Green Financing Report 2025



SA Power Networks

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Connection with Country, created by Kelly Taylor and T'keyah Ware Commissioned for the SA Power Networks Group 2025 Reconciliation Action Plan. The artwork represents a commitment to meaningful relationships, cultural respect and long-term partnership with Aboriginal and Torres Strait Islander peoples.

Acknowledgement of Country
SA Power Networks Group acknowledge the multiple Traditional Owners of the lands that host the South Australian electricity network and their connections to land, sea, and community. We pay our respects to all First Nations peoples past and present, acknowledging their deep connection to Country, Culture and Community.

Disclaimer
This report contains non exhaustive general information in relation to SA Power Networks and its wholly owned subsidiaries and is subject to change and correction. It has been prepared solely for the use of investors and lenders. Whilst care has been taken in the preparation of the report to the extent permitted by law SA Power Networks, Enerven Energy Infrastructure Pty Ltd, ETSA Utilities Finance Pty Ltd and wholly owned subsidiaries of each of these make no representation and give no warranties in relation to the accuracy, completeness or suitability of the information contained in it or the assumptions on which the information is based. Investors should obtain independent advice from appropriate professionals. This report does not constitute an invitation, offer or recommendation for the sale or purchase of securities. Some information is sourced from third parties or measured against third party information. SA Power Networks, Enerven Energy Infrastructure Pty Ltd, ETSA Utilities Finance Pty Ltd and wholly owned subsidiaries of each of these take no responsibility for the accuracy, currency or completeness of such third-party information. SA Power Networks means the partnership of Spark Infrastructure SA (No. 1) Pty Ltd, Spark Infrastructure SA (No. 2) Pty Ltd, Spark Infrastructure SA (No. 3) Pty Ltd, CKI Utilities Development Limited and PAI Utilities Development Limited.

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Introduction to SA Power Networks

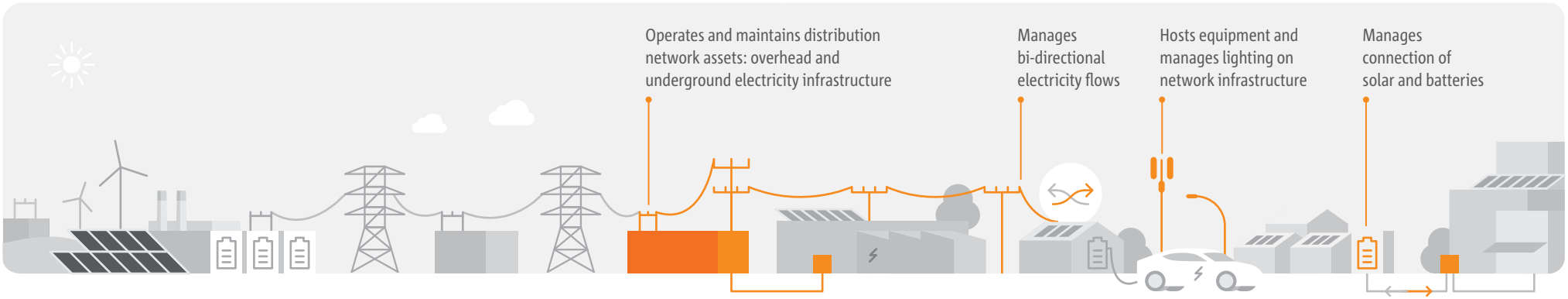
SA Power Networks Green Financing Instruments

This report provides an update to investors and lenders as at 31 December 2025, on the use of proceeds and impact of the SA Power Networks (acting through borrowing entity ETSA Utilities Finance Pty Ltd) Green Financing Instruments. This report should be read in conjunction with the *SA Power Networks Sustainable Financing Framework* and our *2025 Sustainability Report*. As at 31 December 2025, SA Power Networks had on issue four Green Financing Instruments with an aggregate principal amount of 1.03 billion (AUD equivalent). SA Power Networks has issued and/or borrowed, and may, from time to time, issue other bonds, notes or debt securities or borrowings and use their proceeds to finance or refinance Eligible Assets.

SA Power Networks Green Financing Instruments on issue as at 31 December 2025

	2024	2025
Issued	AUD 495 million	AUD 535 million
Format	Fixed Rate Notes	Fixed Rate Notes
Maturity	AUD 245 million maturing 3/6/2027 AUD 250 million maturing 3/12/2032	AUD 285 million maturing 27/3/2028 AUD 250 million maturing 27/3/2035
Optional redemption date	No more than 90 days before the maturity date	No more than 90 days before the maturity date
AUD issuance proceeds	AUD 495 million	AUD 535 million
ISIN	AU3CB0310100 AU3CB0310118	AU3CB0320075 AU3CB0320083

SA Power Networks' role in the electricity supply chain



Generation
Large-scale electricity generation and storage from South Australian wind, solar and gas, supplemented by electricity imported from the National Electricity Market

Transmission
Transport high voltage power over long distances

Distribution
Deliver electricity to and from customers

Retailer
Sends electricity bills to customers including cost of electricity services

Customer
Uses electricity to power homes and businesses, and generates electricity from consumer energy resources

SA Power Networks Overview

Primary electricity distributor in SA

Supply South Australia's **1.9 million** population

Supplying **950,000 homes and businesses**

Oldest network assets in the NEM

3,000 employees across 40+ sites

415 zone substations **77,000** transformers

Electricity distributed **9,997GWh** in 2025

3.4GW of Distributed Energy Resource capacity connected to the network

Network length around **90,000km**

Network coverage over **178,000km²**

SA Power Networks is South Australia's Distribution Network System Provider. South Australians are at the forefront of the global energy transition, leading the way in solar adoption. Our network hosts a significant share of the state's generation capacity with bi-directional electricity flows reshaping our distribution network operations. And in alignment with our vision 'Connecting South Australians to a better energy future, today', we are evolving our operating model from an asset manager to a Distribution System Operator (DSO).

Our network plays an important role in the transition to a distributed energy system. We are committed to supporting South Australia's ambition to achieve net 100% renewable electricity generation by 2027. This means SA Power Networks now also has a critical role in supporting customers to connect and export renewable energy to the grid from hundreds of thousands of consumer energy resources (CER) such as solar panels, batteries and electric vehicles. We are leveraging real-time intelligence to manage congestion on the network, and optimising energy flows. Our goal is to maximise value from our existing infrastructure by increasing overall network utilisation.

We continue to expand the network's capacity to accommodate business and community growth, and facilitate secure connections for renewable energy technologies such as solar and batteries. To do this, we partner and engage with customers, government and the private sector to invest in technology, innovation and approaches that provide significant economic and social benefits.

SA Power Networks has more than $5 billion in assets across South Australia on both public and private land. Our assets include Stobie (power) poles, overhead powerlines and underground cables substations, and street transformers. We also provide and maintain street lighting for many councils, and regional areas across South Australia.

Aligning our financial goals with our sustainability principles

In May 2026, SA Power Networks updated its Group Sustainable Financing Framework to broaden and clarify the sustainable finance instruments available to the Group. The Framework is aligned to the ICMA Green Bond Principles for Green Bonds and the APLMA/LMA/LSTA Green Loan Principles for Green Loans. It also allows SA Power Networks to consider other relevant local, national and international standards and taxonomies, including United Nations Sustainable Development Goals, the Australian Sustainable Finance Taxonomy, EU Taxonomy Technical Screening Criteria for Transmission and Distribution of Electricity and/or the Storage of Electricity and the Climate Bonds Standard and Climate Bonds Initiative Electrical Grids and Storage Criteria.

This was followed by the issuance of SA Power's third Green Bond, being the first transaction to be fully aligned with the Australian Sustainable Finance Taxonomy.



1 The Climate Bonds Initiative is an international not-for-profit organisation working to mobilise global capital for climate action.

How compliance is assessed, measured and reported

SA Power Networks assesses Eligible Green Assets against the Eligibility Criteria set out in its Sustainable Financing Framework. These criteria are designed to align with the Climate Bonds Standard Electrical Grids and Storage Criteria, the Australian Sustainable Finance Taxonomy Technical Screening Criteria for the Transmission and Distribution of Electricity and Storage of Electricity and EU Taxonomy Technical Screening Criteria for Transmission and Distribution of Electricity and Storage of Electricity.

Eligibility Criteria

"More than 67% of newly connected generation capacity in the System in which the infrastructure is located is below the generation threshold value of 100g CO2e/kWh measured on a PCF basis, over a rolling average five-year period"
Compliance with the Eligibility Criteria is reviewed at least annually using the 'NEM Generation Information' statistics produced by the Australian Energy Market Operator *https://aemo.com.au/energy-systems/electricity/national-electricity-market-nem/nem-forecasting-and-planning/forecasting-and-planning-data/generation-information*
SA Power Networks determines system eligibility for the mitigation component using the approach detailed in the Methodological Note 2 of the Climate Bond Initiative's Sector Criteria for Electrical Grids and Storage. This approach also satisfies the relevant technical screening criteria of the Australian Sustainable Finance Taxonomy and EU Taxonomy.

Environmental Safeguards

"Has the issuer fulfilled the requirement of the CBI Electrical Grids and Storage Criteria Adaptation and Resilience checklist?"
Compliance with the Adaptation and Resilience component is similarly reviewed at least annually. SA Power Networks assesses the organisation's assets, projects, operations and management processes against the requirements of the Adaptation and Resilience checklist listed in Appendix 3 of the Criteria. Compliance is reported as part of this report.

"Do the activities align with the applicable Do Not Significant Harm criteria set out in the Australian Sustainable Finance Taxonomy?"
Compliance of the activities relating to the Green Eligible Assets with the applicable Do No Significant Harm criteria set out in the Australian Sustainable Finance Taxonomy has been assessed by SA Power Networks and confirmed by external reviewer DNV Australia within the Second Party Opinion on SA Power Networks' Sustainable Financing Framework in May 2026.

"Do the activities align with the applicable Minimum Social Safeguards criteria set out in the Australian Sustainable Finance Taxonomy?"
SA Power Networks' compliance with the applicable Minimum Social Safeguards set out in the Australian Sustainable Finance Taxonomy (at an entity level), has also been confirmed by DNV within the Second Party Opinion.

Governance

SA Power Networks has a tiered governance system to oversee and manage our approach to ESG issues and actions. This involves our Board, our Sustainability Board Subcommittee, Sustainability Steering Committee, and operational personnel; and utilises existing risk management, corporate, financial, legal and procurement governance systems to ensure a high a standard of compliance. Our robust governance arrangements are designed to consider the risks and opportunities that material environmental and social matters present.

Sustainable Finance is tabled at least annually at the Sustainability Steering Committee and Sustainability Board Subcommittee to:

1 Monitor and approve the annual sustainability financing reporting, processes and publication
2 Review and recommend any proposed changes to the Sustainability Financing Framework

Confirmation Eligible Green Assets continue to meet the relevant Climate Bond Initiative criteria

Eligible Green Assets include construction, upgrade and operation of the distribution system infrastructure, which is used to transport, store or support electrical grid assets and projects. The distribution system infrastructure has more than 67% of newly connected generation capacity in the system in which the infrastructure is located is below the generation threshold value of 100g CO_2e/kWh measured on a PCF basis over a rolling average five-year period.

SA Power Networks measures the eligibility threshold at least annually using Australian Energy Market Operator (AEMO) statistics. The rolling five-year average of new generation capacity connected below the threshold of 100g CO_2e/kWh remains more than 67% of total new generation capacity connected.

Using the most adjacent available data to 31 December 2025 (compiled 30 January 2026), the current percentage is 93.3% illustrated below:

Period	< 100g CO_2e/kWh	> 100g CO_2e/kWh	Total	Percentage
2020 – 2025 average new capacity	12,600.12	900.85	13,500.97	93.3

Source: AEMO | Generation information

Methodology

The new generation capacity added data is measured over the five-year period from January 2021 to January 2026. SA Power Networks used the most adjacent data produced by AEMO (January 2026) to our reporting period (31 December 2025) and available at the time of compiling this report. As the SA Power Networks distribution network is connected to the National Electricity Market, to align with the Climate Bond Initiative's methodology, the amount of generation used in the above calculation captures the National Electricity Market, not the South Australian market alone.

Below 100g CO_2e/kWh
In determining the proportion of new generation capacity that is below 100g CO_2e/kWh, SA Power Networks follows the guidance of the Intergovernmental Panel on Climate Change (IPCC). According to the IPCC[1], certain energy generation technologies generally fall below the threshold of 100g CO_2e/kWh:

- Solar
- Wind
- Geothermal
- Hydropower

Above 100g CO_2e/kWh
SA Power Networks determines the proportion of new generation capacity that is above 100g CO_2e/kWh from all other generation capacity. Included in the above 100g CO_2e/kWh generation capacity is:

- Coal
- Combined Cycle Gas Turbine (CCGT)
- Open Cycle Gas Turbine (OCGT)
- Gas
- Biomass

Battery storage is not classified as generation capacity and it is excluded from the calculations. Rooftop Photovoltaic Solar is not recognised in the solar generation capacity data.

1 IPCC Working Group III – Mitigation of Climate Change, Annex II Metrics and Methodology – A.II.9.3 (Lifecycle greenhouse gas emissions) (PDF). Pp. 1306-1308



Allocation Reporting

SA Power Networks' Allocation Report as at 31 December 2025

Use of Proceeds Allocation Table

Eligible Green Assets Portfolio	Eligible Green Assets (AUD$m)	Green Financing Instruments	Amount of Green Financing (AUD$m)
Energy Distribution Assets	5,322	Green Financing Instruments applied to the Eligible Green Asset Pool	1,030
		Green Financing Instruments not yet applied to the Eligible Green Asset Pool	0
Total Eligible Green Assets	5,322	Total Green Financing Instruments	1,030
			Percentage (%)
Excess Eligible Green Assets			19.4
Percentage of Eligible Green Asset Portfolio Allocated to Green Financing Instruments			100
Percentage of Eligible Green Asset Portfolio Unallocated			80.6

The percentage of net proceeds allocated to Eligible Green Assets includes proceeds from all outstanding Green Financing Instruments, including Green Bonds and Green Loans. Green Financing Instruments are tracked through SA Power Networks' treasury management and Eligible Asset Register processes in accordance with the Sustainable Financing Framework.



Eligible Green Asset portfolio

	CBI Electrical Grids and Storage Criteria			
Asset or activity class	**Eligibility Criteria**	**Asset Specifics**	**Key SDGs contribution**	**Asset Book Value (AUD$m)**
Transmission and distribution	Construction, upgrade, and operation of distribution system infrastructure, which is used to transport, store or support electrical grids assets and projects which satisfy the following criteria: • The average System grid emissions factor in which the infrastructure is located below the threshold value of 100gCO_2e/kWh measured on a PCF basis, over a rolling five-year average period, or • More than 67% of newly connected generation capacity in the System in which the infrastructure is located below the generation threshold value of 100gCO_2e/kWh measured on a PCF basis, over a rolling five-year average period.	Construction, upgrade, and operation of: • Distribution assets (Stobie poles, powerlines and underground cables, street transformers and streetlights) • Infrastructure to support consumer energy resources (including residential and commercial solar and wind generation, storage batteries, Virtual Power Plants (VPP) and electric vehicles (EVs)). • Distribution System Operator capabilities • Smart metering and network management • LED lighting upgrades • Infrastructure to support energy storage solutions (such as batteries, VPPs, EVs, large embedded generators and microgrids) • Innovative tariffs • Electrification of operational fleet vehicles • Supporting infrastructure • Bushfire risk management • Network construction and maintenance • Crisis management systems • Wildlife harm mitigation initiatives • Technology development to manage power outages caused by wildlife interactions • Recycling, reuse and resource recovery systems • Circular economy opportunities • Sourcing and encouraging the use of environmentally-beneficial products and services	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	5,322

The Eligibility Criteria is aligned with the CBI Electrical Grids and Storage Criteria, the Australian Sustainable Finance Taxonomy Technical Screening Criteria for the Transmission and Distribution of Electricity and Storage of Electricity and the EU Taxonomy Technical Screening Criteria for Transmission and Distribution of Electricity and Storage of Electricity. Any supporting infrastructure must be wholly dedicated to the eligible asset. To align with the Climate Bonds sector criteria, this means that the supporting infrastructure is used exclusively for the eligible asset demonstrated to meet the Eligibility Criteria. SA Power Networks hold a Electricity Distribution Licence issued by the Essential Services Commission of South Australia (dated 11 October 1999). As Licensee, SA Power Networks must grants rights to use, or have access to, its distribution network and must make available standard terms of connection: a) to other electricity entities for the distribution of electricity by the other electricity entities; and b) to enable the other electricity entities and customers to obtain electricity from the distribution network.

Green Financing Instruments portfolio

SA Power Networks' Green Financing Instruments are issued under SA Power Networks' Sustainability Financing Framework, aligned with Climate Bond Standard and have been certified under the Criteria.

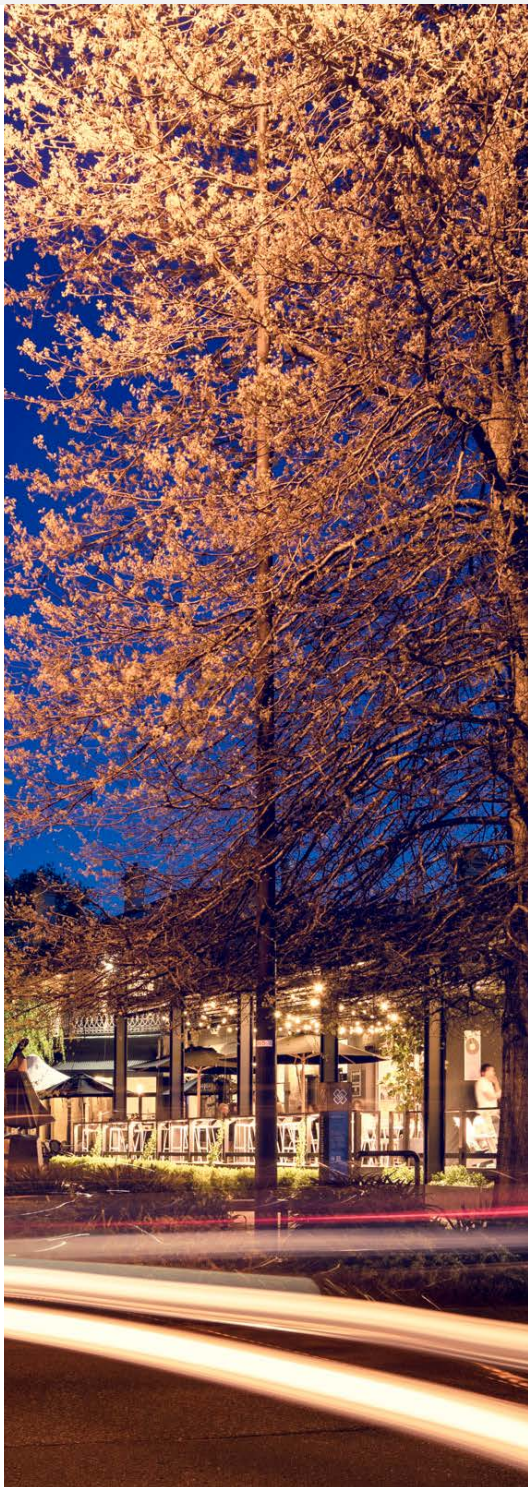
The proceeds of SA Power Networks' Green Financing instruments are applied to funding new and existing Eligible Green Assets which enable a reduction in system generation emissions and enable electrification and new renewable generation.

SA Power Networks' distribution assets enable existing highly renewable electrical generation system and new renewable generation connections, addresses climate resilience in the face of climate change risks and do not intend to compromise the climate resilience of the surrounding system.

SA Power Networks published its updated *Sustainability Financing Framework* in May 2026 following programmatic certification from the Climate Bond Initiative. Up to 31 December 2025, SA Power Networks issued four Use of Proceeds Green Financing Instruments to refinance Eligible Green Assets in the Eligible Green Assets Portfolio.

Green Financing Instruments Register as at 31 December 2025

	ISIN	Maturity Date	Currency	Currency Amount (AUD$m)	Refinancing (AUD$m)	New Financing (AUD$m)	Total Allocated Green Financing Instruments (AUD$m)
Australian Medium Term Note	AU3CB0310100	03 June 2027	AUD	245	245	0	245
Australian Medium Term Note	AU3CB0310118	03 December 2032	AUD	250	250	0	250
Australian Medium Term Note	AU3CB0320075	27 March 2028	AUD	285	285	0	285
Australian Medium Term Note	AU3CB0320083	27 March 2035	AUD	250	250	0	250
Total Green Financing Instruments							1,030



Impact Reporting

SA Power Networks is committed to supporting South Australia's pathway to net zero as South Australians continue to electrify their homes and economy. Our network plays an important role in the transition to a distributed and decarbonised energy system. In addition to managing distribution of electricity to over 950,000 homes and businesses with diverse energy needs, SA Power Networks now also has a critical role in supporting customers to connect and export renewable energy into the grid from hundreds of thousands of consumer energy resources (CER) including solar panel systems and batteries.

Our strategic efforts, sustainability initiatives and reporting are focused our material topics. We describe our vision and approach to sustainability and provide a summary of progress against goals and commitments over the year.

Our reporting follows the guidance of the Australian Sustainability Reporting Standards (ASRS), the Taskforce for Climate related Financial Disclosures (TCFD) Framework, the GRI Standards and general industry conventions.

As we support South Australia's decarbonisation journey, some of our activities may have environmental impacts. These impacts are primarily associated with the day-today operation and maintenance of the grid.

Potential impacts include waste generation, minor biodiversity disturbances from vegetation management and the maintenance of safety clearances around our assets, and occasional oil leaks from equipment. Construction, maintenance and upgrade works on lines, substations and other infrastructure can also contribute to these impacts.

Our operations generate greenhouse gas emissions, primarily through distribution line losses, energy consumption and the leakage of sulphur hexafluoride (SF_6) from switchgear. To minimise these impacts, we have established a range of operational practices including targeted programs focused on circularity, emissions reduction and continuous improvement.

Our most significant positive environmental impact is through the connection of increased renewable energy sources to our grid – by connecting residential and large-scale solar and wind generation, with batteries to provide system security services, we facilitate the reduction of energy use from conventional fossil fuel-based energy sources. Our network will enable broader decarbonisation including transport electrification and potentially other end-use applications currently powered by hydrocarbons. By enabling electrification and supporting the decarbonisation of the South Australian grid, SA Power Networks' work significantly reduces South Australia's overall greenhouse gas emissions.

2025 Impact – Selected Metrics

CBI Eligibility Criteria and Eligible Green Assets	Eligible Green Assets (AUD$m)	Eligibility for Green Financing Instruments	Newly Installed Renewable Energy Capacity in SA (MW)[2]	CER generated within SA Power Networks' boundary (MWh)[3]	Year on year reduction in total GHG emissions (%)[4,5]	Solar exported to the grid from generation assets (MWh)[4,6]	Percentage of electric vehicles in passenger fleet (%)[4,7]
Distribution infrastructure	5,322	100%	216	3,511,844	16.5%	1,399.7	42.3%

2 Source: AEMO. Excludes consumer energy resources (CER) and battery storage.
3 Source: Open Electricity. Sum of generation from rooftop solar and wind turbines directly connected the distribution network. Excludes battery storage.
4 Source: 2025 ESG Databook. The reporting boundary for Scope 1 & 2 emissions is aligned the operational control boundaries of SA Power Networks' annual National Greenhouse and Energy Reporting scheme (NGERs) report. Scope 3 GHG emissions have been calculated based on the Greenhouse Gas Protocol Scope 3 Guidance, Corporate Value Chain (Scope 3) Accounting and Reporting Standard, and the Technical Guidance for Calculating Scope 3 Emissions. Limited Assurance is provided as part of our NGERs reporting process and calendar year reporting process.
5 Metric assured (limited assurance) as part of the calendar year reporting process. Assurance opinion can be viewed in our 2025 ESG Databook.
6 Source: 2025 ESG Databook. Calculated as the difference between reference year and prior year power generated by the Kangaroo Island (back-up) power station and mobile generators.
7 Source: 2025 ESG Databook. Passenger vehicles are used by employees to commute between operational sites. Excludes vehicles used in the field. Includes plug-in hybrid vehicles (PHEV).

Impact Highlights

Emissions Reductions

In 2025, we made progress towards our Scope 1&2 GHG emissions reduction target with a 36% reduction in Scope 1 and 2 emissions and overall emissions reduction by 16.5% against our baseline. Our emissions reduction was primarily driven by a reduction in distribution line losses due to increased embedded generation on our network; highlighting the tight relationship between SA Power Networks emissions and the State's emissions reduction progress.

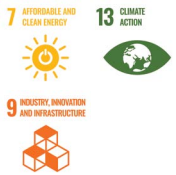
Climate-related disclosures

We published our first *ASRS AASB S2* aligned Sustainability Report climate-related disclosures for the 2025 calendar year, demonstrating our commitment to transparency on climate-related risks and opportunities. We identified our material climate related risks and opportunities and conducted scenario analysis over 3 warming scenarios and 3-time horizons. Our next steps include enhancing collaborative management of risks and increasing visibility of climate and decarbonisation scenarios in strategic decision-making.

Circular Economy

SA Power Networks is committed to our goal to become a zero-waste organisation by 2050. In 2025, we diverted over 91% of waste from landfill including 79% of waste diverted to dedicated recycling or re-use programs. This success is the result of mature recycling processes across all our sites, innovative partnerships, enhanced reporting practices, and a relentless focus on reducing waste at its source.



Environmental categories	Alignment with UN SDGs	Impacts/Actions	Spotlight	2024 Sustainability Reporting Suite reference
Renewable Energy		• Enabling more CER connections by implementing flexible exports • Community grants for solar, battery installations	SA Power Networks is implementing Flexible Exports, allowing inverters to adjust export limits based on real-time network conditions. This approach helps prevent network congestion and optimizes energy export. The adoption of dynamic operating envelopes is a significant step towards integrating CER into the grid more effectively.	**Transforming energy** DSO case study: Flexible Exports Community Impact Report
Energy Efficiency		• Energy masters pilot program • Public lighting conversion	The Energy Masters pilot lead by SA Power Networks will explore demand flexibility energy, retail offers and electrification in 500 South Australian homes. A rigorous research program will follow to understand consumer behaviour, technical and policy needs for scaling energy-smart homes across Australia. SA Power Networks manages over 90% of South Australia's public and street lighting. We work with government to proactively convert older technology to energy saving LED lights. Over 70% of the public lights managed by SA Power Networks are now LED.	**Transforming energy** DSO case study: Energy Masters **Connecting communities**
Clean Transportation		• Enabling the uptake of electric vehicles (EVs)	SA Power Networks is working with the government and private sector to empower South Australians to transition to electric transport by enabling the connection and operation of charging options that support energy security, affordability, and renewable energy.	**Transforming energy** Enabling the EV transition
Climate Change Adaptation		• Grid resilience • Climate scenario analysis	SA Power Networks delivers an ongoing program of works to maintain reliability and improve resilience, particularly in the context of increasing climate change related perils. We have commenced a phased regime of climate scenario analysis that will assess the resilience of our climate approach, further inform our planning decisions and align our climate-related disclosures with the incoming Australian Accounting Standards Board's (AASB) and International Sustainability Standards Board's (ISSB) Sustainability Standards.	**Transforming energy** Resilience and reliability
Circular economy adapted products, production technologies and processes		• 91% landfill diversion rate	End of life electrical insulators and boric acid fuses are problematic waste, with most end up in landfill. Some of the metals and other raw materials contained in these products are becoming less available globally. We worked closely with our suppliers to find a solution to ensure all types of insulators (porcelain, ceramic, glass) and boric acid fuses are recycled and diverted from landfill. The metal is extracted and the remaining components recycled or used for road base.	**Conserving the environment** Circular economy

Adaptation and Resilience

SA Power Networks' distribution network spans South Australia, connecting regional and remote communities. SA Power Networks does not own or operate high voltage lines. Substations and protection equipment connect SA Power Networks' assets to third parties.

With South Australia's rapid rate of decarbonisation and the impact of increasingly severe climate change induced weather events, we are preparing for higher demands on our infrastructure to operate in hotter, drier and more variable extreme conditions.

Eligible Green Assets	Life Span (years)
Poles including top structures	71
Over head conductors	91
Transformers (substations)	62
Transformers (line)	65
Underground cables	82
SCADA (supervisory control and data acquisition)	48



Climate-related risks & opportunities

Climate change and the transition to a lower-carbon economy affect SA Power Networks' business and value chain to varying degrees, acting as a threat multiplier across regulatory risk, access to capital, cost of inputs, and health and safety. In 2025 we identified our material climate-related risks and opportunities climate scenario analysis and assessed their potential effect on cash flows, access to finance and cost of capital across short (2030), medium (2040) and long-term (2085) horizons aligned to SA Power Networks' regulatory and strategic planning cycles.

Materiality was assessed using quantitative factors, such as financial thresholds, and qualitative factors, including likelihood of occurrence, reputational damage, regulatory scrutiny and operational disruption. SA Power Networks undertook climate scenario analysis to understand the anticipated effects of the risks and opportunities across the three-time horizons. The outputs were incorporated into our Climate-Related Risk and Opportunity Register and Corporate Risk Register. We will continue review, refine regularly and as tools and climate modelling capability improve. More information can be found in our 2025 Sustainability Report.

ID	Climate-related risk or opportunity	Materiality: Financial	Materiality: Qualitative
Physical risks			
PR1	A bushfire event caused by assets, staff or operations	•	•
PR2	Increased bushfire frequency impacting the SA Power Networks distribution network		•
PR3	Heatwaves and high temperatures affecting network operations		•
PR4	Severe wind and storms causing trees or branches to fall and damage the network		•
PR5	Flooding causing damage/outages and public safety risk		•
Transition risks			
TR1	Risks arising from consumer and technological changes occurring as part of the transition to a lower carbon economy	•	•
Opportunity			
O1	Enabling the uptake of consumer energy resources	•	•

Assumptions and limitations have been used in the modelling of current anticipated financial effects of climate-related risks and opportunities. Refer to section 2.2.2 Assumptions and limitations in anticipated financial effects modelling.

	Accelerated <1.5°C	Step change <2°C	Delayed 2–3°C
Physical scenario Source: Intergovernmental Panel on Climate Change (IPCC) and Coupled Model Intercomparison Project phase 6 (CMIP6)	*Not assessed.* *Physical scenario unlikely to present different risks/opportunities than current state.*	**SSP1-2.6** A lower emissions scenario likely to keep global temperature rise below 2°C by 2100.	**SSP2-4.5** A moderate-emissions pathway reflecting delayed or limited mitigation, likely to result in global temperature rise above 2.5°C by 2100[8].
Transition scenario Source: Australian Electricity Market Operator (AEMO) Integrated System Plan (ISP) 2024	**Green Energy Exports**[9] A scenario with very rapid and widespread transformation of the economy – driven by global demand for green energy and high investment in CER.	**Step Change** A scenario with strong industry and customer energy investments, and actions to lower emissions across Australia's economy above current levels.	*Not assessed.* *Transition scenario unlikely to present different risks/opportunities than current state.*

8 Table SPM.1, IPCC 2021: Summary for Policymakers

9 AEMO scenarios from the 2023–24 release were used. In 2025, this scenario was renamed to 'Accelerated Transition

Infrastructure and critical interdependencies

Critical interdependencies	Potential impacts from distribution infrastructure	Risk mitigation activities
The effects of supply disruption or interruption on dependent electricity users or populations	• High penetration of rooftop solar in South Australia is challenging our network's hosting capacity, with the most immediate consequence being voltage levels on the network rising above prescribed standards during times of high solar output and low demand • Reverse power flows place pressure on the capacity of the network and create challenges with maintaining stability and security of supply • Increased demand on the network due to electrification	• Enabling more renewable connections to the grid with innovative technology such as flexible exports and influencing customer demand needs • Connect and host residential and large-scale solar and wind generation owned and operated by other entities, with batteries to provide system security services • Minimum service standards agreed with regulators, monitored and reported • Collaboration with government to mandate all new solar installations in SA must have the capability for remote disconnection and reconnection • Service performance is measured and monitored including grid interruptions and grid availability and published annually
Exacerbation of Wildfires (Bushfires)	• Our infrastructure can cause and is exposed to bushfire risk potentially impacting assets and disrupting supply	• We use a comprehensive system of bushfire mitigation strategies including asset inspection and maintenance activities, fire start resistant construction techniques, vegetation clearance, fire start analysis, weather and fire risk monitoring and disconnecting electricity supply, if necessary, on high fire danger days
Relationships of the asset/project to nearby flood zones	• Our assets including the management of our assets are exposed to risks from river and costal flooding, risking disruption and supply issues	• Assesses asset locations for flood risk • Actively manages our adaptation and resilience response to local hazards including flood risks
Reduction in pollinating insects and birds	• Our assets have an impact on pollinating insects, birds and bats	• Have environmental policies and service specifications which specify requirements for managing effects on the environment and environmental compliance relating to the construction, maintenance and upgrade of infrastructure
Reduction in biodiversity or High Conservation Value habitat	• Our assets neighbour and cross conservation habitats	• Conducts approriate environmental (including flora, fauna and ecosystem) impact assessments • We have commenced work to understand the requirements of The Taskforce on Nature-related Financial Disclosures (TNFD) and prepare a roadmap to work towards adherence to the principles and disclosure requirements • Installing animal guards to protect fauna from landing on powerline assets

Critical interdependencies	Potential impacts from distribution infrastructure	Risk mitigation activities
Damage or reduction in value of neighbouring property due to boundary structures at risk of falling during storm events	• SA Power Networks' assets neighbour and cross third-party landowner properties	• We work extensively with landowners, communities and indigenous groups to build and maintain positive relationships that benefit all parties
Appropriation of land or economic assets from nearby vulnerable groups		
Fire and other practices that affect air quality	• Operations include assets that use small amounts of sulphur hexafluoride (SF_6), an insulating gas used in some equipment. • Operates backup generators on Kangaroo Island, to ensure security of supply on the island, that emit some air pollutants when running	• Actively manage fire risk from assets and maintains minimum vegetation clearance distances • Actively manage and monitor use of SF_6. • Actively monitor air pollutants and greenhouse gas emissions arising from operations and has net zero emissions reduction targets



Physical climate hazards vulnerabilities and mitigation activities

Climate Hazard	Risks	Mitigation & Control activities
Wildfire (Bushfire)	• SA Power Networks' assets starting bushfires • Bushfires damaging SA Power Networks' assets	• Network resilience strategy • Network wide vegetation management • Network inspections and maintenance using long range drones, light aircrafts and on ground teams to prioritise and manage vegetation encroachment • Real-time monitoring of fire danger weather and risks for operations • Regular maintenance of high-risk assets • Emergency response and fault restoration management • Work with other emergency management and first responder agencies
Increased severe weather (heatwaves, wind & lightning)	• Increased bushfire risk • Strong winds damaging infrastructure • Lightning strikes to infrastructure	
Temperature rise	• Additional stress on aging assets • Increased demand on electricity usage • Personnel working in fatiguing conditions	• Comprehensive asset management system, including asset inspection, maintenance, monitoring and replacement • Non-network solutions such as flexible load connections and demand-side management strategies to alleviate stress on the network during peak periods • Programs to reduce consumption during peak periods • Diversify supply by incorporating storage solutions • Worker health and safety policies and procedures



Further Information

For further information on SA Power Networks' approach to sustainability, information can be found:

SA Power Networks sustainability webpage
https://www.sapowernetworks.com.au/about-us/sustainability/

2025 Sustainability Report
https://www.sapowernetworks.com.au/public/download/?id=336311

2025 ESG Impact Report
https://www.sapowernetworks.com.au/public/download/?id=336294

2025 ESG databook
https://www.sapowernetworks.com.au/public/download/?id=336317

Contact us
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ICMA Harmonised Framework for Impact Reporting June 2024 Handbook
https://www.icmagroup.org/assets/documents/Sustainable-finance/2024-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2024.pdf
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