data

Hazard extents represent potential areas exposed to sea level rise related inundation and storm surge related inundation.

Limitations

These represent plausible projections of future climate. For detail on the limitations and assumptions refer to the source of the data.

Source<https://discover.data.vic.gov.au/dataset/victorian-coastal-inundation-sea-level-rise-storm-tide-2040><https://discover.data.vic.gov.au/dataset/victorian-coastal-inundation-sea-level-rise-storm-tide-2070>**AECOM**

Lightning

Climate variable

Conditions favourable for thunderstorm formation

Commentary on spatial data

Victorian Climate Projections 2019 considered the implications of the CCAM projections on favourable thunderstorm conditions very broadly at a state level.

Limitations

These represent plausible projections of future climate. For detail on the limitations and assumptions refer to the source of the data.

Source

Victorian Climate Projections 2019 (VCP19)

AECOM

Drought

Climate variable

Extreme dry – number of consecutive months with Standardised Precipitation Index (SPI) between -1.5 and -3.

Commentary on spatial data

Spatial resolution of 5 km. Climate model HadGEM2-CC was used.

Limitations

These represent plausible projections of future climate. For detail on the limitations and assumptions refer to the source of the data.

Source<https://vicfutureclimatetool.indraweb.io/>**AECOM**

Humidity

Climate variable

Relative humidity

Commentary on spatial data

Spatial resolution of 5 km. Climate model NorESM1-M-CCAM-QME was used.

Limitations

These represent plausible projections of future climate. For detail on the limitations and assumptions refer to the source of the data.

Source<https://vicfutureclimatetool.indraweb.io/>**AECOM**

Increased solar radiation

Climate variable

Hot Days (max above) 30°C – RCP 4.5

Commentary on spatial data

Spatial resolution of 5 km. Climate model HadGEM2-CC was used.

Limitations

These represent plausible projections of future climate. For detail on the limitations and assumptions refer to the source of the data.

Source<https://vicfutureclimatetool.indraweb.io/>

Parameter

4. Physical risk scenario

Climate Council

Riverine flooding and surface water flooding

Overview

Riverine and surface water floods are flooding due to fresh water, as opposed to sea water. Riverine flood (fluvial) is a rise in the water level of a stream or water body to a peak from which the water level recedes at a slower rate, spilling water into the adjacent low-lying areas. Riverine floods are due to rainfall or snow melt in the entire catchment upstream of the location. Surface water flood (pluvial) is defined as flooding which results from rainfall-generated overland flow, before the runoff enters any watercourse or sewer. In such situations urban underground sewerage/drainage systems and surface watercourses may be completely overwhelmed. Surface water floods are due only to rainfall in the immediate area.

Local context data use

Flood maps used in the Climate Risk Engines analysis must contain water depths and flood extents for flood events characterised by Annual Return Intervals (ARI). For example, a flood map for a 1-in-100-year flood shows the depths of the flood water for an event of that frequency.

Baseline hazard data

To consider changes to the probability of flooding due to climate change, projected changes to precipitation must be examined.

Climate change projections

Climate change impacts on precipitation and flooding use the locally downscaled modelling of future precipitation changes using GCM and RCMs. The Climate Risk Engines use annual maxima of daily rainfall totals from climate simulations and historical observations to estimate the changes in return frequency of floods. The Climate Risk Engines automatically select GCM data based on those models which have strong precipitation signals over the region in which they operate.

Climate Council

Bushfire/forest fire

Overview

The forest fire model takes into account fire weather (with a climate change signal) by considering maximum wind speed and vapour pressure deficit (VPD; the difference between the absolute humidity and the water vapour saturation point for a given temperature), ground fuel mapping, and ground fuel attenuation. Forest fires can destroy buildings and infrastructure through direct flame or intense radiant heat. Assets considered to be at risk are those under or surrounded by trees, or close enough to trees to be affected by intense thermal radiation should the forest catch on fire. Grass fires are not covered by this model.

The key elements are:

- a fire weather metric from climate simulations;
- a Forest Fire Exposure Factor (FFEF), which accounts for density of ground fuel in the surrounding area, and ground fuel attenuation maps which are used to reduce the risk of damaging fires occurring or propagating;
- probability of ignition and the probability of a fully exposed asset being destroyed, given forest and ground fuel present and fire weather conditions; and
- burn probability which accounts for the probability that a property will catch on fire if there is a forest fire in the immediate vicinity.

Local context data use

The FFEF is based on local context data that attempts to capture a location's exposure to flammable vegetation and likely protection from fire services. The forest fire hazard data context layers in the Climate Risk Engines use density of ground fuel in the surrounding area, and ground fuel attenuation maps which are used to reduce the risk of damaging fires occurring or propagating.

Baseline hazard data

The driving parameters of forest fire are temperature, humidity, wind speeds and forest-fire prone land. The Hot-Dry-Windy index (HDW) of fire weather is based on maximum wind speed and Vapour Pressure Deficit (VPD).

Climate change projections

Gridded projections for future epochs, based on GCM/RCMs from CMIP5, or CMIP6 directly can be used to project the changes to the key inputs for HDW.

Parameter

4. Physical risk scenario

Climate Council

Coastal inundation

Overview

Flooding caused by sea water is referred to as coastal inundation. It can be caused by high tides, in combination with elevated sea level driven by wind and low air pressure, the size and frequency of waves and the dynamics at the sea-land interface. Coastal inundation events are exacerbated by rising sea levels. Sea levels rise for two reasons: the first is the added water from the melting of ice on land (floating ice does not add to sea level as it melts), the second is from thermal expansion of the oceans as the seas warm. The risk of coastal inundation calculated by the Climate Risk Engines implicitly includes tropical cyclone storm surge. However, the coastal inundation model only considers the impact of sea level rise and does not consider the effect of increasing tropical cyclone intensity which would further exacerbate increasing coastal inundation. Furthermore, this model does not currently include the impact of waves, which can substantially increase the risk to low-lying properties on the immediate coastline.

Local context data use

The Climate Risk Engines also include an adjustment of the effects of land movement. This accounts for the fact that as well as general sea level rise, some continents are moving upward or downward. If the land is moving down because of tectonic actions, the height of mean sea level at that location is increasing above and beyond anthropogenic sea level rise.

Baseline hazard data

Coastal inundation data is based on tide gauges. These tide gauges provide a spectral probability distribution of tide levels, including extreme sea events.

Climate change projections

The average global sea level is rising by 3.2 mm per year. The U.S. Government's National Oceanic and Atmospheric Administration report includes projections for what they refer to as 'high' and 'extreme' Sea Level Rise scenarios, with increases of 2 m and 2.5 m of sea level rise by 2100, respectively. The 2021 IPCC report also allows for the possibility of 2 m sea level rise by the end of the century. Thus, the results for the 'higher sea level rise range' should be considered less likely, but possible. The Climate Risk Engines includes an intermediate projection from the suite of curves developed by Haigh et al. (2014) using a default setting of 1.5 m by 2100. The range of SLR projections in the Climate Risk Engines are listed below.

NOAA Low	0.3 m
Intermediate-Low	0.5 m
NOAA Intermediate	1.0 m
Intermediate-High	1.5 m
NOAA High	2.0 m
NOAA Extreme	2.5 m

Climate Council

Extreme wind/synoptic wind

Overview

Synoptic winds are driven by pressure gradients between large-scale atmospheric pressure systems (on the order of hundreds of kilometres e.g., low pressure systems) that are the result of temperature differences across the Earth. Air travelling at high speeds, even in short gusts, can directly damage buildings and infrastructure. High winds can also cause indirect disruption when trees drop limbs onto power lines or debris puts life and property at risk.

Baseline hazard data

Raw data on wind speeds is extracted from weather stations in its native form. Such data may include short duration gusts, through to 10-minute sustained wind speeds. There are a range of conversion tables available to convert between these parameters.

Climate change projections

Global Circulation Model (GCM) and Regional Climate Model (RCM) models are executed at scales that capture changes in synoptic wind patterns. Climate projections are used to establish baseline wind gust speed (3 s gust) for threshold return frequencies and then used to project how this speed changes over time.

Parameter

4. Physical risk scenario

Climate Council

Tropical cyclone wind

Overview

Tropical cyclones, also known as hurricanes and typhoons, cause significant destruction through high winds, storm surge and rainfall (Direct Energy, 2021). This model provides changes in the tropical cyclone wind speed distribution for a location on the globe. Numerous studies link sea surface temperature to tropical cyclone development and strengthening of cyclogenesis that bring strong winds. Sea Surface Temperatures (SST) will increase under climate change. While the frequency of tropical cyclones is projected to remain relatively constant or decrease slightly with increased atmospheric temperatures, studies suggest increases in the proportion of Category 4 and 5 (the most severe) cyclones across most ocean basins, and a general increase in intensity across all tropical cyclones. The rate of increase is subject to future warming scenarios. The severity of tropical cyclones is also expected to be affected, with the maximum wind intensity expected to rise with warming, providing longer and more favourable conditions for extreme weather conditions.

Baseline hazard data

Tropical cyclone baseline data comes from international and national government and research centre sources.

The International Best Track Archive for Climate Stewardship (IBTrACS) data contains historical tropical cyclone track data, including maximum sustained wind speeds at the surface. This data is used along with ERA5 sea surface temperature data to develop a baseline tropical cyclone wind speed distribution associated with sea surface temperature. Additionally, the tropical cyclone tracks are used to develop a map of the historical frequency of tropical cyclones across the globe. The overall resolution of the model is 0.01 degrees.

Climate change projections

Gridded projections of sea surface temperatures, based on GCMs from CMIP5, are used to project the change in tropical cyclone wind speed distributions. The effects of climate change on tropical cyclones capture the increase in the maximum surface wind speeds, shown in Knutson et al. (2020), at a rate of approximately 2.5 per cent per degree of warming. Additionally, because of varying rates of sea surface temperature warming across the globe, the poleward movement of tropical cyclones also is captured.

6.4. Scenario analysis results by business unit

The following table captures the key results of scenario analysis for each scenario, broken down into the **Group's** business units

Scenario	Business unit	Scenario analysis results summary
< 1.5°C (green energy exports) Transition risks and opportunities	Gas transmission	— Rapid decarbonisation drives significant need for GPG and gas in the energy system in the near term. — Under this scenario, EGP is highly utilised until the late 2040s driven by rapid NEM decarbonisation, supply shortfalls in Victoria and a weak global liquefied natural gas (LNG) market making Port Kembla imports an attractive supply option out through 2050. — QGP sustains current revenue levels until H2 adoption drives down gas demand from 2045. — DDP utilisation declines after 2035 in line with reduction of LNG exports. — NGP flows Beetaloo linked volumes to the ECGM within existing pipeline capacity constraints.
	Gas distribution	— Residential customers undergo highest rate of electrification and gas demand drops across the network. — Industrial customer load increases due to fuel switching towards renewable gases (including biomethane and hydrogen) to achieve rapid decarbonisation. — Moderate number of customers and demand still exists in the gas distribution network.
	Electricity distribution	— Highest growth scenario for JEN electricity asset with very high electrification of all sectors.
	Overall (Group)	The Group's financial performance and position remain resilient. The Group has a strong growth opportunity from electrification and maintains its performance gas assets to support the rapid energy transition to a 1.5°C world.

Scenario	Business unit	Scenario analysis results summary
< 2°C (step change – 1.8°C) Transition risks and opportunities	Gas transmission	– This scenario focuses on GPG required from 2030 as coal exits the NEM and there is a need to maintain system reliability via energy terminals. – The EGP maintains strong utilisation with bi-directional flows supporting Victorian and New South Wales demand into 2040s. Asset expansion is required to maintain supply demand balance and resiliency. – QGP maintains current revenue levels until medium term. Utilisation is linked to industrial decarbonisation of key customers. – A moderate outlook for LNG drives Beetaloo development. NGP operation within existing pipeline capacity and strong gas flows on the DDP until reserves limitations hit from the 2040s.
	Gas distribution	– Residential customers undergo high rate of electrification. – There is continued demand for gas and moderate number of customers are connected to the gas distribution network.
	Electricity distribution	– Moderate growth scenario of JEN electricity network with high electrification of all sectors.
	Overall (Group)	The Group shows increased financial performance under this scenario driven by electrification growth and continued use of gas transmission and distribution assets to achieve an orderly transition.
> 2.5°C (progressive change) Transition risks and opportunities	Gas transmission	– As coal power exits the NEM in the mid 2030s, GPG demand increases gas demand and JGN assets see strong utilisation and growth in the medium to long-term. – The EGP sees a modest decline in the short term followed by rapid expansion from mid 2030s through 2050 to support both New South Wales and Victorian demand. – QGP sees growth from new supply sources and continued industrial demand for gas out through 2050. – A strong outlook for gas (domestic and export LNG) drives significant Beetaloo development which supports an expansion of the NGP and strong gas flows on the DDP until reserves limitations hit from the 2040s.
	Gas distribution	– At the slowest rate of electrification, there is continued gas demand in the network in 2050. Significant number of customers remain in the network.
	Electricity distribution	– Slowest electrification growth scenario amongst the 3 climate scenarios. Electricity distribution business still achieves significant growth driven by EVs, residential electrification and large industrial load growth.
	Overall (Group)	With an increased role of gas and high electrification in this scenario, the Group shows strong growth opportunities and financial performance.
> 2.5°C (physical risk scenario) Physical risks	Gas transmission	Gas Transmission assets assessed the short, medium, and long-term physical climate related risk impacts compared to greater than 2.5 C global warming and identified the moderate risk to assets integrity predominantly caused by localized flooding, storm events, bushfires. These hazards can lead to financial losses, operational interruptions, asset damage, and severe safety risks, with cascading impacts on regulatory compliance and reputation.
	Gas distribution	Moderate physical risk exposure, primarily from riverine flooding, storms, and ground movement from erosion. These hazards can cause network isolation, asset damage, and restricted access, leading to cascading impacts such as service disruption, financial loss, personal injury, and reputational damage.
	Electricity distribution	Less than 5 per cent of electricity distribution lines and distribution substations have relative exposure to climate physical hazards. But bushfire is a key concern with approximately 5 per cent of the electricity network assets located in high bushfire risk area. While the likelihood of bushfire risk is relatively low, but the potential risk consequences are catastrophic, including risk of life loss, property and environment damage, and substantial business interruption cost, service disruption and financial loss.
	Overall (Group)	This scenario results in heightened physical risk due to increase frequency and severity of natural hazards. However, as gas assets are underground and electricity assets are in urban areas, physical risk exposure is moderate and the Group has strong critical incident response procedures to remain resilient and manage the risk within appetite.

6.5. Significant areas of uncertainty considered in the assessment of resilience

The use of scenarios is not to predict which future is anticipated to occur, but to explore a set of plausible futures that communicate and inform risks, opportunities, and key uncertainties. The **Group's** resilience assessment under each scenario is most sensitive to changes in the following inputs and assumptions, which are monitored year on year to ensure the resilience assessment remains current with the latest forecasts for these critical factors.

- **Macroeconomy and population:** Growth in the Australian economy, along with associated population trends and economic activity across Australia's industrial, commercial, manufacturing, mining, transport, and other sectors. This includes emerging commercial loads such as data centres, as well as global economic factors influencing demand for industrial products and the LNG market, which affects both Australian LNG exports and the price of imports.
- **CER investments and residential electrification:** Uptake and use of small-scale embedded generation and storage technologies (such as rooftop PV, batteries, EVs), together with consumer appetite for their coordination.
- **Policy support:** Ongoing government policies aimed at building a resilient energy system.
- **Decarbonisation policies and regulatory change:** Evolving state, national and international climate policies, regulatory frameworks, and disclosure requirements (e.g. Safeguard Mechanism reforms, sectoral decarbonisation targets, mandatory climate reporting), which directly influence the **Group's** transition pathway and compliance obligations.
- **Technology cost and performance:** Trends in the cost and performance of electricity and gas generation, storage, and network technologies. This includes the cost of natural gas and GPG, hydrogen production and use, and manufactured products that utilise hydrogen (e.g. green iron and ammonia products), as well as other alternatives (including biomethane) that may reduce the emissions intensity of energy.
- **New supply projects:** The location and development timing of new supply projects, which will influence the volume and direction of gas flows in the east coast market.
- **GPG:** The scale, rate, and timing of GPG and associated gas infrastructure investment and operation, which are critical drivers of gas transmission volumes and closely tied to the phased retirement of coal-fired generation.

7.

Appendix B



7.1. Methodology for calculating greenhouse gas emissions

For the calculation of Scope 1 and Scope 2 emissions, the **Group** follows the NGER Determination methods. The **Group** has adopted this approach as it ensures compliance with domestic obligations while remaining consistent with international best practice methodologies, including the Greenhouse Gas Protocol. This alignment supports the credibility and comparability of reported GHG emissions across both national and global contexts.

All sources are reported using Method 1, unless otherwise noted. An exception applies to GHG emissions associated with natural gas distribution, which are calculated using Method 3, following a change in FY24. The **Group** updated its methodology for calculating Scope 1 emissions for JGN, transitioning from Method 1 (which applies default emissions factors based on national averages) to Method 3 (which uses sampling and analysis of the actual gas transported). This change was made to improve data fidelity and better reflect the emissions profile of JGN operations.

The **Group's** methodology for calculating GHG emissions adheres to the assumptions made in the NGER Determination, and it has made no additional assumptions.

Operational boundaries

The **Group** has measured its Scope 1 and Scope 2 emissions via the operational control approach in alignment with Division 1 Part 2 of the *National Greenhouse and Energy Reporting Act 2007* (Cth), which requires reporting of GHG emissions, energy production, and energy consumption from facilities under the operational control of the **Group**. GHG emissions are disaggregated by legal entity and facility for assets and operations over which the **Group** maintains operational control.

Please refer to Table 4 for details of businesses and facilities under the operational control of the **Company**.

TABLE 4: OPERATIONAL CONTROL

Business	Company Operational Control
JEN	Yes
JGN	Yes
QGP	Yes
EGP	Yes
Colongra Gas Storage and Transmission Facility	Yes
NGP	Yes
Roma North (RNP)	Yes
ActewAGL Gas Networks	Yes
ActewAGL Electricity Networks	Yes
DDP	Yes
Zinfra	Yes
Malabar Biomethane Injection Plant	Yes
United Energy (UEDH)	No

The **Group's** GHG emissions inventory is split into three scopes:

- **Scope 1:** The **Group** has identified GHG emissions released into the atmosphere as a direct result of activities in a facility.
- **Scope 2:** The **Group** has identified GHG emissions released outside of a facility to produce electricity imported into a facility and used.
- **Scope 3:** The **Group** has identified GHG emissions released outside an organisation's facility as a result of an organisation's actions (for example, upstream such as emissions generated from extraction and production of fossil fuels; downstream, such as emissions from transport of products).

Calculation approach, data sources, and assumptions

GHG emissions from the **Group's** operations are calculated using the NGER Determination emissions factors in the first instance, and the National Greenhouse Accounts (NGA) Factors where additional estimates are required.

The **Group** has made material assumptions in the following areas of emissions calculations for Scope 1 and Scope 2 emissions due to the lag in the availability of required data.

Unaccounted for Gas (UAG%): Estimates have been made for Oct–Dec 2025 based on billing imbalance data. This information is used in calculating Scope 1 emissions for JGN.

Gas sales data: Estimates have been made for Oct–Dec 2025 based on average sales volumes for the same time period in CY23 and CY24. This information is used in calculation of Scope 1 emissions for JGN.

Line losses: Estimates have been made for Jul–Dec 2025 based on forecasted line loss data. This information is used in calculation of Scope 2 emissions for JEN.

The **Group** does not believe the assumptions will contribute to significant uncertainties in the emissions reporting and has obtained reasonable assurance on the Scope 1 and Scope 2 emissions for the reporting period.

The following table details the calculation methods applied to each Scope 1, 2, and 3 emissions categories.

TABLE 5: EMISSIONS CALCULATION METHOD

	Activity	Calculation method
Scope 1 Category		
Fuel combustion	Emissions released from combustion of gaseous fuels – Stationary energy purposes	NGER Method 1
	Electricity production – Liquid fuels	NGER Method 1
	Electricity production – Gaseous fuels	NGER Method 1
	Emissions released from combustion of liquid fuels other than petroleum oils or greases – Stationary energy purposes	NGER Method 1
	Emissions released from combustion of liquid fuels other than petroleum oils or greases – Transport energy purposes	
	Emissions released from combustion of petroleum-based oils or greases	NGER Method 1
Industrial processes	Emissions of sulphur hexafluoride gases from gas insulated switchgear and circuit breaker applications	NGER Method 1
Fugitive emissions	Natural gas transmission (other than emissions that are flared)	NGER Method 1
	Natural gas transmission (emissions that are flared)	NGER Method 1
	Natural gas distribution (other than emissions that are flared)	NGER Method 3 (JGN) NGER Method 1
	Natural gas processing (emissions that are flared)	NGER Method 1
	Natural gas processing (emissions that are vented)	NGER Method 1
Scope 2 Category		
Purchase and loss of electricity from main electricity grid in a state or territory	N/A	NGER Location-based Method A1

	Activity	Calculation method
Scope 3¹⁴ Category		
Category 1: Purchased goods and services	Extraction, production, and transportation of goods and services purchased or acquired by the reporting company in the reporting year, not otherwise included in Categories 2–8	Spend-based method
Category 2: Capital goods	Extraction, production, and transportation of capital goods purchased or acquired by the reporting company in the reporting year	Spend-based method
Category 3: Fuel and energy-related activities (not included in Scope 1 or Scope 2)	Extraction, production, and transportation of fuels and energy purchased or acquired by the reporting company in the reporting year, not already accounted for in Scope 1 or Scope 2	Average-data method
Category 4: Upstream transportation and distribution	Transportation and distribution of products purchased by the reporting company in the reporting year between a company's tier 1 suppliers and its own operations (in vehicles and facilities not owned or controlled by the reporting company) Transportation and distribution services purchased by the reporting company in the reporting year, including inbound logistics, outbound logistics (e.g., of sold products), and transportation and distribution between a company's own facilities (in vehicles and facilities not owned or controlled by the reporting company)	Spend-based method
Category 5: Waste generated in operations	Disposal and treatment of waste generated in the reporting company's operations in the reporting year (in facilities not owned or controlled by the reporting company)	Average-data method
Category 6: Business travel	Transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by the reporting company)	Distance-based method
Category 7: Employee commuting	Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company)	Distance-based method
Category 11: Use of sold products	End use of goods and services sold by the reporting company in the reporting year	Product Life Cycle Emissions Method
Category 15: Investment	Operation of investments (including equity and debt investments and project finance) in the reporting year, not included in Scope 1 or Scope 2	Investment specific method

¹⁴ The Group calculates its Scope 3 emissions voluntarily in accordance with the GHG Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3). The Group applies the year 1 transition relief available under paragraph C4(b) of AASB S2, whereby Scope 3 emissions are not yet required to be calculated and reported in accordance with the AASB S2 framework.



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Independent Auditor's Report to the Members of SGSP (Australia) Assets Pty Ltd

Review conclusion

We have conducted a review of the following information in the Sustainability Report of SGSP (Australia) Assets Pty Ltd ("SGSPAA") (the Company) and its subsidiaries (collectively the Group) for the year ended 31 December 2025 (the 'selective reviewed sustainability information') in accordance with Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* (ASSA 5010) issued by the Auditing and Assurance Standards Board (AUASB):

Selective reviewed sustainability information	Criteria: Reporting requirement of AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D)	Location in Sustainability Report
Governance	Paragraph 6	Section 4. Governance on pages 103 to 108
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Section 2.3. Relevant climate-related risks and opportunities on pages 82 to 93

The requirements of AASB S2 identified in the table above form the criteria relevant to the selective reviewed sustainability information and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the selective reviewed sustainability information specified in the table above does not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

Audit opinion

We have conducted an audit of the following information in the Sustainability Report of SGSPAA (the Company) and its subsidiaries (collectively the Group) for the year ended 31 December 2025 (the 'selective audited sustainability information') in accordance with ASSA 5010:

Selective audited sustainability information	Criteria: Reporting requirement of AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D)	Location in Sustainability Report
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Section 3.2. Greenhouse gas emissions performance on pages 98-99 Section 3.6. Methodology for calculating greenhouse gas emissions on page 102 Appendix B on pages 122-124

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The requirements of AASB S2 identified in the table above form the criteria relevant to the selective audited sustainability information and apply under Division 1 of Part 2M.3 of the Act.

In our opinion, the selective audited sustainability information specified in the table above is prepared in accordance with the *Corporations Act 2001*, including:

- a. Subsection 296A(2) (contents of climate statements);
- b. Section 296C (compliance with Australian Sustainability Reporting Standard S2 *Climate-related Disclosures* issued by the Australian Accounting Standards Board and any Ministerial legislative instrument); and
- c. Section 296D (climate statement disclosures).

The selective reviewed sustainability information and selective audited sustainability information are collectively referred to as the 'selective sustainability information.'

Basis for conclusion and opinion

Basis for conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. Our review includes obtaining limited assurance about whether the selective reviewed sustainability information is free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the *Summary of the work performed for our review engagement* section of our report.

Basis for opinion

Our audit has been conducted in accordance with ASSA 5000. Our audit includes obtaining reasonable assurance that the selective audited sustainability information is free from material misstatement.

Basis for conclusion and opinion

Our responsibilities under ASSA 5000 are further described in the *Auditor's responsibilities* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the Act and the ethical requirements of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code), that are relevant to reviews and audits of the selective sustainability information of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.



Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion and opinion.

Other information

The directors of the Company are responsible for the other information. The other information comprises the Company's Annual Report, including the Financial Report and the Sustainability Report, but does not include the selective sustainability information and our review and audit report thereon.

Our conclusion and opinion on the selective sustainability information does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our review and audit of the selective sustainability information, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the selective sustainability information, or our knowledge obtained when conducting the review and audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the selective sustainability information

The directors of the Company are responsible for:

- The preparation of the selective sustainability information in accordance with the Act; and
- Designing, implementing and maintaining such internal control necessary to enable the preparation of the selective sustainability information, in accordance with the Act that is free from material misstatement, whether due to fraud or error.

Inherent limitations

As discussed on page 79 of the Report, climate-related risk management is an emerging area, and often uses data and methodologies that are developing and uncertain. The Report contains forward looking statements, including climate-related scenarios, targets, assumptions, climate projections, forecasts, statements of future intentions and estimates and judgements that have not yet occurred and may never occur. We do not provide assurance on the achievability of this prospective information.

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.



Auditor's responsibilities

Our objectives are to:

- Plan and perform the review to obtain limited assurance about whether the selective reviewed sustainability information, defined in the *Review conclusion* section of our report, is free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion.
- Plan and perform the audit to obtain reasonable assurance about whether the selective audited sustainability information, defined in the *Audit opinion* section of our report, is free from material misstatement, whether due to fraud or error, and to issue an assurance report that includes our opinion.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the selective sustainability information.

As part of our audit and review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- For a review engagement:
 - Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
 - Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- For an audit engagement:
 - Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the assertion level for the disclosures but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
 - Design and perform procedures responsive to assessed risks of material misstatement at the assertion level for the disclosures. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed for our review engagement

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the selective reviewed sustainability information. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.



In conducting our review, the procedures we performed included, but were not limited to:

- Considered the completeness of SGSPAA's assessment of climate-related risks and opportunities
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the selective reviewed sustainability information during the reporting period
- Read minutes of relevant committees to understand matters discussed and decisions made with respect to climate-related disclosures
- Assessed the appropriateness of the reporting boundaries applied
- Undertook analytical review procedures to support the reasonableness of the selective reviewed sustainability information
- Agreed the selective reviewed sustainability information disclosures made in the report with the underlying records
- Evaluated the presentation and disclosure of the selective reviewed sustainability information against the requirements of AASB S2

A handwritten signature in blue ink, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink, appearing to read 'Brett Croft'.

Brett Croft
Partner
Melbourne
12 March 2026

