Victoria Power Networks

# Environmental, Social and Governance Report

2025

# Acknowledgement of Country

Victoria Power Networks (VPN) acknowledges and respects the Traditional Owners as the original Custodians of the lands and waters our networks cover; lands First Peoples have occupied for tens of thousands of years.

VPN pays our respects to Elders past and present and acknowledge their ancient and continuing connection to Country.

# Contents



**About this report**

We are pleased to present Victoria Power Networks' 2025 Environmental, Social and Governance (ESG) Report. This report outlines our material topics, the actions we are taking to address them and our performance against the targets committed to in our Sustainability Framework 2022-2026. The framework outlines four focus areas: safe and equitable workplaces, environmental and climate resilience, empowering communities and responsible governance.

This Report has been prepared for users to describe our environmental, social and governance approach and performance, and is separate from the climate-related financial disclosures titled the "Mandatory Sustainability Report", which are prepared for users in accordance with Australian Sustainability Reporting Standard ASRS S2 and Part 2M of the Corporations Act 2001.

The reporting boundary of our sustainability performance includes all operations in our control between 1 January 2025 and 31 December 2025, unless otherwise noted. All financial data is presented in Australian dollars, unless otherwise noted. Reference to 'VPN', 'the company', 'us, 'we' and 'our' are to Victoria Power Networks Pty Ltd.

We prepared this report for all stakeholders with an interest in our business, in line with global standards for disclosures on an annual basis. We welcome feedback and invite enquiries to be sent to community@powercor.com.au.

**About CitiPower and Powercor's Reflect Reconciliation Action Plan artwork**

The Aboriginal artwork used with our Acknowledgement of Country has been created by Ky-ya Nicholson Ward, a proud Wurundjeri, Dja Dja Wurrung, Ngurai illum Wurrung, German and Irish woman based in Naarm (Melbourne). Ky-ya created CitiPower and Powercor's Reflect Reconciliation artwork and owns Djirringu Art.

# Leadership message

**Tim Rourke**
Chief Executive Officer

**Peter Tulloch**
Chairman

## Welcome to Victoria Power Network's 2025 Environmental, Social and Governance (ESG) Report.

We are pleased to showcase this year's strong results against the targets set out in our 2022-2026 Sustainability Framework.

These achievements come as electrification accelerates across our communities.

Data centres are emerging at pace, while homes and businesses are electrifying and customer-owned technologies such as rooftop solar and batteries continue to grow. Together, these shifts are changing how energy is produced and used and are creating new opportunities and challenges for our networks.

Instead of simply delivering power one way through the network, we are now managing energy that moves in multiple directions. This is driving our shift from a traditional 'poles and wires business' to a Distribution System Operator (DSO), making sure customer energy is shared safely, reliably and affordably.

Our people are leading this transition and we are proud to highlight their impact in this report.

In 2025, we marked a significant milestone with the establishment of our first Sustainable Financing Framework. Prepared with our banking partners, the framework connects our broader sustainability strategy and commitments to our future financing requirements and capital strategy. We used the framework to issue our inaugural green bond and were pleased to receive the 2025 KangaNews Awards for both Australian Green/Sustainability Bond Deal of the Year and Australian Sustainability Issuer of the Year.

Our cross-functional teams also prepared our first Mandatory Sustainability Report, meeting the Australian Accounting Standards Board’s S2 requirements for climate-related disclosures. This report marks an important step in enhancing our businesses transparency and accountability in line with global best practice.

In addition to these achievements, we have continued to embrace technology to make our networks safer and more reliable. In 2025, we made breakthroughs in the way we utilise artificial intelligence and drone technology to increase the efficiency of our field teams.

Our efforts to build a strong, diverse workforce are also delivering results, with VPN's 2025 annual Employee Opinion Survey showing very high levels of satisfaction on engagement, wellbeing, mental health and inclusion metrics.

While we celebrate these successes, we recognise there is more to be done. 2026 marks the final year of our 2022-2026 Sustainability Framework, so we will be able to evaluate our achievements over the five years as we map our priorities for the years ahead.

We appreciate your interest in this report and look forward to keeping you informed about our ESG focus areas and achievements.

**Tim Rourke**
Chief Executive Officer

**Peter Tulloch**
Chairman

# About Victoria Power Networks

Victoria Power Networks is the consolidating parent of the group of companies that own and operate two regulated electricity distribution networks and offer unregulated energy solutions to customers.

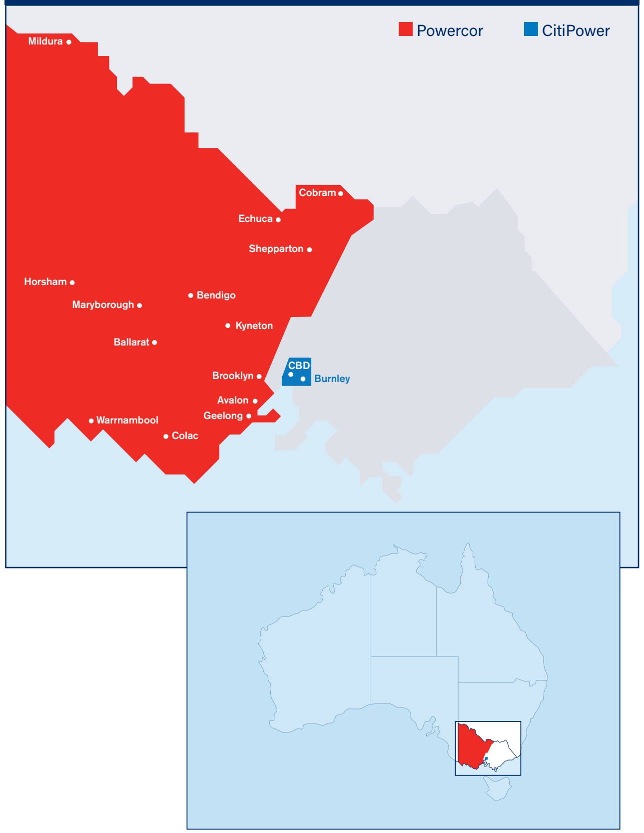
Our teams are located across Melbourne and Western Victoria, with 14 depots accommodating field-based teams and a corporate head office in Melbourne.

**CitiPower** – the distribution network for Melbourne's central business district and inner suburbs which boasts the highest customer density in Australia. In the National Electricity Market, CitiPower is the most productive electricity network in the National Electricity Market and is the second lowest cost electricity network for residential customers.

**Powercor** – the distribution network for regional and rural communities in western and central Victoria and Melbourne's outer western suburbs. The diversity of this region ranges from some of the fastest growing urban communities in Victoria, to sparsely populated agricultural districts and some of the state's most prospective areas for renewable energy generation. Powercor is the leading rural distribution network in the country based on both low costs to customers and expenditure efficiency.

**Energy Solutions (trading as Beon)** – a leader in the development of large-scale renewable energy generation, electricity transmission infrastructure and assets. Beon works across Australia and expanded operations into New Zealand in 2024.

## Distribution network regions and business locations




## Key facts

### CitiPower and Powercor

| | |
|---|---|
| Number of employees: | 2,224 |
| Number of customers: | 1.28 million* |
| Total area serviced: | 145,808 km²* |
| Length of distribution network: | 82,575 km* |
| Number of poles in network: | 679,605* |
| Power distributed: | 17,344 GWh** |

### Beon

| | |
|---|---|
| Number of employees: | 174 |
| Total renewable capacity constructed: | 1.53 GW |

* Figures as at June 2025

** July 2024 – June 2025

# Our vision and values

Our corporate strategy is anchored in a vision to deliver an affordable, reliable and safe electricity supply, while also empowering customer choices and delivering for communities and the environment.

This vision has evolved as our businesses and the role of our networks in the energy supply chain, have transformed. With customers at the centre of what we do, we balance our traditional role providing reliable electricity with our efforts to enable a clean energy future.

Five strategic drivers form the basis of our corporate planning:

- **Delivering customer outcomes:** continually improving our service standards and resources to enable customer choice and make it easy to work with us
- **Improving stakeholder engagement:** listening and responding to the needs of all customers and stakeholders, so we can deliver solutions that support communities and economic growth
- **Optimising regulatory outcomes:** designing financial plans in collaboration with operational teams to balance the expectations of regulators, shareholders, customers and stakeholders
- **Driving operational excellence:** efficiently operating and maintaining our network to ensure high standards of reliability and safety, in cost-effective ways
- **Building a network for the future:** evolving and adapting our infrastructure and services to enable emerging technologies, while remaining competitive in the local market.

In working to achieve business objectives, our teams are united under a commitment to five key values that define the behaviours that ensure our high-performance culture. They are:

- live safely
- be the best you can be
- succeed together
- improve our business
- be customer and community minded.

Each year we reward those whose performance is an outstanding demonstration of our values through our Living our Values Awards (LOVA) recognising individuals and teams.

The alignment of our strategic drivers and values with our Sustainability Framework is evident in many of the outstanding achievements recognised under the LOVA program.

# Our approach to sustainability

Our *Sustainability Framework 2022-2026* outlines four focus areas. They are based on internal strategic priorities and the perspectives of external stakeholders, which are revealed through a range of engagement activities.

### Safe and equitable workplaces

Prioritising the health, safety and wellbeing of our people and the communities in which we operate.

### Environmental and climate resilience

Proactively reducing the environmental impact of our business while also building network resilience to the effects of climate change.

### Empowering communities

Enabling customer choices for generating, storing, using and selling energy to support the transition to a clean energy future.

### Responsible governance

Sustaining our disciplined, risk-based approach to managing sustainability as part of our corporate governance and regulatory systems.

The implementation of the framework is led by our Head of Health, Safety and Sustainability in collaboration with executives from across the business, through the VPN Environmental, Social and Governance (ESG) Steering Committee up to the Board of Directors (refer to Sustainability management and governance on page 38).

The alignment of actions under the framework with the business strategy is further embedding sustainability into our core business activities. Similarly, the material issues and committed metrics defined by our framework are directly relevant to identified business risks and established policies. This process enables sustainability related risks to be identified, assessed, monitored, managed and reported.

# Materiality assessment

Material issues first identified in 2021 were reassessed through our annual review process, which tracks changes in existing topics and identifies new issues of high relevance to stakeholders and our business.

For the 2025 review, we considered inputs including:

- global priorities from the **2025 UN Climate Conference** and the **2024 Climate Change Performance Index**, reinforcing the urgency of climate action
- changes in ESG related legislation including **Australia's mandatory climate-related disclosure regime**, the setting of Australia's **2035 emissions reduction target** and the **Federal environment law review**
- updates to international ESG standards and frameworks such as **ISSB**, **GRI**, **TNFD**
- the release of the **Australian Sustainable Finance Taxonomy**
- insights from stakeholder consultations informing the **2026–31 Regulatory Reset**, alongside government engagement on energy transition and resilience
- investor and stakeholder engagement and queries.

Key trends identified included:

- continued focus on climate action and resilience planning
- broader emphasis on social dimensions including just transition
- stronger lifecycle perspective, spanning responsible supply chains, Scope 3 emissions and circular economy
- growing investment in sustainability aligned positive financial outcomes and sustainable finance
- increased attention to nature and biodiversity
- heightened demand for transparency and robust reporting, alongside managing greenwashing and "greenhushing" risks.

Each trend was mapped against our existing material topics, which remain consistent with 2024. Outcomes were presented to the ESG Committee for review.

## Looking ahead

As our Sustainability Framework approaches its 2026 expiry, we have initiated a comprehensive ESG review and broad stakeholder engagement to ensure alignment with evolving expectations and regulatory requirements. Updates are regularly provided to the ESG Committee.

### Table 1. Summary of material issues assessment

| Focus area | Relevant Sustainable Development Goals | Scale of importance to VPN and stakeholders | | |
|---|---|---|---|---|
| | | **Material** | **Highly material** | **Increasingly material** |
| Safe and equitable work places | 5, 8 | • Workplace diversity, equity and inclusion | • Workplace safety<br>• Health and wellbeing | |
| Environmental and climate resilience | 7, 9, 11, 13 | | • Environmental protection and resource conservation | • Network resilience<br>• Climate change |
| Empowering communities | 7, 9, 11 | | • Public safety<br>• Enabling customer energy choices<br>• Electrification and innovation<br>• Energy equity<br>• Respecting First Peoples | |
| Responsible governance | 16 | • Sustainability management and governance<br>• Responsible supply chain<br>• Workplace behaviour and employee conduct | | • Financial, risk and corporate governance<br>• Cyber, privacy and data security |

# Safe and equitable workplaces

'Live Safely' is a core value that is reflected in everything we do. We strive to eliminate high consequence incidents and near misses that could result in serious injuries or fatalities.

VPN continues to build a workplace that is diverse, equitable and inclusive. We value our people by helping them reach their full potential in an inclusive environment, where people feel valued, trusted, authentic and has high levels of psychological safety. Our Diversity, Equity and Inclusion strategy includes a focus on gender diversity, First Peoples engagement, cultural diversity, LGBTIQA+ inclusion and education and advocacy for people with neurodiversity and disability.

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

## Material issues

### Workplace safety:

The safety of our people is our highest priority.

### Health and wellbeing:

The health and wellbeing of our employees, including their mental health, is important to their satisfaction and a key factor in their safety.

### Workplace diversity, equity and inclusion:

We are committed to a work environment where all our people feel valued, trusted, authentic and have high levels of psychological safety.

## Progress against targets

✓ Delivered in 2025 → In progress ✗ Off track to meet 2026 target

*2025 Employee Opinion Survey

### Fatalities

**0**

**occurrences** ✓

2026 Target: 0

### Females in employment

**22%**

**employed** ✗

2026 Target: 25%

### Wellbeing and mental health

**85%**

**satisfied** ✓

2026 Target: 75% satisfied

### Significant (high potential) incidents

**0**

**occurrences** ✓

2026 Target: 0

### Females in management roles

**24%**

**employed** ✓

2026 Target: 22%

### Inclusion and Diversity Index Outcomes*

**85%**

**favourable** ✓

2026 Target: 75% favourable

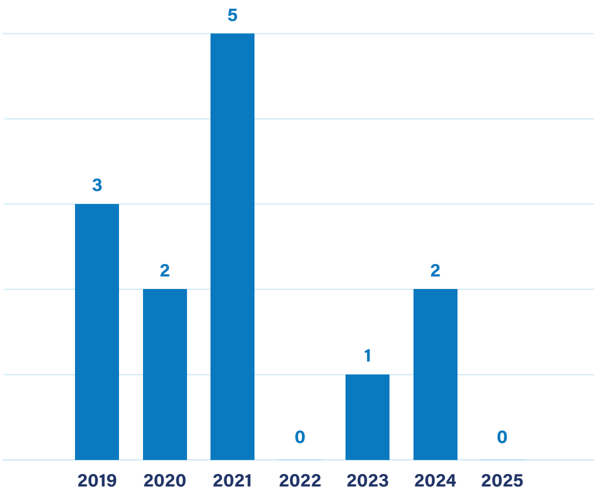
# Workplace safety

Our people work in challenging conditions. Live electricity infrastructure, inclement weather and high-pressure environments have the potential to create hazardous situations, so we take steps to prioritise safety every day.

If a safety incident occurs, we have systems in place to mitigate the chances of it happening again. We use a classification framework to rank any safety incident or near miss on its potential to cause harm, not just the actual impact. Our safety management focuses on eliminating significant incidents that have the potential to cause permanent disability or death by implementing robust controls for high-risk activities, whilst also learning from lower classified events. This year there were no non-conformances raised during the surveillance audits of our ISO certified Health, Safety and Environmental Management System.

We are pleased to confirm that no serious incidents (classified as Level 4 or 5) occurred during 2025, as defined in the Sustainability Metrics Definitions section of this report.

Graph 1. Significant (high potential) incidents 2019-2025 (Number of incidents)




Throughout the year, we initiated several programs to strengthen safety and reduce risks to our people:

- completing a review of our high-risk controls to clarify the steps our people can take to avoid serious injuries and fatalities in their day-to-day work
- hosting “toolbox talks” at all 14 CitiPower and Powercor depots to improve the ways in which we manage risks when undertaking work on live low voltage assets
- communicating key safety topics over the five-week high-risk period (October-November) including fall from heights, reverse polarity, pole failure, electric shock and connection errors. These sessions reinforced critical controls and shared lessons learned from past events
- rolling-out construction leadership training to enhance leadership capability and safety performance in high-risk operational activities
- finalising new and simplified field procedures for managing drop zones and works involving risk of arc flash after consultation with relevant field teams
- delivering Incident Cause Analysis Method (ICAM) training to team members and contractors to build incident investigation capability
- hosting a HSE Contractor Forum with over 70 attendees from contracting partners, featuring a mock court session led by a barrister and discussions on heavy vehicle obligations and regulatory engagement.

# Health and wellbeing

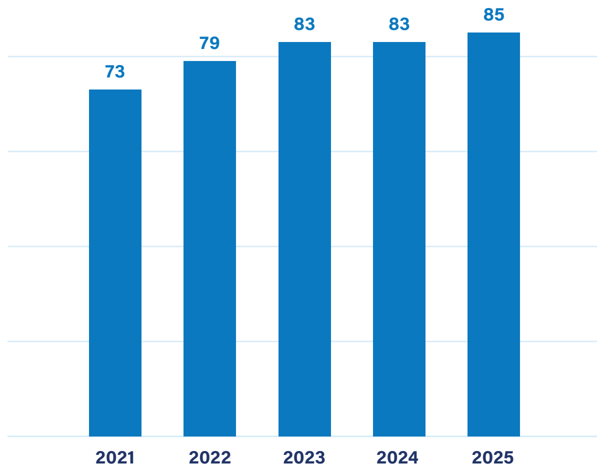
We strive to create an environment that supports the mental, physical and emotional health of our people.


This year, we expanded our wellbeing program with a range of initiatives designed to promote healthy lifestyles and resilience:

- nutrition and hydration programs with practical tips, including hands-on sessions for protein-rich overnight oats and healthy travel alternatives
- mindfulness hub launched as an online resource for all employees
- preventative health checks including free flu vaccinations and skin checks
- enhanced Employee Assistance Program with specialist helplines for diverse needs: First Peoples, LGBTIQA+, family violence, aged care, disability, carers, youth, and spiritual support
- four-week movement challenge motivating teams to log steps and workouts on a virtual solar system journey
- expanded wellbeing subsidy offering rebates for meditation, swimming, and self-care apps
- sleep health workshops delivered by a psychologist on how nutrition, pain, aging and medication affect sleep.

The initiatives were well received through our annual Employee Opinion Survey (EOS), reporting 85 per cent positive feedback, which is an increase of two percentage points from 2024.

Graph 2. Employee satisfaction re wellbeing and mental health (Employee Opinion Survey) 2021-2025 (%)




In preparation for the *Occupational Health and Safety (Psychological Health) Regulations 2025*, we engaged a consultant to analyse records and identify psychosocial risk profiles as well as working with leaders across all business units to review existing controls. We also strengthened governance by introducing the Cintellate psychosocial reporting tool and have commenced reviewing potential safety metrics to measure performance. This work will conclude in 2026 and guide future priorities.

# Workplace diversity, equity and inclusion

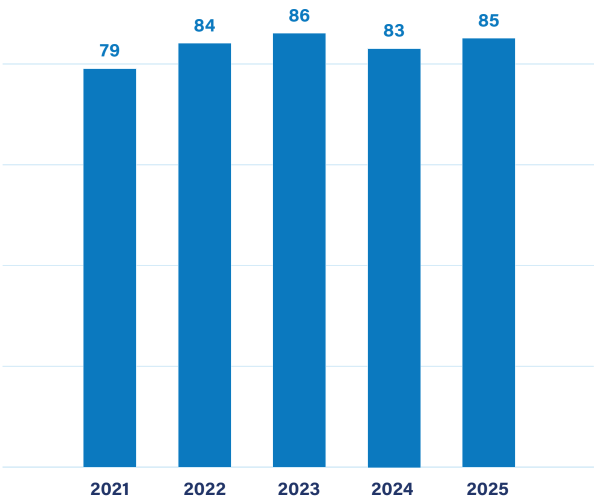
We strive to create a working environment that is respectful and allows all team members to feel safe, valued and part of a team. Encouraging everybody to bring their unique experience, ability and culture to their work is an asset for our business and the communities we serve.

We outline our commitment to provide a workplace that supports individual differences in our Diversity, Equity and Inclusion Policy, which explains the responsibilities of senior team members.

This year, we launched a new Diversity, Equity and Inclusion (DEI) Strategy for 2025-26. The refreshed strategy continues to prioritise First Peoples engagement, gender diversity, inclusion, alongside an expanded focus on neurodiversity and disability. The strategy's emphasis on equity recognises that people start from different places and some may need tailored support to have an equal opportunity to contribute and strive for their goals.

This year, engagement with VPN's EOS remained high with an 89 per cent participation rate. Respondents reported 85 per cent satisfaction for the Inclusion and Diversity index, which represented an increase of two percentage points against VPN's 2024 results. This remains well above our target of 75 per cent.

Graph 3. Employee Opinion Survey Inclusion and Diversity Index 2021-2025 (%)




## 2025 Employee Opinion Survey key findings

- 88% of people believe the business encourages and promotes diversity of backgrounds, talents and perspectives
- 85% of people feel empowered to make decisions that enable them to do their job effectively
- 90% of people feel their work group treats each other with fairness, respect and consideration

We celebrated the diversity of our people through a busy calendar of cultural events. This included Lunar New Year festivities and Eid Mubarak, Diwali and Christmas.

To promote acceptance, inclusion and equality, we participated in Neurodiversity Week, World Autism Awareness Day and Global Accessibility Awareness Day. These events help to raise awareness of the things that make people unique and recognise the different ways that people contribute to our shared goals.

## Gender equality

We established the Women in Power network in 2017 as part of a commitment to create a workplace where men and women receive equal respect and opportunity. The initiative strives to build a strong, supportive culture that empowers women, fosters professional growth and engages allies of all genders.

This year, the network launched the Women's Mentoring Program to foster connection, growth and support career paths of women. We also hosted a skill builder series, with sessions on managing change, the energy transition, artificial intelligence and automation and Powercor's new transmission licence.

Recognising that women have unique health needs, we continued the successful women's health series. This year, sessions focused on menopause, hormonal health and nutrition.

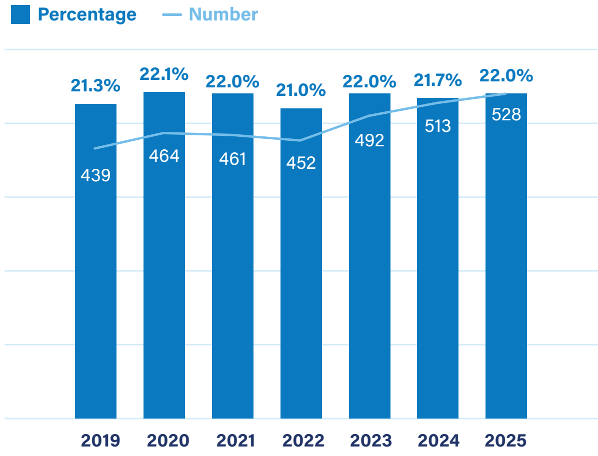
Our people also took part in the family domestic violence '16 Days of Activism' campaign to raise funds for the Safe Steps Family Violence Response Centre. During the 16 days, our Women in Power network invited our people to join a webinar delivered with crisis service Safe Steps and participate in the Walk Against Family Violence.

We were proud to be recognised for our efforts to improve the representation of women in our business. Beon, CitiPower and Powercor received an award at Work180's International Women's Day ceremony for our achievements in Employee Voice and Employee Resource Groups.

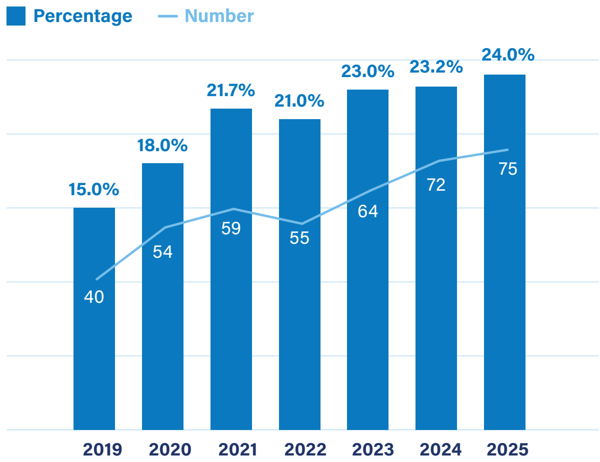
Female applications for our Powercor apprenticeship program grew by nearly 25 per cent in 2025, with four new female apprentices joining the team. This supported a continued growth in the number of women employed in trade roles, which reached 22 in 2025 (from zero in 2016).

These initiatives are supporting an increase in the number of women employed across the business. Although we have increased the employment of women from 439 in 2019, to 528 in 2025, these gains have been offset by the increase in the size of the (majority male) field workforce.

Graph 4. Females in employment 2019–2025 (%, No.)




Graph 5. Females in management roles 2019–2025 (%, No.)




CASE STUDY

## Young Ballarat women try a trade

Powercor is always looking for new ways to encourage young women to join our field teams.

This year, we continued our partnership with social enterprise Empowered Women in Trades to support a ‘try a trade’ day at Loreto College in Ballarat.

The event welcomed more than 150 female, gender diverse and non-binary students to gain experience with tools, personal protective equipment and trade tasks under the watchful eye of our local depot team.

We share Empowered Women in Trades’ ambition to promote gender equality and increase female participation in skilled trades and are pleased to provide opportunities for students across our networks to hear from our inspiring team members.

These ‘try a trade’ events provide a practical way to help young women build confidence and consider a future career on the tools.

## LGBTIQA+ inclusion

VPN celebrates the diversity of its people by fostering an inclusive workplace. Now in its fourth year, the Pride network, Sparkle, led a program of education and networking activities throughout 2025.

This included participation in the annual Midsumma Pride March. The event marked the second year of the Energised with Pride industry alliance, bringing together industry colleagues and 7,400 participants in support of the LGBTIQA+ community.

Emergency response vehicle VERA supported the contingent, receiving cheers from onlookers as it followed the group and provided much needed water, shade and a meeting hub.

In May, the International Day Against Homophobia, Biphobia and Transphobia (IDAHOBIT) was recognised by hosting drag bingo at the Market Street headquarters. Participants dressed to the ‘sparkle’ theme and raised funds for Minus18, a charity working to improve the lives of LGBTIQA+ young people.

## First Peoples engagement

Following the launch of CitiPower and Powercor's first Reconciliation Action Plan (RAP) in 2024, we have been working to create opportunities for First Peoples through procurement, employment and skills development programs. These initiatives aim to address historical inequities and support our commitment to closing the gap.

This included the rollout of Cultural Awareness training to strengthen understanding of First Peoples' cultures, histories, ceremonies and lived experiences. We also launched a workshop to support our teams to deliver Acknowledgements of Country at events they host.

In 2025, Beon launched its second Innovate RAP covering the period of July 2025 to July 2027.

The RAP commits to make a positive impact in the areas where Beon operates and build strong, respectful relationships with Aboriginal and Torres Strait Islander peoples.

During National Reconciliation Week, our Executive Management Team attended Stan Grant's keynote address in Melbourne and received a guided tour of the Bunjilaka Aboriginal Cultural Centre at Melbourne Museum.

These initiatives support our ongoing commitment to reconciliation, cultural awareness and the creation of equitable career pathways in the energy sector.

CASE STUDY

### Inspiring the next generation of electrical workers

To mark National Close the Gap Day in March, we hosted a delegation of staff and students from the Clontarf Foundation.

The Clontarf Foundation was established in 2000 to improve education, discipline, and employment prospects for young Aboriginal and Torres Strait Islander men.

Participants from Ballarat and Warrnambool were invited to our Brooklyn depot, where they were shown how we do underground work and had an opportunity to undertake fun tasks wearing protective gloves.

Our team showcased the diverse career opportunities available within the energy industry and strived to inspire the attendees to apply for Powercor's pre-apprenticeship program.

# Environmental and climate resilience

Our businesses manage extensive infrastructure, both above and below ground, which is exposed to the effects of climate change. Forecasts for increasingly extreme weather conditions are influencing our approach to asset management, maintenance and construction.

At the same time, we recognise our responsibility to protect the environment for future generations and reduce carbon emissions in line with state and national targets. We achieve this in three ways – by supporting the increase of renewable energy generated and distributed; by reducing the direct and indirect carbon emissions from our business operations; and by executing an internationally certified environmental management system that governs our activities.


## Material issues

### Network resilience:

We design, maintain and manage our networks to maximise their resilience to the effects of climate change and to sustain high levels of supply reliability for our customers.

### Climate change:

We are committed to reducing carbon emissions to actively contribute to achieving net zero emissions targets.

### Environmental protection and resource conservation:

We are conscious of our environmental footprint and therefore manage and where possible, reduce our impact on the natural environment.

# Progress against targets

✓ Delivered in 2025 → In progress ✗ Off track to meet 2026 target

## Carbon emissions

Reduce direct and indirect carbon emissions, including distribution line losses (based on 2019 baseline).

**32%**

**reduction to 0.817mt $CO_2$-e** ✓

2026 Target: 30% reduction on 2019 baseline of 1.2mt $CO_2$-e

## Climate resilience and reliability

Outperform targets for average minutes off supply per customer for unplanned outages – System Average Interruption Duration Index (SAIDI)

### Powercor

**122.4**

**minutes off supply** ✓

2026 Target: 124.0 minutes

### CitiPower

**23.1**

**minutes off supply** ✓

2026 Target: 24.7 minutes

## Environmental protection and resource conservation

ISO14001 Environmental Management System

**Certified** ✓

2026 Target: Certified

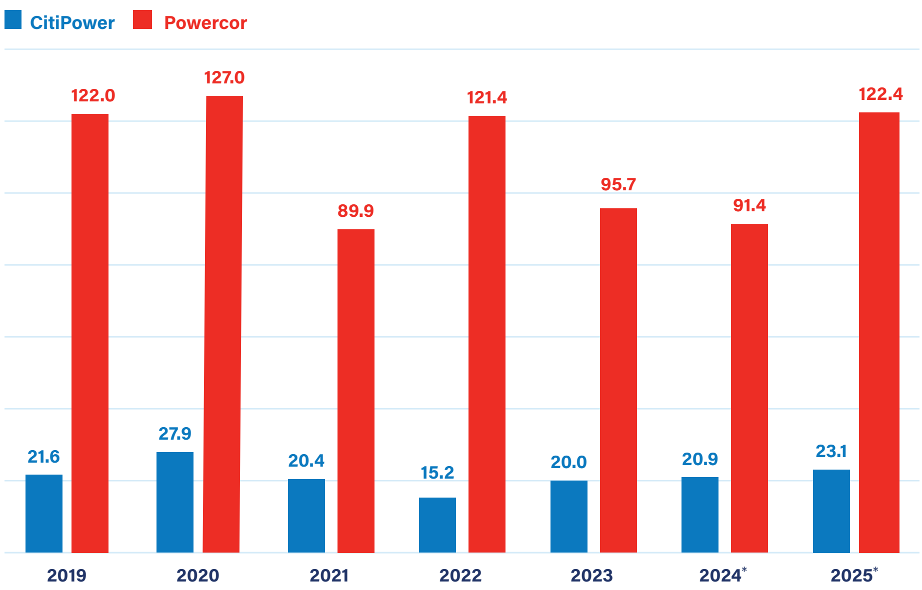
## Network resilience

CitiPower and Powercor customers were without power due to unplanned outages for 23.1 minutes and 122.4 minutes respectively for the period 1 July 2024 to 30 June 2025. This was below the regulated target of 24.7 and 124.0 minutes.

This strong performance continues a five-year run exceeding our targets. This has been achieved through an active focus on reliability, proactive identification of risks and the deployment of industry-leading technology.

The reliability gains demonstrate the value of the investments we have made to improve the performance of our networks.

Graph 6. CitiPower and Powercor reliability index (SAIDI) 2019–2025 (minutes)




*In 2024, the reporting period for this metric changed from January – December to July – June to align with our Regulatory Information Orders submission to the Australian Energy Regulator.

Our people and systems were tested by three major weather events in 2025. In early February, approximately 200,000 customers (93,000 sustained outages) lost supply following storms and lightning across western and northern Victoria. In late August, strong winds caused outages for around 69,000 customers (38,000 sustained outages) in the same regions. In late October, storms including a tornado at Hoppers Crossing in Melbourne's west resulted in power loss for approximately 105,000 customers (45,000 sustained outages).

For each of these events, our teams responded quickly to keep impacted communities safe with more than 99 per cent of customers restored within 24 hours.

In August, our teams undertook Exercise Firestone, a cross-agency activity designed to test our emergency preparedness and resilience. The scenario simulated catastrophic bushfires followed by storms and was based on data from fires in the Grampians and Beaufort areas the previous summer. The exercise brought together representatives from the State Emergency Service (SES), Country Fire Authority (CFA), Forest Fire Management Victoria and the Department of Energy, Environment and Climate Action (DEECA).

# Climate change

Our focus on managing climate change impacts and improving carbon emissions reporting continued throughout 2025. As a Group 1 entity under the new *Corporations Act* climate-disclosure requirements, we worked to meet these additional obligations. Our Mandatory Sustainability Report will be submitted to the Australian Securities and Investments Commission alongside our financial accounts in early 2026.

The report outlines how we have addressed the AASB 2 climate-related requirements:

- **Governance** – how the business has embedded climate oversight into board and executive governance structures
- **Strategy** – how the business has assessed climate-related risks and opportunities and integrated them into long-term planning
- **Risks and opportunities** – how the business has identified, measured and managed climate-related risks
- **Metrics and targets** – how the business has measured climate-related metrics (such as greenhouse gas emissions) and set targets.

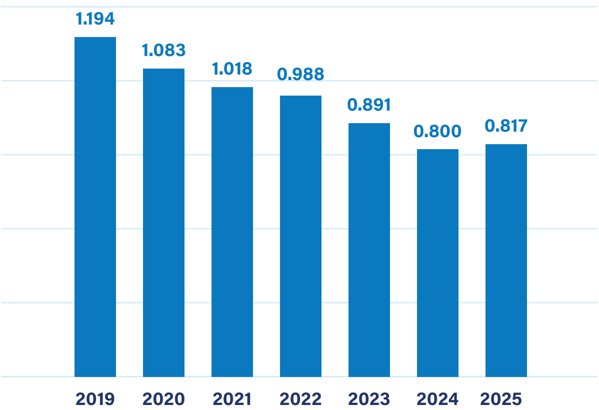
## Scope 1 & 2 carbon emissions

In compliance with the *National Greenhouse and Energy Reporting (NGER) Act*, VPN submits an annual Energy and Emissions Report to the Clean Energy Regulator. The NGER framework requires organisations to report Scope 1 and Scope 2 greenhouse gas (GHG) emissions for their Australian operations.

For the 2024/2025 NGER submission, VPN engaged RSM Australia to conduct a Reasonable Assurance audit. It was pleasing that the audit was successfully completed with no findings or recommendations for improvement.

In 2025, Scope 1 and 2 emissions were marginally higher than the previous year but remained 32 per cent below 2019 baseline levels, exceeding our 2030 target of a 30 per cent reduction.

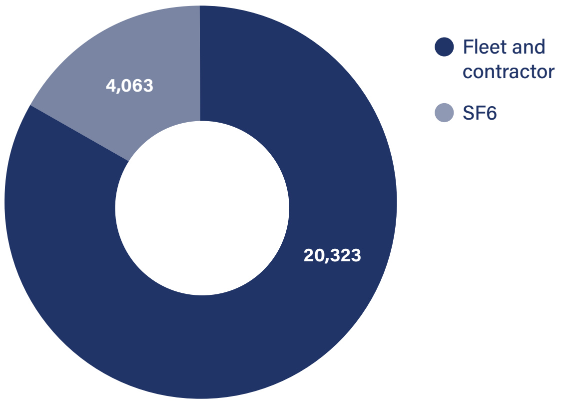
Graph 7. Scope 1 and Scope 2 carbon emissions 2019–2025 (mt $CO_2$-e)



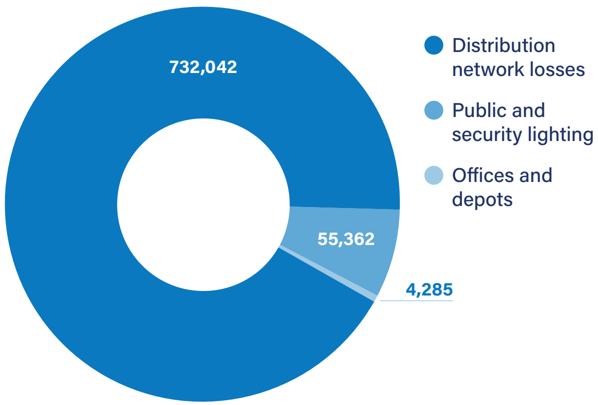

Scope 1 emissions account for 3 per cent of NGER emissions and primarily include fuel use for fleet and contractor vehicles, mobile plant generators and Sulphur Hexafluoride (SF6), which serves as an insulator in electrical infrastructure. Our fleet fuel use increased slightly in 2025, due to works completed.

Scope 2 emissions make up the remaining 97 per cent, largely due to energy losses across the distribution network. These losses occur as electricity travels through the network and are influenced by the electricity generation mix, distribution voltage, the quantity of electricity distributed, the distance between generation sources and customers and climatic conditions like air temperature. Whilst the electricity moving through our networks was cleaner in 2025 than in 2024, an increase in total electricity consumption resulted in a slight net increase in distribution network losses. This was partly offset by a six per cent reduction in emissions from public and security lighting in 2025.

Graph 8. Scope 1 carbon emissions by source 2025 (t $CO_2$-e)




Graph 9. Scope 2 carbon emissions by source 2025 (t $CO_2$-e)



VPN is supporting the increase in renewables by:

- connecting thousands of rooftop solar systems and enabling export to the network. Rooftop solar now supplies 11 per cent of Victoria's electricity (up from 9 per cent last year)
- supporting large-scale renewable projects through our distribution network
- expanding into transmission with Powercor's new licence, enabling even bigger renewable connections.

Other activities to further reduce our carbon footprint include:

- purchasing an additional 21 hybrid vehicles, bringing the fleet size across CitiPower and Powercor to 51 (in addition to the existing six fully electric vehicles and eight plant items)
- development and trialling of electric cable hauling equipment with a supplier (Redmund Gary)
- collaboration continues with heavy fleet provider Isuzu on the development and design of electric trucks with a capacity greater than 11 tonnes, as well as a hydrogen-fuelled prototype.

CASE STUDY

## Quorn Park Solar Hybrid project

Quorn Park Solar Hybrid project is a 210 GWh/year solar and 40 MWh/year battery storage project, located on Wiradjuri Country in Parkes, New South Wales. With a focus on sustainability, Beon installed a hybrid power system (HPS), which uses a combination of solar panels, batteries and back-up generator, delivered under contract for our client, Potentia Energy. The point of difference on this project, is that the system runs entirely on energy generated from the 'golden row', the first few rows of installed solar panels. This is now powering the complete site compound facility, including office spaces, toilet blocks, break and meeting rooms. It is estimated that we are saving approximately 6,000 litres of diesel per month by using this system.

## Scope 3 carbon emissions

VPN continues to share its Scope 3 carbon emissions inventory, reinforcing our commitment to comprehensive and transparent emissions reporting. In 2025, Scope 3 emissions totalled 209kt $CO_2$-e (excluding customer electricity), with Limited Assurance provided by RSM Australia. Our reporting aligns with the Greenhouse Gas Protocol (GHG) for categories assessed to be material – categories 1-7. There was an 11 per cent increase in reported Scope 3 emissions in comparison to 2024 which is driven by continued growth in Purchased Goods and Services, and Capital Goods. These two categories contribute to 72 per cent of our emissions, remaining the largest sources within our Scope 3 inventory.

To deepen understanding, VPN surveyed a cross-sectional sample of 11 suppliers, responsible for contributing 13 per cent towards the largest emission sources within categories 1 and 2. The survey assessed sustainability maturity, including policies, emissions reporting, reduction targets, and engagement with their own suppliers.

The survey found that:

- 54% have sustainability or ESG policies
- 27% collect emissions data
- 36% set reduction targets
- 18% engage their supply chain on emissions

By collecting these insights, VPN can work with suppliers to grow sustainability knowledge, as well as investigate collaborative opportunities to support improved emissions outcomes.

In 2025, VPN's carbon model was refreshed, with the inclusion of Scope 3 emissions. Modelling indicated that Scope 3 emissions will grow significantly and become the largest scope by 2035, driven by continued business growth due to electrification and connection of new renewable energy sources.

Looking ahead, VPN will expand reporting to all 15 GHG protocol categories, conduct additional supplier surveys, and seek Limited Assurance on the full Scope 3 inventory in line with Australian Sustainability Reporting Standards (ASRS).

Table 2. Scope 3 carbon emissions by GHG Protocol category 2025 (t $CO_2$-e)

| GHG Protocol category | Carbon emissions (t $CO_2$-e) |
|---|---:|
| 1. Purchased goods and services | 81,720 |
| 2. Capital goods | 68,080 |
| 3. Fuel and energy related activities | 51,332 |
| 4. Upstream transportation and distribution | 1,137 |
| 5. Waste generated in operations | 3,364 |
| 6. Business travel | 2,154 |
| 7. Employee commuting | 1,283 |

# Environmental protection and resource conservation

We are committed to minimising our environmental impact and conserving resources through our management system and targeted initiatives. Our operations are guided by an ISO 14001-accredited Environmental Management System, driving continuous improvement.

## Oil-filled assets

CitiPower and Powercor manage over 90,000 oil-filled transformers, which face risks of oil leaks due to vehicle collisions, extreme weather, vandalism, or asset failures. To address these risks and minimise environmental harm, in 2025 we:

- upgraded 23 stormwater protection systems across our zone substations
- refurbished three zone substation transformers which were either leaking or at risk of leaking
- replaced over 120 distribution assets which were either leaking or at risk of leaking
- upgraded our Bendigo depot to reduce the risk of leaks from oil drums reaching stormwater
- engaged a specialist contractor on a long-term contract to undertake clean-up activities where required.

CASE STUDY

### Transformer refurbishment project

Under this program, damaged transformers are collected, assessed, and either refurbished for reuse or dismantled for metal recycling.

By the end of September 2025, 99 transformers had been refurbished and returned to service, significantly reducing material waste and costs.

## Waste management

During 2025, we continued to strengthen our approach to waste management through several key initiatives aimed at improving data accuracy, promoting responsible disposal practices, and reducing waste across operations.

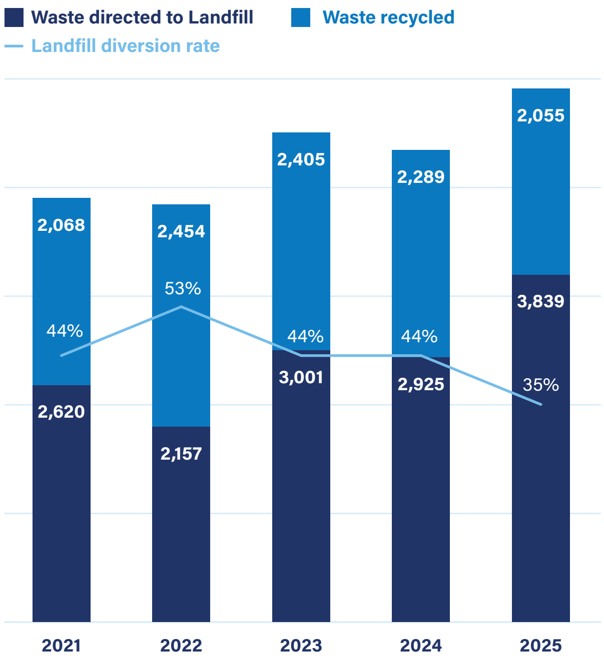
During 2025, we:

- ran an initiative where our employees donated over 100 kg of office clothing to Fitted for Work on the UN International Day of Zero Waste, supporting women returning to the workforce and creating social impact alongside waste reduction
- continued awareness campaigns via quarterly intranet articles and depot posters, reinforcing correct disposal behaviours
- promoted the "Too Good To Go" App to reduce food waste by connecting users with surplus food from local businesses at discounted prices
- enhanced waste data collection through the Cintellate platform, enabling contractors to submit data directly and regularly, improving accuracy, verification, and reporting quality for greater visibility into waste practices.

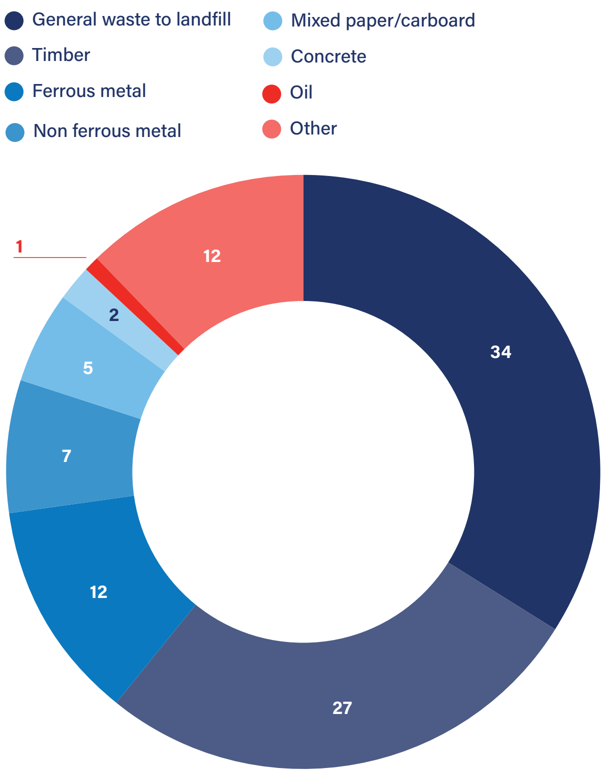
Additionally, as part of our commitment to resource efficiency and waste reduction, we continued existing recycling and refurbishment programs across our operations.

General waste to landfill and timber together account for more than half of all the waste we generate. In 2025, our total waste increased by 13 per cent compared to 2024. This rise was largely due to higher volumes of general waste and scrap metal from Beon solar projects, much of which went to landfill. As a result, our landfill diversion rate decreased.

Graph 10. Waste generation data 2021-2025 (tonnes, %)




Graph 11. Waste composition (%)




## Biodiversity

Many of our assets are located in roadside corridors, which often contain some of the last remaining remnant vegetation in Victoria. We recognise our activities can affect these areas and take this responsibility seriously. To minimise impacts, our projects undergo a review to assess whether designs can be modified to reduce vegetation disturbance.

In addition to delivery of new works, we complete more than 40,000 maintenance tasks and 75,000 vegetation clearance works across our networks every year. In 2025, we introduced several improvements to strengthen management of these activities:

- Mapped assets against key environmental datasets to identify sensitive areas and improve works planning
- Upgraded IT systems so crews in mapped areas receive notifications about environmental issues and required constraints
- Enhanced field controls for work in protected vegetation areas
- Delivered training to over 1,400 field employees and contractors on managing protected vegetation
- Updated and implemented improved audit processes.

## Cultural heritage

Improving the way we work to protect and preserve cultural heritage impacted by our activities is a commitment of our CitiPower and Powercor Reconciliation Action Plan.
In 2025, we:

- enhanced our processes so that cultural heritage assessments are triggered for new small customer connections
- delivered 12 heritage awareness training sessions for employees and contractors
- mapped assets against key cultural heritage datasets to identify sensitive areas and improve planning for maintenance works
- led over 40 cultural heritage inductions for project field teams.

We also continued both formal and informal engagement with First Peoples' groups across the state, including Registered Aboriginal Parties, First Peoples – State Relations and the Victorian Aboriginal Heritage Council.

CASE STUDY

## Safer skies for flying friends

Powerlines can be a hazard for native wildlife. They are hard to see from the sky, particularly at dawn and dusk, which can be dangerous for birds and bats.

Our skilled field crews are trained to perform high wire rescues but saw an opportunity to prevent collisions occurring in the first place.

They have begun trialling highly visible spinning devices called Rotamarkas to help birds and bats see powerlines and stay a safe distance away. The simple visual aids have delivered big benefits in parts of the network with large bat colonies, and this year we commenced rolling these out in locations where bird strikes have been reported.

In 2025, our team pioneered a new technique for installing Rotamarkas using drones. This approach is faster and more cost effective than previous methods and allows the visual aids to be fitted to powerlines that span waterways.

# Empowering communities

Customers and community are at the core of what we do. To best understand their needs, we continually improve our stakeholder engagement and embed the findings in our operations. This work is supported by our people being active in the communities where we live and work; from the city to regional and remote towns.

We undertake stakeholder engagement across a range of our essential work. This includes major projects, asset maintenance, new energy solutions, regular customer experience interaction surveys, as well as our extensive regulatory processes.

Our engagement seeks to listen to the needs, interests and preferences of stakeholders to support better decision making by our businesses. This relates to project planning, product and service development and customer communication.

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

## Material issues

### Public safety:

We protect the safety of the public from risk associated with the performance of our assets or when exposed to our operations within built environments.

### Enabling customer energy choices:

We enable choices in new technologies to help customers to manage their energy, whilst also providing information so they can make the most of their investments.

### Electrification and innovation:

We invest in innovation to enable greater electrification of our communities and integration of distributed energy resources.

### Energy equity:

We understand that different forms of vulnerability can affect our customers' abilities to participate in the energy transition, receive equal reliability and quality of supplies, or address energy cost pressures.

### Respect for First Peoples:

We acknowledge, honour and respect the rich histories, cultures and rights of Australia's First Peoples. We are committed to creating and maintaining respectful, meaningful and mutually beneficial relationships with First Peoples across our networks.

# Progress against targets

✓ Delivered in 2025 → In progress ✗ Off track to meet 2026 target

## Renewable generation capacity

Total installed capacity of renewable energy generation on our networks.

**3.15 GW**

**installed capacity** ✗

2026 Target: 4.0GW

## Energy literacy

Customer participation in energy literacy programs.

**160,381**

**customers participated** ✓

2026 Target: 2,000 per annum

## Innovation funding

Value of network and technology investments in innovation: $25.7 million over 5 years.

**$36.1 million**

**invested** ✓

2026 Target: $25.7 million (over 5 years)

# Public safety

As network operators, CitiPower and Powercor are responsible for delivering a safe, reliable supply of electricity to the communities we serve. We apply technology and robust processes to maintain our network assets, manage vegetation and mitigate the risk of bushfires.

Much of our work takes place in populated areas, so we work closely with stakeholders to protect the community and minimise disruption. In 2025, we supported the delivery of more than 350 field projects with stakeholder engagement activities.

We prioritise community safety when extreme weather events occur. This year, our teams responded to storms and extreme winds during February, August and October. On each occasion, we provided information to impacted customers and power supplies were restored quickly.

We know that timely and accurate information is critical to allow people to make decisions to meet their individual circumstances during emergencies. To support our customers, we focus on delivering the right message, at the right time, through the right channel. One example is our SMS notifications, which are sent (on average) within six minutes of a power outage.

In 2025, we delivered the second year of our summer preparation campaign, which supports communities to prepare for heatwaves, storms and winds. The advertisements ran on social media, television and radio, providing important information to help people, “Be Safe. Be Smart. Be Ready."

We also continued to raise awareness of the importance of powerline safety through the “Don’t take a chance" campaign, which emphasised the importance of not taking risks around powerlines.

CASE STUDY

## New tools help to keep farmers safe

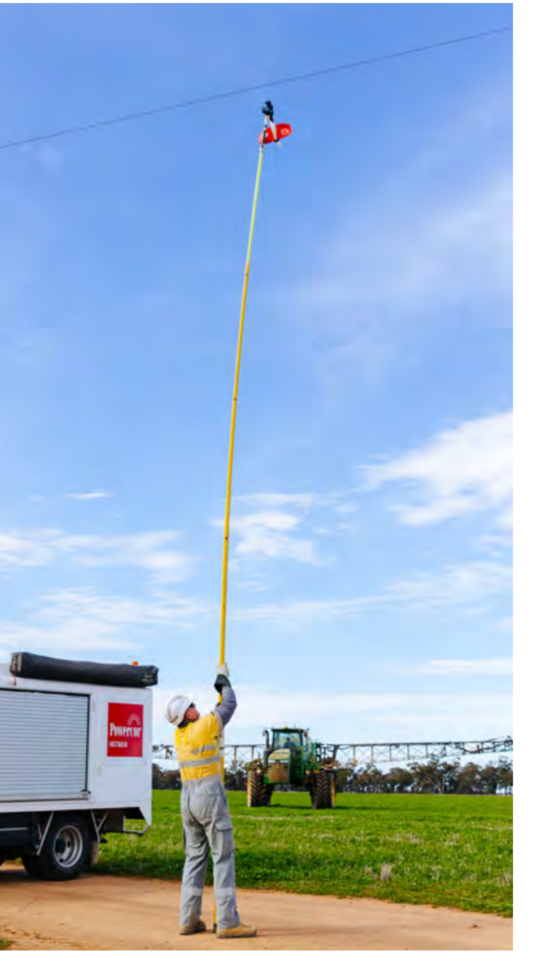
Operating heavy machinery around powerlines can be dangerous. This is a particular issue on farms across the Powercor network.

A large part of the challenge is that powerlines are hard to see. To tackle this problem, we have worked with Balmoral Engineering to deploy their Rotamarka technology across our networks.

The simple devices are attached to powerlines to provide a visual warning. They can be seen from any angle and rotate in even low winds, using reflectors and contrasting colours to provide the most visibility in a wide range of conditions.

Until now, our teams have installed Rotamarkas using elevated work platforms and other traditional methods. But in November, we began trialling the use of drones to install the devices, with the aim of making the process faster, more flexible and more cost effective.

We have promoted the initiative through our partnership with the Victorian Farmers Federation and will continue to deploy Rotamarkas throughout 2026.



### Bushfire prevention

Powercor provides electricity to communities in some of the highest bushfire risk areas in Victoria. Approximately half our infrastructure is within Hazardous Bushfire Risk areas, as identified by the CFA Fire Hazard Mapping Project.

We develop bushfire prevention systems to manage these risks, which are reported within our Bushfire Mitigation Plan that is approved by Energy Safe Victoria.

Cutting trees that grow near powerlines is an important part of the plan. This year, our helicopter fleet completed the full-year inspection program ahead of schedule, including additional pre-summer inspections in the highest fire risk areas. As part of this work, trees were cut away from more than 53,000 powerline spans in high bushfire risk and other rural areas across the Powercor network.

The potential for bushfires to arise from our assets is ranked as our highest risk in our Enterprise Risk Management Register, due to the catastrophic impacts these events can have on people and communities. Therefore, proactive work to reduce fire risks is a major focus of our attention, resources and investment.

## Enabling customer energy choices

Victoria's energy landscape is undergoing rapid transformation as CitiPower and Powercor accelerate our shift to become an active Distributed System Operator (DSO). Enabled by advanced smart technologies, we will be taking on a more dynamic role in managing energy flows and coordinating how customers interact with the electricity grid and the broader energy market. This evolution is designed to unlock greater value for customers and maintain a safe and reliable electricity network.

This is taking place alongside changes to the way energy is generated and consumed. Victorians are electrifying their homes, adopting rooftop solar and installing battery storage systems, resulting in a growing share of our customers' energy now coming from distributed sources.

We are committed to empowering our customers to take control of their energy needs. By facilitating the installation of rooftop solar, supporting home and vehicle electrification and helping reduce costs and emissions, we are enabling meaningful change.

Our plans for the next five-year regulatory period have been shaped by extensive customer consultation, ensuring our proposal allows more customers to install solar, batteries, electrify their homes and conveniently charge electric vehicles (EVs) at home. Importantly, we have also prioritised measures to ensure regional and rural customers can fully participate in the energy transition.

As we undertake this work, the total capacity of renewable energy installed on our networks continues to grow.

Graph 12. Total installed capacity of renewable energy generation on our networks 2019-2025 (GW)

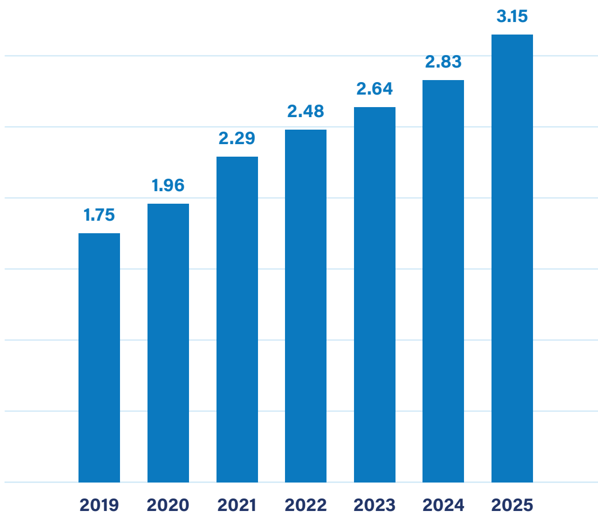



Table 3. Total installed capacity of renewables on our networks 2025 (MW)

| | CitiPower | Powercor | Combined |
|---|---|---|---|
| **Generation type** | **MW** | **MW** | **MW** |
| Residential Solar | 105.9 | 1102.9 | 1208.8 |
| Non-Residential Solar | 47 | 442.8 | 489.8 |
| Large-scale Solar | 5.5 | 849.4 | 854.9 |
| Large-scale Wind | 0 | 593.2 | 593.2 |
| Hydro | 0 | 12 | 12 |
| TOTAL | **158.4** | **3000.3** | **3158.7** |

CASE STUDY

## The giant spinning machine that's strengthening the grid

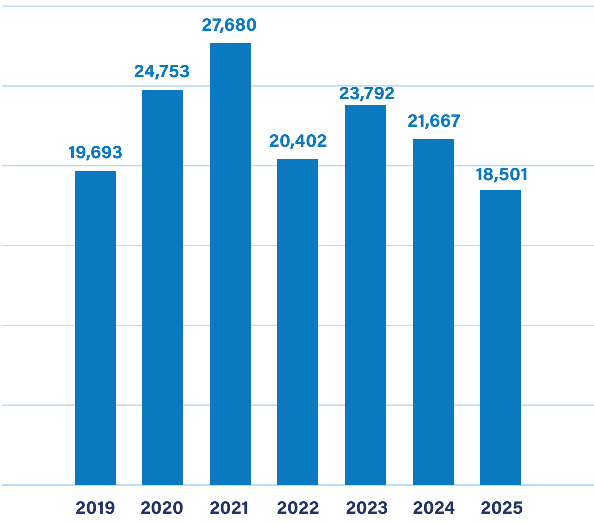
Something remarkable is taking shape in a non-descript Ararat shed: Beon Energy Services has constructed a 'synchronous condenser', a giant spinning machine that will help to modernise Victoria's electricity system and integrate more renewable energy into the grid.

The 150-tonne flywheel-like 'SynCon' is being installed in the heart of western Victoria's renewable energy zone. Once commissioned in 2026, the device will help to maintain stable voltage and ultimately allow more wind and solar to be connected.

The SynCon is situated at the Ararat terminal station and is the largest of its kind in Australia. The machine has been sourced from Austrian technology group Andritz and is so large it had to be shipped in three massive boxes.

We continue to support residential customers to install rooftop solar, with 18,501 new connections in 2025. The reduction from 2024 reflects a new customer connection process requiring testing before alterations can be completed, as well as a 22 per cent decline in installation volumes across Victoria, NSW and SA.

Graph 13. New residential solar connections 2019-2025 (Number of connections)




Home battery installations reached record levels in 2025, fuelled by the federal government's new rebate scheme.

Customers that do not have solar or other behind-the-meter devices can also benefit from the popularity of these technologies. Simple, low-cost tariffs allow all energy users to enjoy abundant power during the day when solar generation is high, and we provide support to install efficient electric appliances to reduce bills.

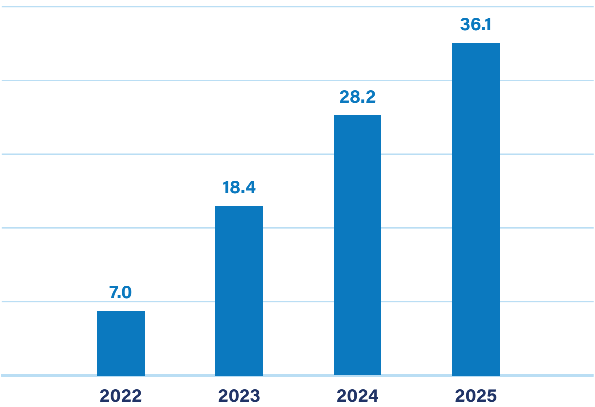
We are also supporting more customers to connect rooftop solar with the installation of a community battery at Maldon in the Macedon Ranges. The battery soaks up excess daytime generation from local solar homes for use in the evening peak demand period. The local community has been invited to participate in important decisions throughout the project, including the battery's artwork. The successful design was created by Dja Dja Wurrung artist Daikota Nelson, who created a concept that reflects Maldon's culture, community and connection to Country.

# Electrification and innovation

We are making significant investments in technology and innovation to meet our expanding role as a DSO.

These investments are helping to meet the rapid growth in demand for power as households and businesses electrify their energy use with modern, efficient and cost-effective technologies. As the scale of this transformation grows, enabled by government policy support and direction, we are upgrading our networks to maintain safe and reliable power supplies for all energy users.

Graph 14. Investment in technology (per baseline*) 2022-2025 ($m)




*the $4.0m baseline was set using 2019 data

Throughout 2025, we continued to develop new systems to meet our customers' changing needs and prepare for an electrified future.

This including development of our Low Voltage Distributed Energy Resource Management System (LV DERMS), which allows us today to remotely manage generation and exports from customers' rooftop solar installations during emergency events. The system was launched in late-2024 and has become the largest and fastest growing deployment of centralised residential solar export management in the world.

We completed our Flexible Exports Trial, which invited 100 eligible customers to replace low, fixed solar export limits with a new dynamic system. This successful trial has allowed participants to export more of their excess solar generation. We will utilise our LV DERMS system, with new capability, to deliver the staged roll out of flexible exports to our customers from 2026.

The popularity of home battery storage is poised to be complimented by a predicted growth of vehicle-to-grid (V2G) connections. The technology is made possible by bidirectional electric vehicle chargers becoming available in the Australian market, which allow EV batteries to power a home or send energy to the grid. We were pleased to launch resources supporting solar installers to connect vehicle-to-grid electric vehicle chargers, with our process described as being 'as simple as a household battery connection.'

As Australia moves towards a target of 82 per cent renewable electricity in the NEM by 2030, Beon is playing a key role in the delivery of new large-scale generation and storage projects. This included the massive Broadsound Solar Farm in Central Queensland. The 610,000 solar panels installed will provide 180MW/360MWh of capacity when commissioned, which is enough to power 25,000 homes.

CASE STUDY

## Supporting electric vehicle uptake with pole-mounted chargers

CitiPower and Powercor are installing pole-mounted electric vehicle chargers after the Australian Energy Regulator approved our plan for an innovative trial.

The chargers are being attached to power poles in areas with high rates of EV uptake and low levels of off-street parking. Limited access to affordable, reliable and easily available charging is a key barrier to EV uptake.

Our innovative operating model sees CitiPower and Powercor install, own and maintain the pole-mounted chargers, which are operated by E-mobility service providers (EMSPs) that manage billing and customer relationships.

The first-of-kind model aims to give EV drivers more choice and lower prices by allowing multiple EMSPs to compete for their business at every charging point.

The trial is launching as EV uptake surges in Victoria, with many owners living in urban areas where there is little off-street parking. The trial will prioritise these locations where we know people want to switch to an EV but can't charge them at home.

The trial will also look to install chargers in parts of the electricity network with large numbers of rooftop solar installations to soak up surplus power in the middle of the day.

# Energy equity

Powercor supplies energy to some of the most remote parts of Victoria. We understand the importance of reliable, stable and safe power supplies for people that live in regional and rural areas.

We spoke to customers across these parts of our network as we developed our plan for the 2026-31 regulatory period. They told us that they face different challenges to people living in urban areas and worry that they could be left behind as the energy transition advances.

Our proposal for the next five years sets out to improve energy supplies to regional and rural customers. This includes measures to reduce supply interruptions, improve power quality and improve access to electrification and other behind-the-meter opportunities including solar exports and electric vehicle charging.

As we prepare to implement our plans for the next five-year regulatory period, we are pleased to deliver our proposed community-scale microgrids for Ballan, Trentham and Lancefield. The standalone power systems will be backed up by battery storage and can 'island' the towns to keep the lights on in the event of a major power outage.

## Energy literacy

We have continued to expand our energy literacy programs so that all customers can access the information they need.

These initiatives aim to empower energy users with resources to manage their energy use, reduce bills and access important safety information.

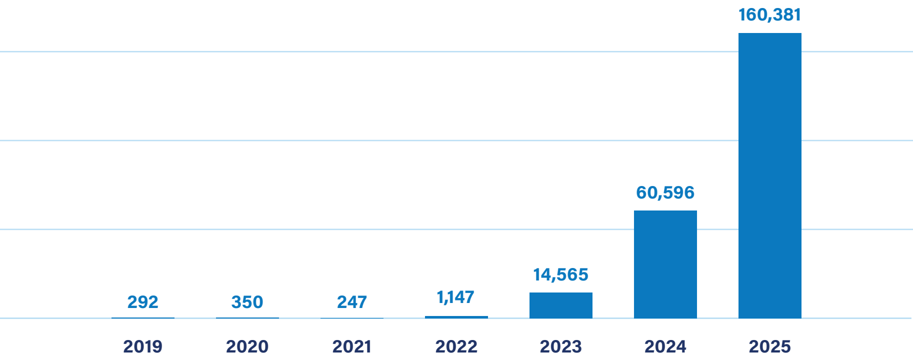
This is particularly vital for people that don't speak English as a first language or rely on electricity supplies for their health and wellbeing.

To meet the needs of these customers, we delivered information in more of the languages that are spoken across the communities we serve. We now translate important information into Simplified Chinese, Traditional Chinese, Vietnamese, Thai, Arabic and Hazaragi.

We have promoted our campaigns with advertising on SBS Radio and through the Multicultural Premium Network.

In 2025, we also refreshed the materials we provide to customers that rely on electricity for life support technologies. This included updates to our website and brochures to provide practical tips for vulnerable customers to prepare for a power outage and register to receive additional support.

Graph 15. Customer participation in energy literacy programs 2019-2025 (Number of engagements)




# Respect for First Peoples

CitiPower and Powercor have made progress on a range of initiatives to strengthen cultural capability and meet the commitments set out in the Reconciliation Action Plan we launched in 2024.

All depots have completed initial Cultural Safety workshops, several Cultural Awareness sessions have been delivered at head office, and our First Peoples online induction module has been completed by over 350 employees.

We are committed to creating opportunities for First Peoples in the energy industry but recognise there are financial barriers to undertaking the required study. For the second year, we delivered our First Peoples pre-apprentice scholarship program, which provides personal protective equipment, tailored training and grants of up to $2,000, to assist with costs while completing a Pre-Apprenticeship Certificate II in Electrotechnology. The scholarship was launched in 2024 to help with day-to-day expenses, including tools, clothing, rent and childcare. We will welcome two people who completed the program into the business in 2026.

We were pleased to meet with First Peoples communities across our networks through a range of engagements across the year. This included a weekend of community, culture and connection at the Victorian Aboriginal Community Services Association (VACSAL) Statewide Basketball Classic on Latji Latji country (Mildura) in March. We also attended VACSAL's Football and Netball Carnival on Bunurong Country (Cranbourne) in October. In addition, our customer and connection teams have been assisting with providing tailored options and considerations for energy upgrades and connections for a range of Aboriginal Community Controlled Organisations, Registered Aboriginal Parties and Traditional Owner Corporations.

These events provided an opportunity to have conversations about how to prepare for power outages and save money on bills, and we also showed off MERV, our Mobile Emergency Response Vehicle.

# Responsible governance

We have developed a tiered governance system to oversee and manage our approach to Environmental, Social and Governance (ESG) issues and actions. This involves our Board, executive, senior management and operational teams and utilises existing risk management, finance and procurement governance systems to ensure a high standard of compliance.

## Material issues

**Sustainability management and governance:**

We provide effective governance of the sustainability strategy and delivery at the highest levels within the organisation.

**Financial, risk and corporate governance:**

We maintain high standards of governance to monitor compliance with financial, legal and other obligations which enable us to meet the expectations of our stakeholders in line with our policies and values.

**Workplace behaviour and employee conduct:**

Employees act with integrity, treat each other with dignity and respect and uphold our values.

**Cyber, privacy and data security:**

We proactively work to protect our network operational systems, company and consumer data and digital systems from cyber threats.

**Responsible supply chain:**

Effectively managing environmental and social risks within our supply chain by enforcing appropriate procurement policies.

## Progress against targets

✓ Delivered in 2025 → In progress ✗ Off track to meet 2026 target

### Board and ESG Committee oversight of risk and compliance framework

**6**

**Board meetings**

**4**

**Board ESG Committee meetings**

✓

2026 Target: 5 Board meetings, 4 Board ESG Committee meetings held annually

### Holding our employees accountable for our values and Code of Conduct

**Completed**

**annual performance management process**

✓

2026 Target: Annual performance management process

### Number of critical cyber security breaches on our networks' operational technologies

**0**

**cyber breaches**

✓

2026 Target: 0 Cyber breaches

# Sustainability management and governance

The **Board of Directors** is responsible for corporate governance and strategic direction for VPN, including our sustainability performance. The Board works with executives and senior management to manage risk, optimise business performance and maintain high standards of ethical behaviour and legal compliance. It holds responsibility for incorporating relevant sustainability and ESG matters into the company's purpose, governance, strategy, decision-making processes, risk management and accountability reporting. The board met five times during 2025.

The **Board Environmental, Social and Governance Committee** plays a pivotal role in supporting the Board to fulfil its duties and responsibilities. This involves overseeing the company's sustainability and climate strategy and maintaining the effectiveness of policies, procedures and objectives which underpin this strategy. It reports to the Board on both progress and any recommended updates to our approach. The Committee met four times during 2025.

The **Environmental, Social and Governance Steering Committee**, chaired by the General Manager of People, Culture and Legal, incorporates key members of the Executive Management Team tasked with managing the sustainability program. They are responsible for assuming primary ownership and accountability for the sustainability program, approving the sustainability strategy, materiality assessments, objectives and targets and the publication of public reports. Additionally, they oversee the sustainability program's progress against set targets and allocate the necessary resources for its effective implementation. The Committee is informed periodically by an internal dashboard which tracks and reports progress against our sustainability commitments and targets. The Committee met three times during 2025.

The **Environmental, Social and Governance Working Group**, chaired by the Head of Health, Safety and Sustainability, includes representatives from customer, human resources, finance and corporate services. The group collaborates to provide input on materiality assessments, set priorities and propose objectives and targets. Additionally, the group integrates feedback from external stakeholders on sustainability issues, defines and implements sustainability initiatives and provides the necessary data to fulfil both internal and external reporting obligations. The Working Group met four times in 2025.

## Financial, risk and corporate governance

Business risks, including those related to sustainability, are assessed, managed and reported in accordance with our Enterprise Risk Management Framework and overseen by the Board Risk Management and Compliance Committee. Our Framework is based on ISO31000:2018 Risk Management – Guidelines and outlines the objectives and process for consistent identification and management of risks across the entire organisation. This enables centralised visibility and management of the company's strategic priorities, finances and operations.

Our climate-related risks and opportunities register is aligned to our Enterprise Risk Management Framework and material climate-related risks and opportunities are reported through to our VPN ESG Steering Committee and ESG Committee. The Risk and Resilience team, in partnership with our business risk champions, seek to ensure that ESG risks are identified and reviewed as part of our risk profiling process. The business is supported so that projects, initiatives and key business activities include adequate consideration of ESG-related objectives, risks and opportunities.

Additionally, our business has been deemed 'Critical Infrastructure' under Commonwealth legislation (*Security of Critical Infrastructure Act 2018*), which aims to strengthen the security and resilience of Australia's critical infrastructure by improving risk management practices and information exchange between industry and government. During 2025, in accordance with legislative requirements, CitiPower and Powercor submitted our annual reports to the Department of Home Affairs.

The Victorian Department of Energy, Environment & Climate Action (DEECA) has also declared our electricity distribution network as 'Vital Critical Infrastructure' under Part 7A of the *Emergency Management Act 2013*. This places obligations upon us to ensure appropriate risk management practices are in place to maintain the resilience of our electricity distribution network. Statements of Assurance for each distribution network are submitted annually to DEECA to attest our compliance with our obligations under Part 7A of the *Emergency Management Act 2013*. Information is also provided to reflect the status of the management of emergency risks, planned actions and activities for the coming year and the assurance program.

## Workplace behaviour and employee conduct

We recognise the importance of acting fairly and responsibly and demonstrating integrity and honesty. We have no risk appetite for fraud and other deliberate breaches of financial controls.

Our Fraud and Corruption Policy commits VPN to maintaining an anti-fraud culture in the organisation and outlines the business's approach to preventing, detecting and investigating any suspected instances of fraud. This includes structural elements relating to fraud management and the associated control framework, as well as operational elements concerning responsibilities and required procedures. (Note: The use of the term 'fraud' includes bribery and corruption.)

Our Employee Code of Conduct describes the behaviours expected by our employees in alignment with our values.

The conduct of all employees is assessed against our five values as part of their annual performance review process.

We are committed to the protection of individuals who disclose information about illegal or improper conduct occurring within our business.

Our Whistleblower Policy encourages reporting of wrongdoing that is of a legitimate concern by providing a convenient and safe reporting mechanism and protection for people who make a disclosure. Details of how to report incidents are included in the Policy and published on our website, including processes to report incidents through our independently run Speak-up Anonymous hotline.

# Cyber, privacy and data security

We are continually improving our cyber security capability to enhance the reliability and resilience of the electricity network, protect consumer data and respond to changes in our threat landscape.

Our cyber security strategy and assurance program of works is focused on addressing risks most relevant to our organisation, improving the effectiveness and coverage of key security platforms and controls, and achieving compliance with mandatory government regulations for critical infrastructure cyber security.

Our privacy strategy is dual focused to prevent inadvertent disclosures of private information and minimise consequences in the event of a breach. We seek to achieve these priorities through the careful development of policy, guidelines, information classification standards, information management and disposal timeframes. An internal data privacy audit was successfully completed in 2025, with no major findings identified.

The key initiatives delivered improvements in processes and technologies for identity management and communication networks. Our assurance program provided compliance with targets established under the Security of Critical Infrastructure (SOCI) Act 2018 and incorporates independent review and assurance of the effectiveness of our security controls and response procedures. Other key activities included our annual participation in the Australian Energy Sector Cyber Security Framework (AESCSF) self-assessment, planning of our cyber security strategy and program refresh for the coming 2026–31 regulatory period and participation in AEMO's cyber exercises evaluating organisations response to cyber threats.

We continue to respond to new and emerging obligations under cyber security regulation, including:

- Commonwealth Department of Home Affairs Enhanced Cyber Security Obligations under the *Security of Critical Infrastructure Act 2018*
- Victorian Government changes to the *State Emergency Management Plan Cyber Security Sub-Plan*.

We remain on track to meet compliance requirements within the timeframes set out under these new regulations. There were no critical cyber security breaches of our network's operational technologies during 2025.

# Responsible supply chain

In 2025, we strengthened our commitment to human rights and ethical business conduct through the rollout of mandatory Modern Slavery Awareness training for all employees, building on the launch of our inaugural First Peoples Procurement Strategy and Social and Sustainable Procurement Framework.

To further embed ethical procurement practices, we reviewed and updated our Supplier Code of Conduct, clearly outlining the standards of behaviour suppliers must meet when doing business with VPN.

Following the launch with six strategic suppliers in 2024, we completed a comprehensive Modern Slavery Due Diligence review of an additional eleven strategic suppliers in 2025, with no modern slavery risks identified across our supply chain. An update to our 2025 Modern Slavery Statement is currently underway.

# Sustainability metric performance summary

| Focus areas | Metric | Unit | 2019 – Baseline | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 Target |
|---|---|---|---|---|---|---|---|---|---|---|
| Safe and equitable workplaces | Fatalities | No. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Significant (high potential) incidents | No. | 3 | 2 | 5 | 0 | 1 | 2 | 0 | 0 |
| | Employee satisfaction re wellbeing and mental health (Employee Opinion Survey) | % | N/A[2] | N/A[2] | 73 | 79 | 83 | 83 | 85 | 75 |
| | Females in employment | % (No.) | 21.3 (439) | 22.1 (464) | 22.0 (461) | 21.0 (452) | 22.0 (492) | 21.7 (513) | 22.0 (528) | 25.0 |
| | Females in management roles | % (No.) | 15.0 (40) | 18.0 (54) | 21.7 (59) | 21.0 (55) | 23.0 (64) | 23.2 (72) | 24.0 (75) | 22.0 |
| | Inclusion & Diversity index outcomes (Employee Opinion Survey) | % | N/A[2] | N/A[2] | 79 | 84 | 86 | 83 | 85 | 75 |
| Environmental and climate resilience | Outperform targets for average minutes off supply per customer for unplanned outages System Average Interruption Duration Index – Powercor | minutes | 122.0 | 127.0 | 89.9 | 121.4 | 95.7 | 91.4[7] | 122.4[7] | 124.0 |
| | Outperform targets for average minutes off supply per customer for unplanned outages System Average Interruption Duration Index – CitiPower | minutes | 21.6 | 27.9 | 20.4 | 15.2 | 20.0 | 20.9[7] | 23.1[7] | 24.7 |
| | ISO14001 Environmental Management System certified | - | Certified | Certified | Certified | Certified | Certified | Certified | Certified | Certified |
| | Reduce both direct and indirect[1] carbon emissions including distribution line losses based on 2019 baseline | mt $CO_2$-e (% reduction) | 1.194 | 1.083 (-9%) | 1.018 (-14%) | 0.988 (-17%) | 0.891 (-25%) | 0.800 (-33%) | 0.817 (-32%) | 0.836[3] (-30%) |
| Empowering communities | Total installed capacity of renewable energy generation on our networks[8] | GW | 1.75 | 1.96 | 2.29 | 2.48 | 2.64 | 2.83[8] | 3.15[8] | 4.00 |
| | Customer participation in energy literacy programs | No. | 292 | 350 | 247 | 1,147 | 14,565 | 60,596 | 160,381 | 2,000 (1,000 per network) |
| | Value of network and technology investments in innovation – over 5 yrs | $m | 4[4] | N/A[5] | N/A[5] | 7.0[4] | 18.4[4] | 28.2[4] | 36.1[4] | 25.7 |
| Responsible governance | Board meetings per annum | No. | 5 | 5 | 5 | 4 | 5 | 5 | 6[9] | 5 |
| | ESG Committee meetings per annum | No. | N/A[6] | N/A[6] | N/A[6] | 3 | 4 | 4 | 4 | 4 |
| | Holding our employees accountable to our values and Code of Conduct | - | Annual performance management process | Complete | Complete | Complete | Complete | Complete | Complete | Annual performance management process |
| | Number of critical cyber security breaches on our networks' operational technologies | No. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

[1] Indirect and direct carbon emissions based on *National Greenhouse Energy Reporting Regulations 2008* definition of Scope 1 and 2
[2] Not applicable as these questions were not part of the Employee Opinion Survey during that year
[3] 30 per cent reduction in carbon emissions by 2030 from a 2019 baseline
[4] Aggregated spend on innovation and technology
[5] Not applicable as the target period for innovation investment is 2022-2026
[6] Not applicable as the ESG Committee was formed in 2022
[7] From 2024 this metric is reported on a Jul-Jun period, aligning with the Regulatory Information Notices (RIN) submission to the Australian Energy Regulator
[8] The metric for renewable capacity installed in our networks may have been understated prior to 2025. Data reported for 2025 includes installations that were previously not considered in this calculation and has been independently assured.
[9] Includes an additional 'special' meeting which was held in August.

# Sustainability metrics definitions

| Focus areas | Metric | Unit | Definition |
|---|---|---|---|
| Safe and equitable workplaces | Fatalities | No. | Number of workplace fatalities of VPN's employees or contractors working on behalf of VPN. |
| | Significant (high potential) incidents | No. | Number of incidents with a Maximum Credible Potential rating (i.e. the highest consequence rating or outcome that could have occurred for the same incident/event at the same location under different conditions, yet still credible circumstances) of '4' (i.e. Single fatality or permanent disability) or '5' (i.e. Multiple fatalities or permanent disabilities), where VPN has operational control. |
| | Employee satisfaction re wellbeing and mental health (Employee Opinion Survey) | % | Annual Employee Opinion Survey favourable score result on the question "The programs and benefits the business provides helps me maintain my well-being and mental health". |
| | Females in employment | % | Percentage of females based on total head count of the organisation as of the year end. |
| | Females in management roles | % | Percentage of females in management based on the total head count of management within the organisation as of the year end. |
| | Inclusion & Diversity index outcomes (Employee Opinion Survey) | % | Annual Employee Opinion Survey favourable score result for the Inclusion and Diversity Index category. |
| Environmental and climate resilience | Outperform targets for average minutes off supply per customer for unplanned outages System Average Interruption Duration Index – Powercor | minutes | Unplanned SAIDI (System Average Interruption Duration Index) is the sum of the duration of each unplanned sustained customer interruption (in minutes), divided by the Customer Base. Unplanned SAIDI excludes momentary interruptions (three minutes or less) for Powercor. |
| | Outperform targets for average minutes off supply per customer for unplanned outages System Average Interruption Duration Index – CitiPower | minutes | Unplanned SAIDI (System Average Interruption Duration Index) is the sum of the duration of each unplanned sustained customer interruption (in minutes), divided by the Customer Base. Unplanned SAIDI excludes momentary interruptions (three minutes or less) for CitiPower. |
| | ISO14001 Environmental Management System certified | - | VPN business is certified for ISO14001 Environmental Management System (excludes Beon Aerial Services). |
| | Reduce for both direct and indirect carbon emissions including distribution line losses based on 2019 baseline | mt $CO_2$-e | Reduction in Scope 1 and 2 carbon emissions based of National Greenhouse Energy Reporting Regulations 2008 of 30 per cent by 2030 against a 2019 baseline (excludes operations outside of Australia). |
| Empowering communities | Total installed capacity of renewable energy generation on our networks | GW | All renewables on our networks including residential and large-scale connections. |
| | Customer participation in energy literacy programs | No./annum | Number of customers engaged in digital and face-to-face initiatives related to energy literacy. |
| | Value of network and technology investments in innovation – over 5 yrs | $m | Total aggregated investments in programs that support the business in exploring innovative demand management strategies, encompassing digital innovation and technology improvements, network automation, network analytics and demand management projects, aimed at reducing costs for electricity consumers in the future. |
| Responsible governance | Board Meetings per annum | No. | A formal meeting of the VPN Board of Directors. |
| | ESG Committee meetings per annum | No. | A formal meeting of the VPN ESG Committee members. |
| | Holding our employees accountable to our values and Code of Conduct | - | Annual performance review completed, including assessment against the business values, for all eligible VPN employees. |
| | Number of critical cyber security breaches on our networks' operational technologies | No. | A cyber security incident that results in significant impact and/or sustained disruptions to operational technology systems or an equivalent consequence. |

# Data assurance

## Independent Limited Assurance Statement to the Management and Board of Directors of Victoria Power Networks Pty Ltd

### Introduction

RSM have conducted a limited assurance engagement for Victoria Power Networks Pty Ltd ("**VPN**") on the Business Committed Sustainability Metrics ("**Subject Matter**"), pertaining to the period 1 January 2025 to 31 December 2025 as disclosed in the VPN 2025 Environmental, Social and Governance Report.

### Information Subject to Assurance

The Subject Matter, as presented in VPN's 2025 Environmental, Social and Governance Report, subject to assurance, comprises of the following:

**Table 1: Business Committed Sustainability Metrics**

| Subject Matter | |
|---|---|
| **Safe and equitable workplaces** | |
| Number of fatalities | 0 |
| Significant (high potential) incidents | 0 |
| Employee satisfaction; Mental Health and Wellbeing (Employee Opinion Survey) (%) | 85 |
| Females in employment (%) | 22 |
| Females in management roles (%) | 24 |
| Inclusion and Diversity index outcomes (Employee Opinion Survey) (%) | 85 |
| **Environmental and climate resilience** | |
| System Average Interruption Duration Index (SAIDI) – Powercor (minutes) | 122.4 |
| System Average Interruption Duration Index (SAIDI) – Citipower (minutes) | 23.1 |
| Environmental Management System (EMS) 14001 | Certified |
| Carbon Emission Reduction ($MtCO^2$-e) | 0.817 |
| **Empowering communities** | |
| Total installed capacity of renewables on our networks (GW) | 3.15 |
| Customer participation in energy literacy programs (number per annum) | 160,381 |
| Innovation funding (including DMIA & Digital) – over 5 years ($m) | 36.1 |

### Information Subject to Assurance (Cont.)

**Table 1: Business Committed Sustainability Metrics (Cont.)**

| Subject Matter (Cont.) | |
|---|---|
| **Responsible governance** | |
| Board Meetings per annum | 6 |
| ESG Committee Meetings per annum | 4 |
| Holding our employees accountable to our values and Code of Conduct | Complete |
| Number of critical cyber security breaches | 0 |

### Criterial Used as the Basis of Reporting

The Subject Matter has been reviewed against VPN's 2025 internally established definitions and criteria ("**Criteria**").

### Responsibilities of the Board of Directors and Executive Management

The Board of Directors and Executive Management are responsible for determining the criteria that is appropriate to meet their needs and for preparation and presentation of the Subject Matter in accordance with the criteria, in all material respects. This responsibility includes design, implementation, and maintenance of internal controls relevant to the preparation and presentation of the Subject Matter that is free from material misstatement, whether due to fraud or error.

In respect to this limited assurance engagement, VPN's responsibility was to provide access to relevant staff, documents and any other resources that assisted RSM in completing the scope and coverage of the engagement.

### Our Independence and Quality Control

We have complied with the relevant ethical requirements for assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behaviour.

Furthermore, RSM maintains, in accordance with Australian Standard on Quality Management 1 ("**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* and Australian Standard on Quality Management 2 ("**ASQM 2**") *Engagement Quality Reviews*, a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Victoria Power Networks Pty Ltd – Limited Assurance Engagement Report | 1

# Independent Limited Assurance Statement to the Management and Board of Directors of Victoria Power Networks Pty Ltd

## Our Responsibility

Our responsibility is to express a limited assurance conclusion on whether anything has come to attention to indicate the Subject Matter has not, in all material respects, been prepared and presented in accordance with the Criteria, for the period 1 January 2025 to 31 December 2025.

Our review has been conducted in accordance with ASAE 3000 "*Assurance Engagements Other than Audits and Reviews of Financial Information*" and ASAE 3410 "*Assurance Engagements on Greenhouse Gas Statements*" to provide limited assurance. Our procedures described below in this report have been undertaken to form our qualified conclusion.

## Inherent Limitations

There are inherent limitations in performing assurance - for example, assurance engagements are based on selective testing of the information being examined - and because of this, it is possible that fraud, error, or non-compliance may occur and not be detected. An assurance engagement is not designed to detect all misstatements, as an assurance engagement is not performed continuously throughout the period that is the subject of the engagement, and the procedures performed on a test basis. The conclusion expressed in this report has been formed on the above basis.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and sampling or estimating such data.

## Use of this Report

This limited assurance report has been prepared for VPN. We disclaim any assumption of responsibility for any reliance on this report to any other persons or users, or for any purpose other than that for which it was prepared.

We disclaim all liability to any party other than VPN in respect of, or in consequence of, anything done, or omitted to be done, by any party in reliance, whether whole or partial, upon any information contained in this report. Any party, other than VPN, who chooses to rely in any way on the contents of this report, does so at their own risk.

## Summary of Procedures Undertaken

The procedures performed to reach our limited assurance conclusion included, but were not limited to:

- Conducting interviews with management to understand data sources, systems, processes and responsible personnel to capture the data relevant to the Subject Matter;
- Reviewing relevant documentation including VPN's Basis of Preparations, and relevant legislation;
- Performing analytical and other review procedures over the Subject Matter including reviewing evidence on a sample basis;

## Summary of Procedures Undertaken (Cont.)

- Conducting walkthroughs of the Subject Matter to source documentation;
- Testing the arithmetic accuracy of a sample of calculations of the Subject Matter;
- Reviewing the Subject Matter against the reporting criteria; and
- Reviewing user access and other key system and process controls as they related to the compilation of data or any calculations used.

## Conclusion

Based on the limited assurance procedures we have performed and the evidence collected, nothing has come to our attention that causes us to believe that the Subject Matter (described in Table 1) for the period 1 January 2025 to 31 December 2025, has not been prepared and presented in accordance with the Criteria, in all material respects.

Signed:

**J ELKHISHIN**
Director
RSM Australia Pty Ltd

Brisbane

11 February 2026

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