AUSGRID GROUP

FY25 BUSINESS AND SUSTAINABILITY REVIEW

Wired for good

Ausgrid PLUS·ES

At Ausgrid Group, we want to help build a future where everyone can access reliable, sustainable electricity to power their ambitions – whatever they may be.

About this report

This publication provides information about the Ausgrid Group and our sustainability performance for the financial year from 1 July 2024 to 30 June 2025 (FY25).

The information contained in this report relates to Ausgrid, PLUS ES and Aurora Property Partnership collectively (**Ausgrid Group**). Where information relates to specific areas of the business, this will be stated.

We aim to be transparent and have developed our sustainability reporting using internationally recognised frameworks. This report is produced in accordance with the requirements of the Global Reporting Initiative (**GRI**).

We have internal governance and processes in place to ensure that the information contained in this publication is accurate. Ausgrid Group's Executive Leadership Team (**ELT**) has approved this report.

Our reporting suite

This report forms part of our reporting suite which also includes our Corporate Governance Supplement; Environmental, Social and Governance (**ESG**) Data Book; GRI Content Index; and Modern Slavery Statement. These publications are available on the **Sustainability section** of our website.

Contact

We welcome your feedback on this report and sustainability at Ausgrid Group.

Timothy Jarratt, Group Executive – Market Development and Strategy

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OUR REPORTING SUITE

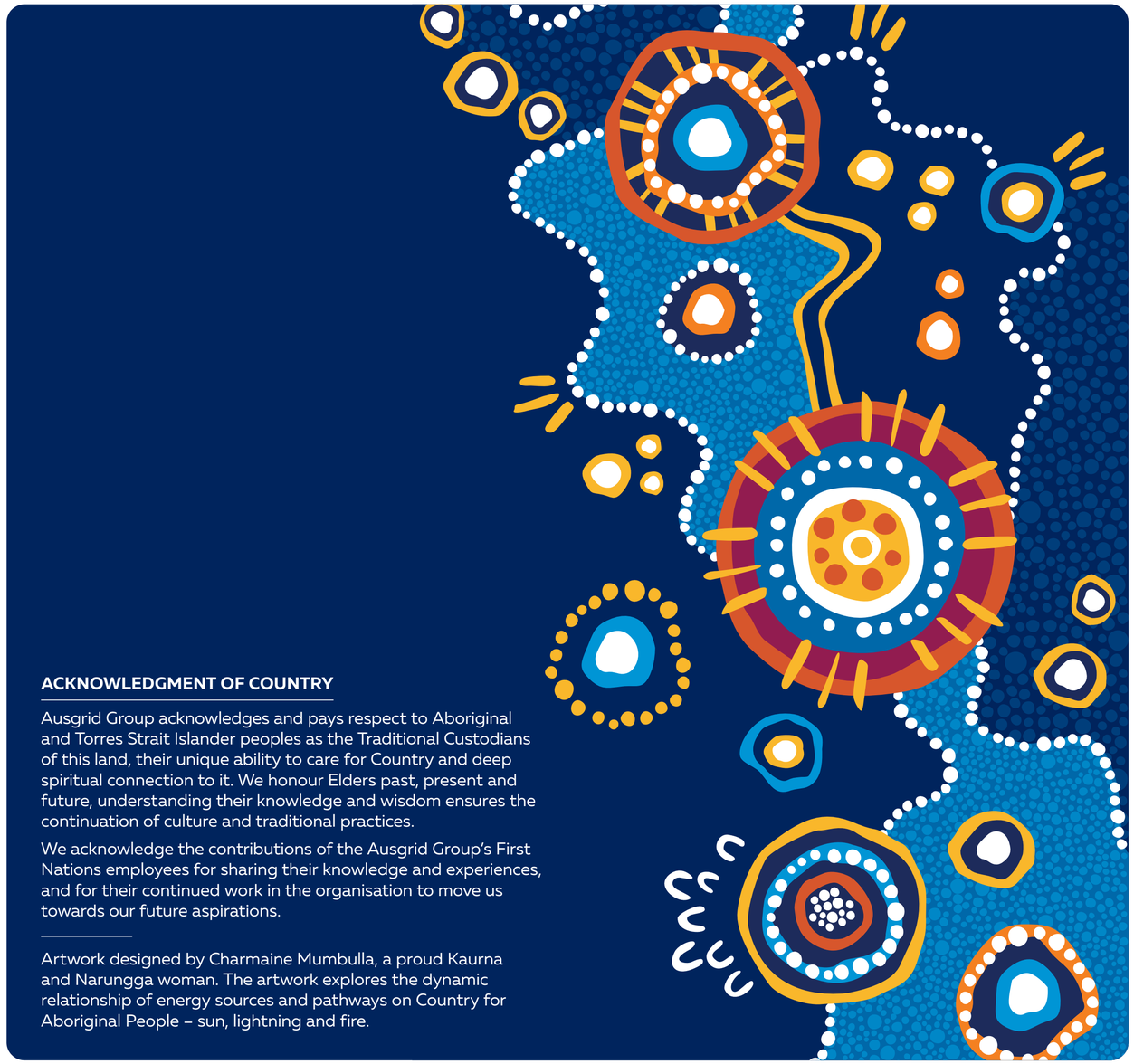
Business and Sustainability Review

Corporate Governance Supplement

ESG Data Book

GRI Content Index

Modern Slavery Statement



ACKNOWLEDGMENT OF COUNTRY

Ausgrid Group acknowledges and pays respect to Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of this land, their unique ability to care for Country and deep spiritual connection to it. We honour Elders past, present and future, understanding their knowledge and wisdom ensures the continuation of culture and traditional practices.

We acknowledge the contributions of the Ausgrid Group's First Nations employees for sharing their knowledge and experiences, and for their continued work in the organisation to move us towards our future aspirations.

Artwork designed by Charmaine Mumbulla, a proud Kaurna and Narungga woman. The artwork explores the dynamic relationship of energy sources and pathways on Country for Aboriginal People – sun, lightning and fire.

Message from the Chairman and CEO

This year marks the first year of our FY25–29 Regulatory Reset and we have continued momentum delivering on our refreshed business strategy. We are laying strong foundations for long-term growth and for improving how we serve our customers and communities.

Our purpose is making electricity accessible to all. As Australia's largest electricity distributor, we recognise the critical role we play in enabling more communities to decarbonise and electrify.

We want to ensure the benefits of electrification reach every household, business and local community. By investing in innovation, finding new ways to maximise our existing infrastructure, and supporting the ability for our customers to electrify, we can contribute toward delivering a faster, fairer and more affordable energy transition.

Our FY25 Business and Sustainability Review sets out how we are delivering against our strategic goals and our performance on our sustainability priorities through the year.

Delivering on our strategic goals

Our foremost responsibility is to keep homes, hospitals, schools and businesses powered and connected. We continually invest in strengthening and modernising our network, striving to provide customers with a reliable service that evolves with their changing needs.

Through the year, we have introduced new service metrics, enhanced outage communications and improved responsiveness during emergencies. In January 2025, our network was impacted by the worst storm Ausgrid has experienced in a decade. Our teams worked tirelessly to restore services with 99% of impacted customers reconnected within five days, marking one of the fastest storm recoveries we have ever achieved.

We are progressing well in our plans to connect grid-scale renewables and storage to our distribution network.

In FY25, we signed an agreement with NSW EnergyCo as the preferred network operator for the Hunter Central Coast Renewable Energy Zone (**HCC REZ**) network infrastructure project to provide 1 GW of additional network capacity for renewable generation projects. It is the first REZ in Australia to upgrade an existing distribution network, mainly building on existing easements, supporting a faster energy transition, with less community impact than greenfield projects and at a lower cost.

By facilitating batteries and public electric vehicle (**EV**) chargers to connect with our network infrastructure, while proactively installing them ourselves to accelerate their deployment, we can enable more customers to directly benefit from the energy transition, while making better use of our existing distribution infrastructure.

As we advance our strategic agenda, it is essential that we deliver outcomes that support the clean energy transition, strengthen our communities, keep our people safe and engaged, and build a robust, resilient network.

Accelerating the clean energy transition

Through initiatives like electrifying our fleet and powering our offices through a power purchase agreement for renewable energy, we are reducing our own operational Greenhouse Gas (**GHG**) emissions footprint. Our Scope 1 and 2 GHG emissions have reduced by 29% since FY20, maintaining our trajectory towards net zero by FY45.

While it is important we reduce emissions from our own operations, as an electricity network we can have an even greater impact by enabling more renewables onto the grid. Connecting 1 GW of renewable generation through HCC REZ would remove approximately 2 million tonnes of carbon dioxide equivalent (**tCO_2e**) over the lifetime of the project. In FY25, we connected solar installations for 24,000 new residential and business customers – bringing the total to 280,000.

Investing and cultivating trust in communities we operate in

Building trust with our customers and the communities we serve is crucial so they can participate in the energy transition, to make it fairer and more affordable.

We continue to offer cost-reflective and innovative tariff structures such as our Energy Storage as a Service (**ESaaS**) tariff, which allows retailers to offer eligible households to benefit from shared storage using our community batteries, with estimated annual savings of $200.

This collaboration with retailers demonstrates a fairer and more cost-effective way of implementing the storage solutions we need to support the growth of renewable generation.

We engaged extensively with local communities on major projects such as HCC REZ, hosting 36 engagement activities from information sessions to webinars and briefings to answer questions, collect feedback and inform project planning. Through our Grants for Good program we awarded over $140,000 in grants to 22 community organisations across our network area.

Fostering a safe, inclusive and engaged workforce

Our people are the driving force behind our success and the safety of our people and communities remains our highest priority. So it is with great sadness that we acknowledge the tragic incident that resulted in the death of one of our colleagues, Brett Hinton, in May 2025, who suffered an electric shock. Brett was an experienced and valued member of our team. His death has been felt deeply across the Ausgrid community. After the incident, we paused, introduced additional interim controls for live work and completed a detailed review. We have reviewed work methods, increased field assurance activities and conducted a review of our *Safety Rewired* strategy, reprioritising activities to be delivered in the next 12 months.

We actively and continuously engage with our employees to ensure their voices are heard, understood and valued. Our employee engagement score was 69% in FY25, exceeding the industry benchmark. The representation of women in frontline roles increased to 5%, a 1% increase on the year before.

Strengthening the resilience of our network and supply chain

We power the lives of four million people, so maintaining the resilience of our network is central to our role as a critical infrastructure provider. As climate and cyber risks intensify, we have resilience programs in place to manage these risks.

We progressed the detailed design work for our climate resilience plan agreed in our FY24–29 Regulatory Reset. This enabled some programs to move into delivery, such as replacing bare high-voltage conductors with covered conductors. We also appointed a Community Resilience Liaison Officer to help vulnerable customers prepare for outages.

To assist in preventing cyber breaches, our cyber team uplifted security controls through comprehensive patching, enforced multi-factor authentication, implemented real-time threat monitoring, and delivered targeted staff training to foster a cyber-aware culture.

This Business and Sustainability Review highlights the positive progress we have made in FY25 on our strategic goals and our sustainability agenda. It reinforces our commitment to achieving positive outcomes for our customers and communities, our people and the environment. Looking to the future, our focus will remain on delivering a faster, fairer and more affordable energy transition, creating lasting value for the communities we serve.

Dr Helen Nugent AC
Chairman

Marc England
Chief Executive Officer

$200

estimated annual savings through our Energy Storage as a Service tariff

$140,000

awarded in grants to 22 community organisations

Our business

Ausgrid Group has made strong progress in FY25 across our four sustainability priorities. Driven by our purpose, we're moving toward a more sustainable future, using our network to not only distribute electricity but transmit it, store it, and enable vehicles to be charged with it.

Ausgrid Group at a glance

Energy transition

280k
residential and business customers with solar

22
community batteries

322
electric vehicle (EV) chargers on our poles and kiosks

Workforce

3,109
employees

150
apprentices

28
graduates

Communities

1.8m
customers
1.6M residential
0.2M business

159
consultation committee meetings, forums and key stakeholder events[1]

17
our network spans the lands of 17 First Nations language groups

Resilience

$56m
in climate resilience investments to be delivered by FY29

$70m
approved regulatory investment in cyber security by FY29

$1b
FY25 capital expenditure on network maintenance and growth

1 Includes only main formal consultation committees and forums and key stakeholder events hosted by Ausgrid Group so is not exhaustive.

About Ausgrid Group

Ausgrid Group is a group of partnerships and their subsidiaries (non-listed) that is jointly owned by IFM Investors (25.2%), APG Asset Management Group (16.8%), AustralianSuper (8.4%) and the State of New South Wales (NSW) (49.6%) (via the Electricity Retained Interest Corporation – Ausgrid or 'ERIC-A') under a long-term lease.

Ausgrid Group includes Ausgrid Asset Partnership and Ausgrid Operator Partnership (**Ausgrid**), and PLUS ES Partnership (**PLUS ES**), along with Aurora Property Partnership.

Our purpose

Making electricity accessible for all.

Our vision

Our vision is for our communities to have the power in a resilient, affordable and sustainable future.

Our values

- **Work safe, live safe**
- **Customer-focused**
- **Commercially minded**
- **Collaborative**
- **Honest and accountable**
- **Respect**

About Ausgrid

For over a century, Ausgrid and its predecessors have managed an extensive network of assets to deliver a reliable service for our communities.

As the largest electricity distributor on Australia's east coast, Ausgrid supplies electricity to 1.8 million customers, including households, councils and businesses. We also support critical infrastructure and services like hospitals and schools.

Our network spans 22,275 square kilometres across Sydney, the Central Coast and the Hunter Valley, comprising substations linked by high- and low-voltage power lines, underground cables, tunnels and power poles. We perform a wide range of operations, from infrastructure construction and maintenance to customer connections, street lighting and telecommunications.

We are committed to a net zero future, so we are enabling the grid and our services to meet the community's growing electrification needs and make clean energy more accessible and affordable for all.

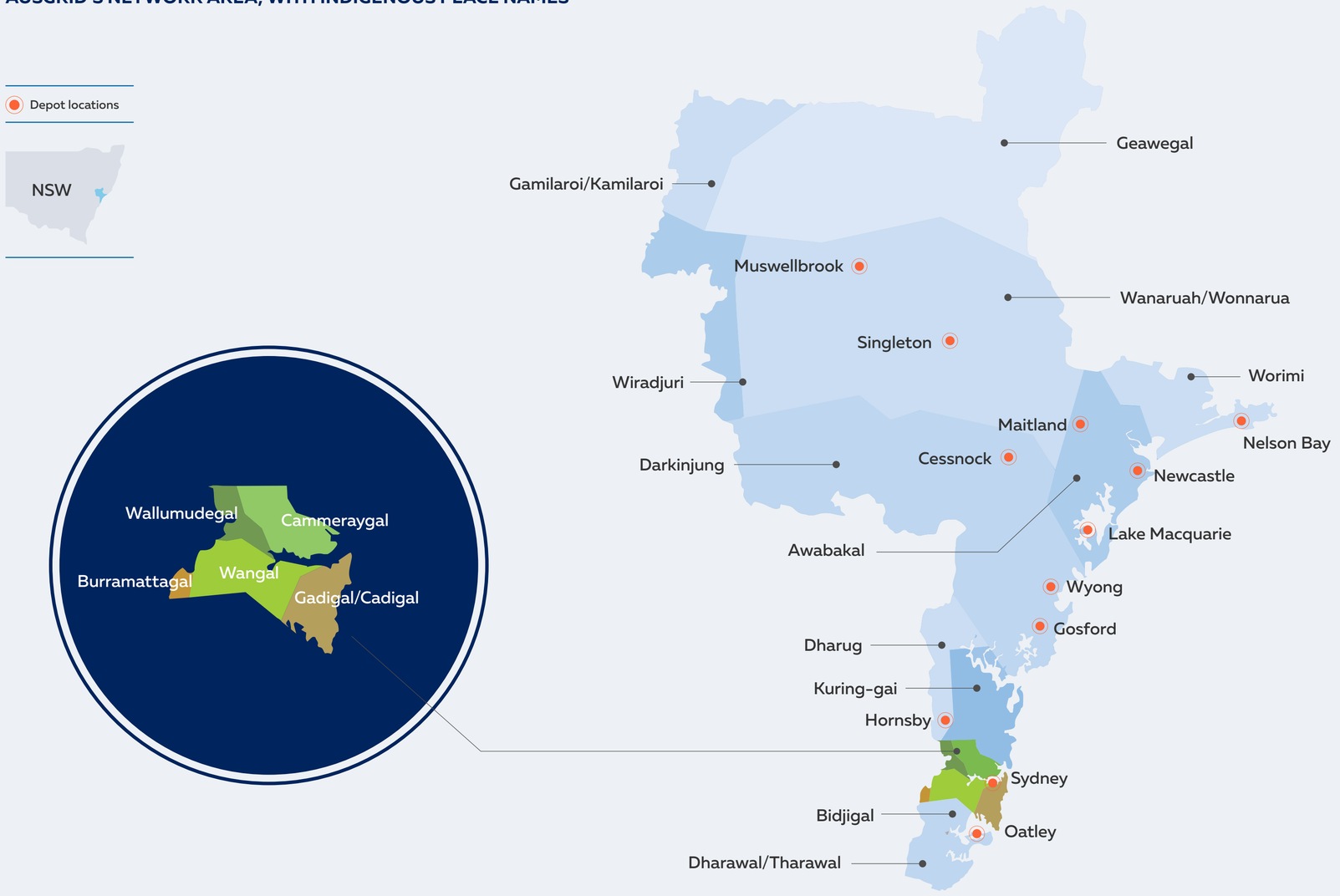
Ausgrid operates in New South Wales (**NSW**) in Australia. Our head office is in Sydney on Gadigal land.

Our regulatory framework

Our network services in the National Electricity Market (NEM) are regulated by the Australian Energy Regulator (AER). Every five years, we submit a proposal to the AER outlining our plans (including expenditure and pricing) to serve our communities for the five years ahead.

The AER reviews and consults on our proposal to ensure it reflects the services our customers value at the lowest sustainable cost. This process is known as a 'Regulatory Reset'. The most recent Regulatory Reset covers the period 2024-29 and the **AER's final decision** was delivered in April 2024. It is publicly available on their website.

AUSGRID'S NETWORK AREA, WITH INDIGENOUS PLACE NAMES



Ausgrid network overview

22,275 KM²
of area supplied

5.1 GW[1]
peak demand on our network in FY25 (occurred on 28 January 2025)

516,501
power poles

46,648 KM
powerlines and underground cables

24,302 GWh
of power supplied in FY25

1.3 GW[2]
minimum demand on our network in FY25 (occurred on 16 February 2025)

229
large substations[3]

60%
overhead cables

2,400 GWh
renewable energy generated behind the meter in FY25

261,243
streetlights

33,764
small substations[4]

40%
underground cables

1 Excludes behind the meter generation.
2 Excludes behind the meter generation.
3 The large substation figure includes sub-transmission substations and zone substations.
4 The small substation figure includes pole substations, kiosk substations, outdoor enclosure substations and chamber substations.

About PLUS ES

PLUS ES overview

Launched in late 2017, PLUS ES helps businesses in New South Wales, Queensland, South Australia, Victoria, the Australian Capital Territory and Tasmania to optimise energy consumption through advanced data delivery and end-to-end energy infrastructure solutions.

PLUS ES provides expertise and infrastructure services for contestable metering, grid connections, EV charging installation, large-scale battery energy storage design and construction, and telecommunications industries in Australia.

PLUS ES is ring-fenced from the regulated Ausgrid distribution network business.[1]

The PLUS ES head office is in Sydney, NSW on Gadigal land.

6
Australian States and Territories serviced

1.6m
smart meters installed to date

315,000
smart meters installed in FY25

2.2b
smart meter readings in FY25

About Aurora Property Partnership

Established in 2023, Aurora Property Partnership is an entity that acquires and manages the rental or uplift and disposal of properties as part of its sales strategy to achieve greater value from its property portfolio.

1 Ring-fencing refers to the separation of the regulated and competitive business activities of an electricity network service provider.

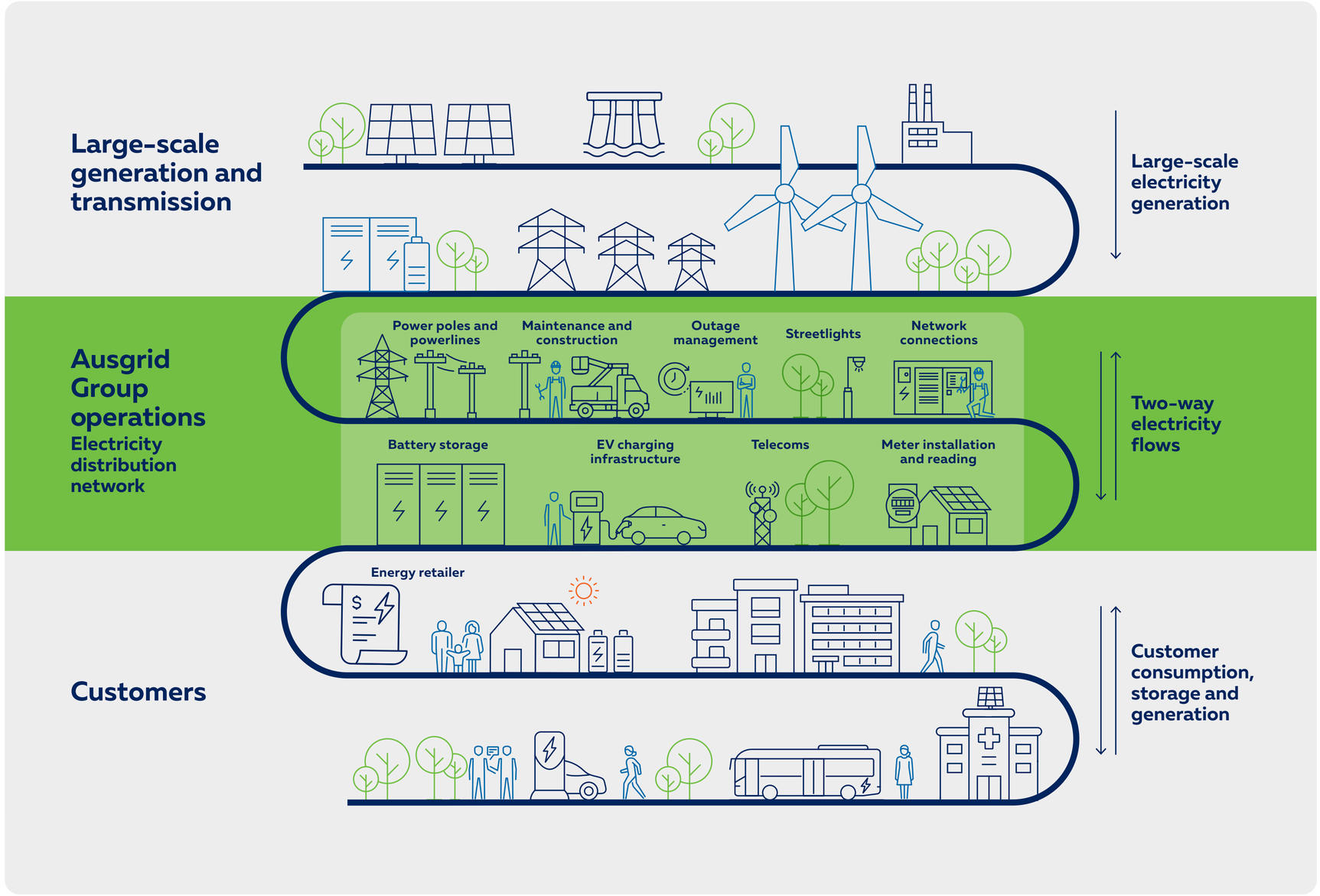
Ausgrid Group value chain

We are committed to working across the energy value chain to find faster, fairer and more affordable ways to deliver the energy transition.

Ausgrid is responsible for distributing electricity to 1.8 million customers in Sydney, the Central Coast and the Hunter Valley. The electricity from large-scale electricity generation enters our network through the transmission network. This generation is increasingly from renewable sources such as wind and solar farms, hydroelectric dams and grid-scale batteries, as well as from traditional sources such as coal plants and gas turbines. We then ensure it gets safely to our customers to power the economy and their homes and businesses. As the energy landscape changes, we have a key role in orchestrating and navigating this complex energy transition.

We partner with a range of companies to support and empower customers, including energy retailers. The retailers maintain the direct commercial relationships with customers and manage billing, including Ausgrid network costs. However, we also engage directly with customers to ensure they have a safe, reliable and resilient supply of electricity, including the process to connect to our network and restoring services in the event of an outage.

We are also unlocking the ability for our customers to electrify and share the power they generate and store through their own customer energy resources, such as rooftop solar and batteries, back to the grid.



Our strategy

Ausgrid Group's overarching strategy is to be a platform that enables and accelerates the energy transition, providing opportunities for a wide range of organisations to participate; and delivering benefits for our customers and communities, our people and our shareholders.

Sustainability priorities	Accelerating the clean energy transition	Fostering a safe, inclusive and engaged workforce	Investing and cultivating trust in communities we operate in	Strengthening the resilience of our network and supply chain		
Strategic goals	Decarbonising the energy system	Driving electrification	Building an engaged workforce	Building our trusted brand	Providing efficient infrastructure	Growing shareholder value
Strategic opportunities	Connecting grid-scale renewables and storage to the distribution network	Delivering for customers now and into the future	Unlocking the energy transition in the community			

We have a range of strategic initiatives underway across each of these key strategic opportunity areas:

Delivering for customers now and into the future

For over a century, our most critical job has been to keep homes, hospitals, schools and businesses connected and the economy running. We continuously invest in maintaining and enhancing our network to deliver better experiences for our customers and we strive to deliver value for money through improving our business.

The energy transition and digitisation of the economy are changing what our customers need from us today and into the future. Data centres need power for our increasingly digital world, trucks and buses and industry will increasingly electrify, and customers all over our network are choosing to go electric at home, install solar and buy an EV for their family. We are striving to ensure we keep up with enabling these changing needs, finding new and smarter ways to support customers and manage our network.

Connecting grid-scale renewables and storage to the distribution network

We see opportunities to help accelerate the energy transition while making it fairer, more affordable and with fewer impacts on communities. Instead of long transmission lines to far-off locations, the existing distribution network can be upgraded to allow utility-scale renewables such as wind and solar farms, and large batteries to connect closer to customers and use the existing infrastructure that is already there.

We are working closely with the NSW Government, as the preferred Network Operator for the Hunter-Central Coast Renewable Energy Zone (**HCC REZ**), to augment our existing network in the Hunter. There is an initial 1 GW of additional capacity planned, and we have identified the potential for significant additional capacity. We are improving our connections processes in support of renewable generators, storage assets and customers who require connections for load. Across the Ausgrid Group we are pursuing opportunities to build, own, operate or maintain several large 'grid-scale' batteries in our network to further support the transition.

Unlocking the energy transition in the community

While Australia is leading the world in the uptake of rooftop solar to power our homes, not everyone has been able to share in the benefits of the energy transition. Covering Sydney and other urban areas, we have many apartments and other multi-dwelling homes in our network – making it harder to install solar, or a battery, or to charge an EV, without off-street parking.

We are making investments to help to remove some of these barriers. Our community batteries are enabling customers to access 'Energy Storage as a Service' (**ESaaS**) through their retailers, sharing in the benefits of battery storage. By enabling EV charging on our power poles, more customers can access safe public charging. And we continue to seek to create new models and innovations like our proposed pilot for a 'Community Power Network' which would enable energy sharing between businesses and homes in a local area, incentivising investment in solar and batteries, and sharing the benefits across all customers in that area.

Progress against our strategic goals

Decarbonising the energy system

Developing HCC REZ to connect 1 GW of solar, wind and storage, with options for significant additional capacity identified.

Installed our first 5 MW community battery. We want to build 200 community batteries by 2035.

Driving electrification

Active support for consumer electrification through how-to guides, community events and support for Everything Electric, the EV and home energy exhibition.

Facilitated EV chargers to be installed on 231 of our poles and four of our kiosks across the Ausgrid network.

Building an engaged workforce

Maintained our engagement score of 69%, which is above the Australian utilities benchmark of 68%.

Hired 50 new apprentices and 10 new graduates.

Building our trusted brand

Growth in Reptrak scores, which measure our reputation, with a 6.8 point increase in our stakeholder score to 81.4 and a 2.1 increase in our community score to 71.5.

Despite experiencing one of the worst storms that has impacted our network in a decade, we delivered one of our most efficient recovery efforts.

Providing efficient infrastructure

Investing to remove barriers to the productivity of our teams through streamlining processes, improving systems and eliminating unnecessary tasks.

Proposing a new approach, called a Community Power Network, to share power in a local area, optimise how the network is utilised and share benefits directly with customers.

Growing shareholder value

Balanced customer outcomes and value to our shareholders, which include the NSW Government, AustralianSuper, IFM Investors and APG Asset Management Group.

Unlocking value by divesting properties that are no longer required for operational needs. These properties were part of the Regulated Asset Base and their removal contributed to a more efficient asset portfolio.

Our governance

Robust corporate governance is essential for implementing our strategy successfully and better serving our customers and communities.

The Ausgrid Group Board is committed to upholding high standards of corporate governance, ensuring our business operates with strong and effective leadership, policies and procedures.

Ausgrid Group leadership

Our Board is responsible for corporate governance, overseeing the organisation's performance, management, employees, and the interests of our shareholders and other stakeholders.

Board members are appointed by our shareholders in accordance with constituent documents and considering relevant skills and experience. The Board appoints the independent chairperson. As of 30 June 2025, the Board was comprised of 10 non-executive directors, with four women and six men. Our Executive Leadership Team (**ELT**), led by Chief Executive Officer (**CEO**) Marc England, provides a forum for oversight and endorsement of strategic and operational decisions on significant matters that affect Ausgrid Group. They monitor the delivery of our strategy as well as organisational performance against a scorecard. The ELT also acts as a review mechanism for matters to be considered by the Board or Board sub-committees. As of 30 June 2025, the ELT had nine members, comprising two women and seven men.[2]

Refer to the **Ausgrid website** for profiles on each current Board and ELT member.

To assist the Board in carrying out its responsibilities, the Board established a Risk Committee, Audit Committee, Health, Safety and Environment Committee and People, Culture and Remuneration Committee.

Further information on these committees and about our corporate governance can be found in the **Corporate Governance Supplement**.

AUSGRID GROUP BOARD

Dr Helen Nugent AC
Independent Chairman

Michael Hanna
Non-executive Director (IFM Investors)

Michael Byrne AM
Non-executive Director (IFM Investors)

Josh Crane
Non-executive Director (IFM Investors)

Steven MacDonald
Non-executive Director (ERIC-A)[1]

Gillian Brown
Non-executive Director (ERIC-A)[1]

Sylvia Wiggins
Non-executive Director (ERIC-A)[1]

Hans-Martin Aerts
Non-executive Director (APG Asset Management Group)

Jay Ryu
Non-executive Director (APG Asset Management Group)

David Dubrovsky
Non-executive Director (AustralianSuper)

EXECUTIVE LEADERSHIP TEAM

Marc England
CEO

Rob Amphlett Lewis
Group Executive – Distributed Services and PLUS ES

Celina Cross
Group Executive – People and Culture

Junayd Hollis
Group Executive – Customer, Assets and Digital

Timothy Jarratt
Group Executive – Market Development and Strategy

Ellen Lambridis[2]
Chief Financial Officer and Group Executive – Business Services

Nigel Lowry[3]
Group Executive – Property, Logistics and Governance

Sam Sofi
Group Executive – Safety, Delivery and Operations

Kelly Wood
Group Executive – Transmission Development and Growth

1 ERIC-A stands for the Electricity Retained Interest Corporation – Ausgrid (NSW Government).

2 Patrick Boocock was in the role of Chief Financial Officer and Group Executive – Business Services during the FY25 reporting period which is the scope of this Business and Sustainability Review. Ellen Lambridis commenced in this position in August 2025 following Patrick Boocock's departure in August 2025. After August 2025, the ELT was comprised of three women and six men.

3 Nigel Lowry's responsibilities changed on 1 August 2025 and as such, he was in the role of Group Executive – Legal, Governance and Property during the FY25 reporting period.

Our approach to responsible business

Ausgrid Group is committed to implementing business practices, policies and procedures that foster a safe, collaborative and respectful workplace. We strive to be commercially minded with a culture of accountability, and a focus on customer outcomes. These principles are essential to operating our business with integrity and sustaining the confidence of our stakeholders.

The Ausgrid Group **Code of Conduct** underpins our approach to ethical decision making, requiring compliance with legal and regulatory obligations and actively promoting a positive workplace culture. Our people must complete a Code of Conduct training module annually. For more information on the other people-related policies and procedures we have in place to guide how we work together, see page 36.

Our **Whistleblowing Policy** empowers our people to anonymously voice any concerns they have about misconduct or improper circumstances. In November 2024, we undertook a month-long campaign to increase awareness of the whistleblower program and how to raise a concern. We also included details of the program in ongoing communications through the year. We manage all whistleblower disclosures by following a consistent investigation process, irrespective of the source of the concern, and we investigate each whistleblower disclosure to understand the allegation and take action in the event it is substantiated. There were 18 whistleblowing disclosures in FY25.

More information on our approach to corporate governance, including how we manage compliance, conflicts of interest, and preventing fraud, bribery and corruption, can be found in the **Corporate Governance Supplement**.

We also have safety and environmental management policies and systems in place to ensure the safety of our employees, contractors, customers and members of the public, and reduce the impact we have on the natural environment. Find out more about health and safety on page 34 and environmental management on page 50.

For additional data on our performance see our **Environmental, Social and Governance (ESG) Data Book**.

Risk management

We are committed to fostering a risk-aware culture, integrating effective risk management into day-to-day business practices, so we can all make risk-based decisions that deliver better outcomes for our customers and the community. This commitment is reflected in our Risk Management Policy and our Risk Management Framework (**RMF**). The framework provides clear accountability for risk management in our business and the process to apply the framework.

More information on how we manage risk is set out in the **Corporate Governance Supplement**.

Our commitment to sustainability supports our vision for our communities to have the power in a resilient, affordable and sustainable future.

Our sustainability approach

Ausgrid Group strives to be a sustainable business. Our commitment to sustainability supports our vision for our communities to have the power in a resilient, affordable and sustainable future.

To realise our vision, we are working to accelerate the clean energy transition and foster a safe, inclusive, and engaged workforce that invests and cultivates trust in the communities we operate in. We seek to strengthen the resilience of our network and supply chain to support that transformation.

Our **Sustainability Policy** sets out the key sustainability principles for our leaders to guide our decision making. All parts of our business play a role in delivering a more sustainable future. Recognising the importance of this work, we also have a dedicated Sustainability team responsible for leading our sustainability program and providing transparent disclosure about our performance.

Managing sustainability-related risks

Sustainability risks are integrated into our Enterprise Risk and Business Risk Profiles and are managed by risk sponsors at either an Executive or Head of Business Unit level. Periodic reporting on Enterprise Risks is provided to the ELT and the Board Risk Committee. Sustainability-related metrics aligned to key strategic objectives are tracked regularly through a Business Performance Report and reported to the Board.

SUSTAINABILITY RATINGS

Sustainalytics rating: Low Risk 19.6

Ausgrid Group is ranked 15 out of 224 electric utility companies in its peer group.

Sustainalytics is a global ESG ratings agency that rates organisations on their overall sustainability performance. In this ESG rating system, a lower score indicates stronger ESG performance. The assessment is based on publicly available information.

GRESB rating: 95/100

GRESB RATING

This year Ausgrid Group received a 95/100 GRESB rating.[1] The assessment is based on self-reported data. GRESB is a global ESG organisation that rates infrastructure assets and infrastructure funds on their overall sustainability performance.

1 GRESB score received this year was based on FY24 reporting period due to timing of the submission each year.

Aligning executive pay with sustainability performance

Ausgrid Group's People, Culture and Remuneration Committee has determined a range of Company objectives which comprise 60% of the executive Short-Term Incentive scheme. These objectives cover many elements of sustainable performance including financial, people, stakeholder and community metrics as well as our role in the energy transition.

Advancing progress in global sustainable development

The progress outlined in this report demonstrates how our sustainability program and initiatives contribute to the Sustainable Development Goals (**SDGs**). Our sustainability priorities align most with six key SDGs (see below). These priority SDGs were identified through an external review of existing business activities, metrics, and internal and public documents, followed by focus groups to assess current initiatives and future challenges.

Assessing materiality

Our materiality assessment process identifies and evaluates the key sustainability impacts, risks and opportunities across our operations and value chain, ensuring alignment with Australian reporting standards and global best practices. We complete annual updates with senior leadership and conduct a comprehensive assessment at least every three years.

In FY25, we completed a comprehensive double materiality assessment, where sustainability issues are prioritised based on how they impact our financial prospects as well as the extent to which our business impacts society and the environment. It involved a megatrend analysis and external landscape assessment, stakeholder engagement and validation by the ELT. Through this, we developed a thorough, evidence-based list of sustainability-related impacts, risks and opportunities.

The assessment was compliant with best-practice guidance from the International Sustainability Standards Board and the Global Reporting Initiative.

Changes in materiality this year included:

- Splitting the 'energy transition' theme into electrification, network innovation and decarbonisation, reflecting the importance of the energy transition for our business;
- An increased focus on the cultural and organisational enablers of safety, capability and engagement in the workforce section; and
- The introduction of social legacy, recognising the importance of cultural heritage and social licence in major projects.

Our four sustainability priorities and our material topics are listed below.

AUSGRID'S SUSTAINABILITY PRIORITIES AND MATERIAL TOPICS

Accelerating the clean energy transition

- Decarbonisation
- Electrification
- Network innovation

Investing and cultivating trust in communities we operate in

- Access and affordability
- Customer experience
- Social legacy

Fostering a safe, inclusive and engaged workforce

- Health, safety and wellbeing
- Capable and engaged workforce
- Inclusion and diversity

Strengthening the resilience of our network and supply chain

- Climate change resilience
- Network and community resilience
- Cyber security
- Human rights and modern slavery
- Nature and environment

Accelerating the clean energy transition

Ausgrid Group is well placed to play a leading role in Australia's clean energy transition. We are enabling decarbonisation through greater integration of renewable energy and we remain committed to reducing emissions across our own organisation.

By constructing and operating public electric vehicle (EV) chargers and installing community batteries we are supporting electrification and our innovative network solutions will help bring more customer energy resources, like solar power, into the system.

WE CONTRIBUTE TO THE FOLLOWING SDGS IN THIS SUSTAINABILITY PRIORITY:

1 This did not include the Cooranbong battery (9 MWh of energy storage capacity) which was installed in FY25 but not commissioned as of 30 June 2025.
2 Installed but not commissioned during FY25.

FY25 progress against our commitments

50% reduction in absolute Scope 1 and 2 Greenhouse Gas (GHG) emissions by 2030 (from 2020 baseline)

FY25 performance

29% reduction from our FY20 base year

See pages 18–19

Operate 4 MWh fleet of community batteries by FY25

FY25 performance

4.9 MWh[1]

See pages 21–22

Install our first 5 MW community battery

FY25 performance

First 5 MW unit installed at Cooranbong[2]

See page 21

◐ ON TRACK
✓ ACHIEVED
○ NOT ACHIEVED

Historic data can be found in the ESG Data Book.

Decarbonisation

Ausgrid Group can play a pivotal role in making the decarbonisation of the NSW economy faster, fairer and more affordable.

Ausgrid Group acknowledges that climate change is a significant risk for our business and the community. We have reduced emissions in our own operations, focusing on achieving net zero. We also have a broader impact supporting the energy transition through our role as an electricity distributor, by providing our customers with access to technologies and solutions that empower energy choice and enable more renewables, while maintaining a reliable and efficient grid.

Targeting net zero emissions

We have set science-based emission reduction targets that have been validated by the Science Based Targets initiative (**SBTi**) as being aligned with the Paris Agreement goal of limiting global warming to 1.5 degrees. Ausgrid Group has committed to:

- Reach net-zero GHG emissions across its value chain by FY45;
- Reduce absolute Scope 1 and 2 GHG emissions 50% by FY30 from a FY20 base year;
- Reduce absolute Scope 1 and 2 GHG emissions 97% by FY45 from a FY20 base year; and
- Reduce absolute Scope 3 GHG emissions 90% by FY45 from a FY21 base year.

Reducing emissions in our own operations

Ausgrid Group is committed to reducing our own operational emissions footprint. In FY25, our Scope 1 and 2 GHG emissions had reduced 29% from our FY20 base year, on track to meet our target of a 50% reduction by FY30.

Scope 1 Greenhouse Gas emissions

Our Scope 1 GHG emissions, which relate to the usage of petrol, oils, diesel, liquified petroleum gas, natural gas and Sulphur Hexafluoride (**SF6**), were down on FY24 due to a reduction in SF6 emissions. This means our Scope 1 GHG emissions are down 14% on FY24 and 49% from our FY20 baseline year.

SF6 is an excellent insulating gas in electrical switchgear, but because it is 23,500 times more potent as a Greenhouse Gas than carbon dioxide, even small losses have a significant impact on emissions. Since implementing our SF6 strategy in 2021, we have rationalised SF6 gas in storage, recycled over two tonnes of surplus gas and implemented a shadow carbon price to assess the purchase of SF6 equipment. We continue to monitor SF6 top-ups, investigate alternative technologies and consider the best strategy for repairs with equipment suppliers and other industry experts.

Scope 2 Greenhouse Gas emissions

Scope 2 GHG emissions (location-based) reduced 28% from our FY20 baseline year and 8% on FY24. This was driven by a reduction in the rate of our line losses from 3.5% to 3.4% as well as an increase of renewables in the grid, which reduces the emissions intensity of those line losses. Line losses occur in the distribution of electricity when the energy carried over our powerlines is converted into heat and lost.

From 1 January 2024, all of the electricity we procure for our own offices and depots was powered by a power purchase agreement for renewable energy.

We have also improved the efficiency of our properties through refits and rebuilds, with rooftop solar installed on 19 sites, generating 2.23 GWh of renewable energy in FY25 for our own use.

Scope 1 and 2 GHG emissions are reported according to the National Greenhouse and Energy Reporting (**NGER**) submission guidelines.

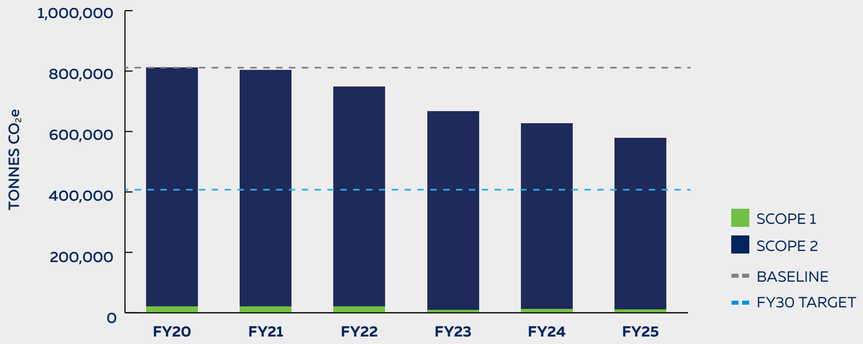
AUSGRID GROUP FY25 GREENHOUSE GAS EMISSIONS

	(tCO_2e)
Scope 1 emissions	11,349
Scope 2 emissions (location-based)[1]	566,431
Scope 3 emissions[2]	368,999

1 Scope 2 location-based emissions are calculated using the average emissions intensity of the grid.

2 Ausgrid Group calculated our FY21 Scope 3 emissions according to the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard as part of setting our Science Based Targets. Our FY21 baseline has been used as an estimate for our Scope 3 emissions in FY25. Undertaking an updated calculation is a key priority for FY26.

SCOPE 1 AND 2 EMISSIONS WITH FY30 SCIENCE BASED TARGET



CASE STUDY

Reducing our emissions through fleet electrification

The Ausgrid Group fleet is going electric. We are transitioning our fleet to electric and hybrid passenger vehicles and trialling EVs in both the light and heavy commercial categories.

As of 30 June 2025, Ausgrid had a fleet of 1,639 vehicles, made up of 1,227 light vehicles and 412 heavy vehicles. Our strategy is to electrify up to 900 vans, utility vehicles (**utes**), cars and trucks by 2029. In FY25, 127 of our vehicles were EVs, which is 7.7% of our overall vehicle fleet. We have made strong progress on electrifying passenger cars; however, a lack of availability of suitable models of electric and hybrid utes and vans is delaying progress in those vehicle categories.

We continue to prioritise electrifying our fleet as it is an important step in reducing our carbon footprint and demonstrating the feasibility and value of fleet electrification. Our EV fleet transition has been recognised with the 2025 Fleet Environment Award from the Australasian Fleet Management Association. Watch the **video** to learn more.

Scope 3 Greenhouse Gas emissions

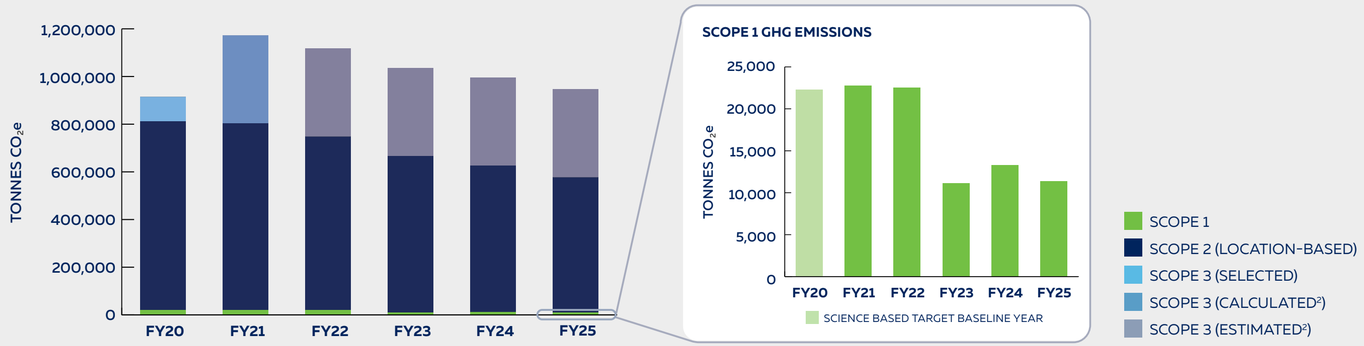
Ausgrid Group calculated its FY21 Scope 3 GHG emissions according to the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard as part of setting its science-based targets. Our FY21 baseline has been used as an estimate for our Scope 3 GHG emissions in FY25. Undertaking an updated calculation is a key priority for FY26.

Over 95% of Ausgrid-owned streetlights have been upgraded to LEDs. Since this program commenced in November 2018, this represents an annual saving of 16,236 MWh. Streetlights contribute to our Scope 3 GHG emissions because local councils are responsible for the electricity consumed. Other streetlight energy savings initiatives include smart controls to dim luminaires based on traffic conditions and installing sensors monitoring the environment to address urban heat islands.

Further metrics on Ausgrid Group's GHG emissions and energy consumption can be found in the **Environmental, Social and Governance (ESG) Data Book**.

Our EV fleet transition has been recognised with the 2025 Fleet Environment Award from the Australasian Fleet Management Association.

SCOPE 1, 2 AND 3 GREENHOUSE GAS EMISSIONS[1]



1 Ausgrid Group has not calculated our Scope 3 GHG emissions since setting our baseline in FY21, so the Scope 3 GHG emissions figure calculated on FY21 data has been applied to FY22, FY23, FY24 and FY25 as an estimate. Undertaking an updated calculation for Scope 3 GHG emissions is a key priority for FY26.

2 Ausgrid Group calculated its FY21 Scope 3 GHG emissions according to the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard as part of setting its science-based targets. Our FY21 baseline has been used as an estimate for our Scope 3 GHG emissions since FY21. Undertaking an updated calculation for Scope 3 GHG emissions is a key priority for FY26.

Preparing for mandatory climate reporting

Ausgrid Group has established a roadmap to meet the mandatory climate disclosure requirements introduced by the Australian Federal Government under amendments to the *Corporations Act 2001* (Cth).

As a Group 1 entity, Ausgrid is required to submit an Australian Accounting Standards Board S2 compliant Sustainability Report to the Australian Securities and Investments Commission in FY26. A cross-functional working group is coordinating preparation efforts across the organisation to ensure we deliver a fully compliant report, with Limited Assurance provided on the Governance, Strategy and Scope 1 and 2 GHG emissions sections.

We will not release an updated Taskforce on Climate-related Financial Disclosures Report for FY25. This Business and Sustainability Review serves as our primary climate-related disclosure.

Governance

More information on management's oversight of sustainability is found on page 15.

Strategy

More information on our approach to decarbonisation can be found on page 18, and our physical climate-related risks on page 43.

Risk management

More information about our Risk Management Framework is available on page 5 of the Corporate Governance Supplement.

Metrics and targets

More information on our Science Based Targets and GHG emissions metrics can be found on page 18.

Helping to decarbonise the energy system

We are committed to helping our customers cut their own emissions by enabling more renewable energy to be integrated into our network. By exploring opportunities in renewable energy zone transmission projects, battery energy storage and expanding public EV charging, we are contributing to the decarbonisation of the energy system.

Find out more about our battery energy storage projects on page 21 and EV charging infrastructure on page 22.

Connecting renewables through the Hunter-Central Coast Renewable Energy Zone network infrastructure project

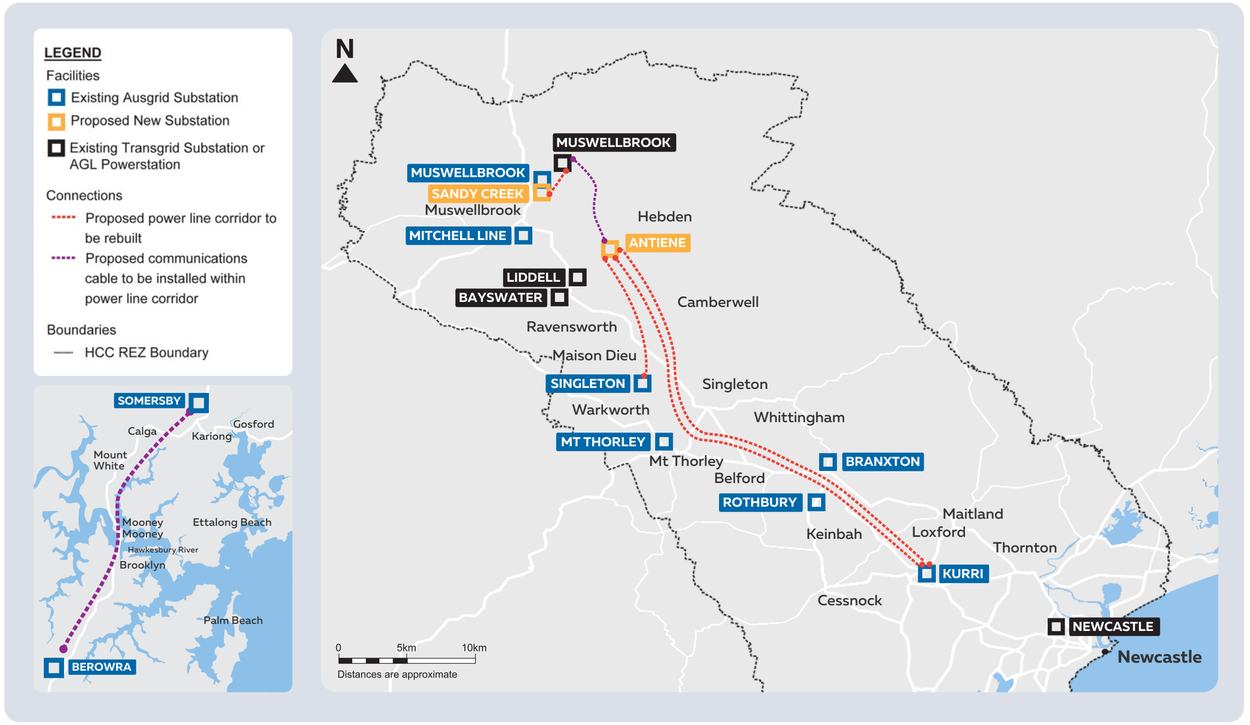
Renewable energy zones (**REZ**) group large-scale renewable energy generation, energy storage and transmission infrastructure together to ensure clean energy can be delivered reliably to communities.

In December 2024, Ausgrid signed an agreement with NSW EnergyCo to be the preferred network operator for the Hunter-Central Coast (**HCC**) REZ network infrastructure project. By 2028, this will provide an additional 1 GW of network transfer capacity, enabling the connection of renewable generation projects such as solar and wind, as well as large-scale batteries.

It is the first REZ in Australia to upgrade an existing distribution network, mainly building on existing powerline easements, which will reduce the impact on local communities and the environment.

Ausgrid is responsible for planning, designing, constructing, financing, operating and maintaining the HCC REZ network infrastructure. The project will create jobs and business opportunities during construction and operation while supporting NSW and Australia's net zero goals by increasing the share of renewable energy on the grid. The connection of 1 GW of renewable generation would remove approximately 2 million tonnes of carbon dioxide equivalent (**tCO_2e**) over the lifetime of the project.[1]

Find out more about how we are engaging with communities around HCC REZ on pages 31 and 32.



1 The HCC REZ Network Infrastructure Project will connect additional low or zero CO_2e emissions renewable generation resources. These renewable generation resources displace output from CO_2e emissions-intensive generation resources. CO_2e emissions avoided were calculated as an output of the energy market model completed as part of the cost-benefit analysis for the Hunter Central Coast REZ Infrastructure Planner's Recommendation Report. For each generator in the model, a kg/MWh Production Rate of tCO_2e was assumed. The Production Rate assumptions were taken from AEMO's 2024 Integrated System Plan. For each generator, CO_2e emissions were calculated as a product of the Production Rate and the total generation of the generator. Total CO_2e emissions were then aggregated over all NSW generators to estimate the total CO_2e emissions from the NSW power system. The value of avoided CO_2e emissions benefit of the HCC REZ Network Infrastructure Project is the difference in total emissions output between 'No HCC REZ Network Infrastructure Project' scenario and the 'With HCC REZ Network Infrastructure Project' scenario.

Electrification

Electrification plays a crucial role in driving the energy transition by replacing gas and liquid fuels with electric alternatives.

Ausgrid Group is actively supporting cross-sector electrification by enabling more solar to connect to our network, expanding public EV charging infrastructure and developing a growing network of community batteries. We are also continuing to streamline our connection processes, enabling customers to charge their EVs and convert gas appliances to electric ones. These initiatives enhance the resilience of the energy grid and broaden community access to the benefits of the energy transition.

Equitable access to electrification and clean energy is essential. Current trends show the uptake of customer energy resources (**CER**) is often concentrated among homeowners or those with the financial means to invest in new technologies.

Our network area is more urban than many other Australian distribution networks with more customers living in apartments, who find it harder to install solar panels and batteries or do not have access to off-street parking to charge an EV. For instance, in our network 16.6% of residential homes have installed solar panels; whereas more than 30% of households in NSW have done the same.

Advancing electrification while maintaining grid stability

By strengthening our network's resilience, we can deliver more reliable access to renewable energy and support greater electrification of homes and businesses. We are preparing for incoming connections that will increase pressure on the network while maintaining grid stability as the energy mix shifts toward renewables, led by the widespread adoption of solar.

Reducing reliance on non-renewable energy sources like gas networks and oil-based transport will accelerate the transition to cleaner energy while lowering emissions. Ensuring grid stability throughout this transformation is essential because renewable energy sources like solar and wind vary due to weather conditions, requiring a resilient and well-managed network to maintain reliability. Through innovation, we are proactively addressing these challenges.

Find out more about our network innovations on page 23 and grid stability on page 42.

Solar connections on our network

This year Ausgrid connected 24,000 customers with solar to our network, bringing our total to 280,000 – or just over 15.5% – of our residential and business customers. The total capacity installed on our network was 2,100 MW, with an average photovoltaic system size of 7.5 kW.

In total, our solar customers generated around 2,400 GWh renewable energy behind the meter in FY25, of which they used around 1,050 GWh to meet their own consumption and exported the rest to the grid. Behind the meter renewable energy generation is 9% of total power consumed in our network in FY25.

Supporting the energy transition through electrification initiatives

Through the expansion of community batteries, grid-scale batteries and EV charging infrastructure on Ausgrid's poles, we are supporting a faster, fairer and affordable energy future.

We are providing additional connection points to increase options for EV charging by customers in homes and businesses and we are also enabling EV super chargers to be installed through dynamic connections.

Deploying battery energy storage systems on our network

Battery energy storage systems (**BESS**) play an important role in the energy transition, helping to integrate intermittent renewable energy into the grid. Battery energy storage allows excess generation during peak production times to be stored and used when demand is high, and supply is low. By helping to meet the peak in energy demand in areas of the grid that are becoming constrained, BESS can defer the need to upgrade the network and thereby reduce costs for our customers.

Community batteries (<5 MW)

A community battery allows the benefits of energy storage to be shared across the local neighbourhood. They allow more solar panels and EV chargers to integrate into the network without straining existing infrastructure.

In FY25, Ausgrid installed two pole-mounted batteries in Mayfield and Nelson Bay as part of the network innovation program. These batteries aim to relieve peak and minimum demand stress on networks and manage the export from rooftop solar generation. We also installed larger pad-mounted batteries in Cammeray and at Cooranbong near Lake Macquarie, which was our first large 5 MW community battery.

CASE STUDY

Giving communities access to energy storage as a service

We are working with energy retailers so they can offer Energy Storage as a Service (ESaaS) using any community batteries installed in our network. This will allow households to benefit from energy storage without owning their own battery.

The ESaaS offer provides a lower network tariff,[1] as locally generated solar energy can be stored in a community battery and returned to the home later, reducing reliance on costly transmission infrastructure. Eligible customers who opt into ESaaS can benefit from an estimated $200 annual discount, making battery storage more accessible, particularly for renters or those unable to install rooftop solar.

Find out more about our community battery program **online**.

1 This is currently a trial tariff, which is a temporary pricing structure designed to test new ways of charging for electricity usage or exports.

FY25 PERFORMANCE HIGHLIGHTS

153

public EV chargers installed by PLUS ES on Ausgrid infrastructure[1]

4

community batteries installed in FY25, with 22 installed in total

9.5 MWh

of community battery energy storage capacity installed in FY25, with 13.9 MWh installed in total

280,000

customers with a solar connection, 15.5% of our network

1 As at 30 June 2025, PLUS ES had installed and owned or operated 153 chargers, 149 of which were delivered with NSW Government funding.

As of 30 June 2025, we had a total of 22 community batteries installed on our network, with a combined 13.9 MWh of battery energy storage capacity installed by that date. We want to install up to 200 community batteries by 2035, reducing peak demand, improving grid stability, and supporting solar and EV uptake.

Grid-scale batteries (30 MW+)

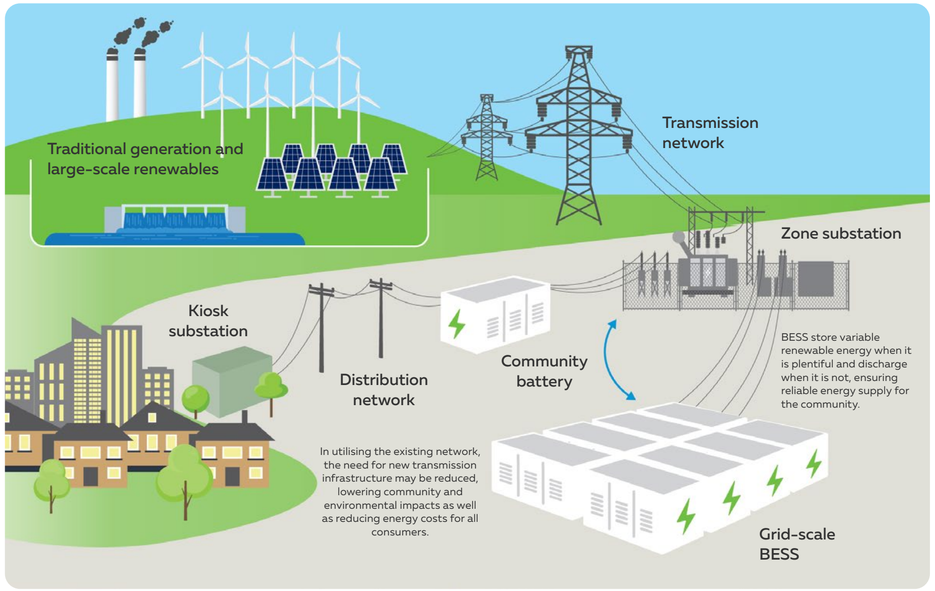
Grid-scale batteries are large energy storage systems – defined by AEMO as over 30 MW but typically over 100 MW in capacity. Grid-scale battery storage supports greater renewables penetration by shifting load and generation as well as providing ancillary services like voltage, frequency and inertia control. In this way, it can help stabilise the grid while optimising existing infrastructure, allowing upgrades to be deferred, which can help reduce energy prices.

This year Ausgrid Group submitted two proposals to the NSW Department of Planning for grid-scale battery projects, each with a proposed capacity of 200 MW and two hours of storage. In the event that these projects are approved, we will set up a new entity within the Group to deliver grid-scale batteries separate to Ausgrid's role as a Distributed Network Service Provider (**DNSP**).

Providing access to public electric vehicle charging infrastructure

Ausgrid Group's ambition is to support the deployment of kerbside EV chargers in our network, which allow customers without off-street parking to charge at the same cost as those with off-street parking. Providing equitable access to cost-effective charging will help our community embrace the benefits of electrification and increase the adoption of EVs, speeding up the decarbonisation of passenger vehicles.

CONNECTING COMMUNITY AND GRID-SCALE BATTERIES TO THE ELECTRICITY NETWORK



We enable EV charging infrastructure providers to install EV chargers on our power poles. In FY25, third-party providers installed 231 pole chargers and four kiosk chargers, bringing the total EV chargers to 291 on poles and 31 on kiosks across the Ausgrid network as of June 2025.

Our PLUS ES business is also installing EV chargers on Ausgrid power poles. PLUS ES started a pilot program, securing NSW Government funding to install 149 kerbside chargers. Partnering with AGL as the charge point operator, by the end of FY25 PLUS ES had installed 149 22 kW kerbside chargers. PLUS ES also secured a regulatory sandbox waiver from the Australian Energy Regulator (**AER**) to install an integrated meter within the EV charger, eliminating the need for a separate, bulky meter beneath it. This streamlined design conserves space, making it a practical solution for crowded pavements.

Ausgrid Group is advocating for regulatory changes to allow Distribution Network Service Providers (**DNSPs**) to own and maintain (but not operate) electric vehicle (**EV**) charging infrastructure, alongside their traditional network assets. Under current rules, DNSPs can maintain the poles and wires of the electricity grid but are restricted from directly owning or maintaining kerbside chargers. Because Ausgrid already manages the grid infrastructure, we are well positioned to rapidly roll out pole-mounted chargers, expanding public access to EV charging and accelerating the electrification of transport in NSW.

In FY25, we introduced a new 'critical peak tariff' for public EV charging stations, which have a low ongoing network fee and higher charge during peak demand times. During these peak periods, this tariff can assist customers to choose whether to keep charging or wait to avoid the higher cost. This tariff helps support EV charging and encourages people to charge their vehicles when demand on the network is lower.

Enabling vehicle-to-grid charging

Looking ahead, in FY26 we will continue to look for new ways to empower customers to participate in the energy transition. In July 2025, Ausgrid launched our vehicle-to-grid (**V2G**) initiative. V2G technology enables grid-interactive, bi-directional chargers to utilise EV batteries as distributed energy resources, supplying electricity to homes and supporting the grid during peak demand. The initiative will enable customers to use their EV batteries to power their homes and earn income, regardless of whether they have rooftop solar.

Accelerating the smart meter roll-out

By enabling real-time monitoring and two-way communication between homes, businesses and the grid, smart meters are a foundational technology for electrification and the transition to a decarbonised energy system. Australia's energy market is undergoing a major transformation, underpinned by a national initiative to accelerate smart meter deployment. Recent rule changes by the Australian Energy Market Commission have set a clear target: universal smart meter adoption by 2030. This strategic shift marks a critical milestone in the journey toward a more efficient, resilient and sustainable energy future.

PLUS ES partners with energy retailers to install smart meters, working together to accelerate their roll-out across the NEM. In FY25, PLUS ES installed 315,000 smart meters, taking the total PLUS ES smart meter portfolio to over 1.6 million devices by the end of the financial year.

Network innovation

The rapidly evolving, increasingly decentralised electricity market presents opportunities to encourage a culture of innovation at Ausgrid.

By applying our expertise to develop new network models and solutions we can maximise the efficiency of our existing assets, provide benefits for our customers, and align with policy makers and regulatory objectives for future economic growth centred on affordability and decarbonisation.

Guided by our Innovation and Continuous Improvement Policy, we take a practical approach to investment in innovation. In our 2024–29 regulatory allowance, we secured $22 million over that period to extend our network innovation program which explores emerging technologies such as microgrids, community batteries, stand-alone power systems (**SAPS**), dynamic network services, and network monitoring solutions, helping us adapt to evolving customer expectations and to an energy system with an increasing share of renewable energy.

Collaborating with industry partners on shared challenges

Under the Australian Energy Market Operator's (**AEMO**) 2024 Step Change Scenario, 72 GW of distributed solar on homes and businesses will be needed by 2050, around a four-fold increase from today. About 85% of CER storage such as EV and behind-the-meter batteries will also need to be coordinated by 2050. Achieving this will require major transformation across the electricity system – one in which distribution networks are well positioned to play a critical enabling role.

We are collaborating with Essential Energy and Endeavour Energy on a Distribution System Plan exploring how NSW distribution networks can support greater CER integration and enable a faster and more affordable energy transition. It focuses on improving customer coordination and integration, ensuring that customer-owned assets, like solar, batteries and EVs, can work seamlessly with the grid.

The plan also examines the capacity of distribution networks to optimise the use of our existing infrastructure to connect more renewables and storage and accelerate the energy transition. This can have the benefit of reducing the impact of the energy transition on customers and communities where it offsets the need to build new infrastructure.

Harnessing customer energy resources to balance the grid locally

As Australia's energy landscape evolves, new models are needed to manage demand in smarter, fairer ways.

Using dynamic pricing to encourage flexible energy use through Project Edith

This is the third year of a trial to help customers unlock value from home batteries, EVs, and other flexible energy resources. Available through selected retailers, 'Project Edith' is a dynamic pricing trial enabling fairer, flexible energy use and grid participation.

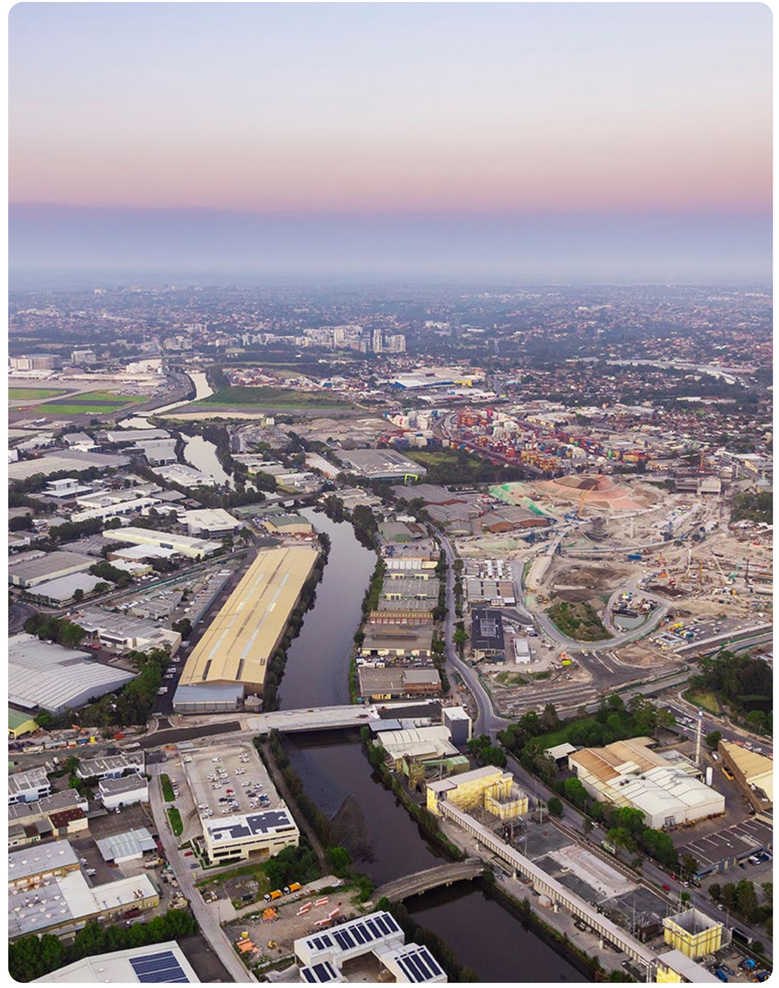
For every five-minute period, dynamic prices are generated based on day ahead forecast conditions at specific locations, factoring in weather, network demand and insights on our customers' energy usage and behind-the-meter solar and battery resources. When export of energy onto the network is constrained during periods of low demand, such as in the middle of the day during high solar output, negative prices provide signals to customers to use the energy themselves or charge their battery rather than exporting electricity. Conversely, when demand is high, customers are rewarded for sharing electricity with the grid.

This approach helps users save by adjusting their energy use, supports grid stability and provides valuable industry insights. Four retailers and aggregators are taking part in the project, growing the trial to nearly 1,200 customers, with plans to develop this into a subthreshold trial tariff by 1 July 2026 to accommodate up to 10,000 customers.

Rethinking electricity distribution through Community Power Networks

The Community Power Network is designed to rethink the role of distribution networks in the energy transition. In FY25, we applied to the AER to undertake a sandbox mechanism to develop this proof-of-concept initiative. It moves away from seeing solar as a challenge to networks and instead enables the grid to integrate and accelerate local generation and consumption, lowering costs and speeding up the shift to renewables.

The proposed trial would take place in Mascot and Charmhaven, where businesses and residential customers would be incentivised to put more solar on their roofs so that excess rooftop solar can be stored in batteries orchestrated by Ausgrid. We would track costs and benefits, with net savings pooled and shared among customers in the pilot areas.



Mascot from above, the proposed location for one of our Community Power Network trials.

FY25 PERFORMANCE HIGHLIGHTS

The HCC REZ network infrastructure project is the first on an existing distribution network.
Find out more on page 20.

Our proposed Community Power Network trial is designed to rethink the role of distribution networks at the grid edge.
Find out more on page 23.

Offering dynamic connections and dynamic load control to allow for more rapid and lower-cost take-up of flexible loads, like hot water systems or EV charging.

'Project Edith', our dynamic pricing program, has continued to grow and make an impact.
Find out more on page 23.

Ausgrid's first microgrid was completed in Merriwa.
Find out more (on the right).

By focusing mainly on using existing network assets, this innovative Community Power Network concept offers a practical alternative to investment in large-scale generation and transmission projects. If our proposal is successful, we hope to demonstrate that this network design can be a lower cost way to deliver a proportion of the customers' energy needs via local renewables while making it fairer for those that cannot install their own solar or storage assets, by enabling them to share in the benefits. This could be done in parallel to large-scale efforts, accelerating the overall transition to renewables.

Find out more **online**.

Building resilience through decentralised electricity infrastructure

As severe weather events become more frequent due to climate change, ensuring reliable power for communities is more critical than ever. Through microgrids and SAPS, we are trialling innovative, decentralised solutions that strengthen resilience, reduce risk, and keep essential services running when the grid is under pressure.

Improving electricity reliability through microgrids

Ausgrid completed our first **microgrid** in FY25 in Merriwa. This is a step forward in building a more resilient and reliable energy future for our communities. Microgrids are localised networks, serving multiple properties or community facilities that are usually connected to the main grid but can operate independently during outages.

The Merriwa microgrid will provide off-network power to key services during extreme weather outages. Equipped with solar panels, battery storage, a backup diesel generator and advanced control technologies, it is able to supply electricity to 28 connected properties, including essential services, if the main grid goes down.

Developed in collaboration with the community to meet local needs, this project offers valuable insights that will be shared across the industry.

As part of our commitment to building a more resilient network, we are continuing to explore further microgrid opportunities.

Delivering off-grid power through Standalone Power Systems

SAPS are designed to power individual properties, typically in inaccessible or remote communities. This technology operates independently from the grid and supplies power 24 hours a day to individual customers, using a mix of solar, battery storage and back-up generation. This year, Ausgrid commissioned seven SAPS (258.6 kW) in Mirannie and Ellerston. This brings our total trial SAPS on our network to 10 (350.9 kW).

This project aims to increase reliability during extreme weather events while reducing network maintenance and replacement costs. Other benefits include reducing bushfire and electrical safety risks due to the reduction of remote poles and wires.

We hope to demonstrate that Community Power Networks can be a lower cost way to deliver a proportion of the customers' energy needs via local renewables.

Investing and cultivating trust in communities we operate in

Customer trust is vital to achieving our goals. To preserve and grow trust, Ausgrid Group will need to balance emissions reduction initiatives with customer expectations of reliability and affordability.

Consistent engagement, high-quality customer experiences, and a commitment to delivering long-term, sustainable outcomes for local communities will help us build a positive social legacy through the transition.

WE CONTRIBUTE TO THE FOLLOWING SDGS IN THIS SUSTAINABILITY PRIORITY:

1 The average time in minutes a customer is without electricity over the previous 12 months.
2 The average number of service interruptions to each customer over the previous 12 months.

FY25 progress against our commitments

65.09 on the System Average Interruption Duration Index (SAIDI)[1]

FY25 performance

73.09, increased from 69.15 in previous year

See page 29 ○

0.63 on the System Average Interruption Frequency Index (SAIFI)[2]

FY25 performance

0.58, increased from 0.49 in previous year

See page 29 ✓

89% Ausgrid complaints resolved <20 days

FY25 performance

88.4%, decreased from 91% in previous year

See page 30 ○

76% Ausgrid service resolution

FY25 performance

76%, decreased from 78% in previous year

See page 30 ✓

81% Ausgrid service ease

FY25 performance

79%, level with previous year

See page 30 ○

65% Ausgrid compliance with energisation date

FY25 performance

41%, decreased from 52% in previous year

See page 30 ○

69.3 Ausgrid RepTrak community score

FY25 performance

71.5, increased from 69.4 in previous year

See page 31 ✓

74.6 Ausgrid RepTrak stakeholder score

FY25 performance

81.4, increased from 74.6 in previous year

See page 31 ✓

◐ ON TRACK
✓ ACHIEVED
○ NOT ACHIEVED

Historic data can be found in the ESG Data Book.

Access and affordability

As an essential service provider, we understand that keeping electricity accessible and affordable is vital for our customers, especially as we seek to accelerate the clean energy transition.

Our purpose – to make electricity accessible for all – emphasises that no-one should be left behind in the shift toward a cleaner, more sustainable future. We seek to manage our organisation efficiently and effectively to ensure consumers pay no more than what is necessary for safe and reliable services.

Through our tariffs and network pricing, such as time-of-use and demand tariffs, we offer pricing options that enable customers to take greater control of their energy use, helping to manage their costs.

Engaging with customers to keep electricity accessible and affordable

Listening to our customers helps us understand their priorities, enabling us to manage costs and investments with our community in mind. Our regulatory framework guides our approach, ensuring our network prices are as efficient and affordable as possible.

One way we ensure customer voices inform our approach is through our Customer Consultative Committee (**CCC**) and its sub-committees, including the Pricing Working Group. Bringing together independent advocates with diverse perspectives, customer insights and technical expertise, the CCC advocates for all Ausgrid customers on issues such as network tariffs, key policy and regulatory submissions.

Other customer engagement initiatives in FY25 included:

- Developing a range of videos, animations and educational resources, available on our website, to help customers better understand electricity costs, usage charges and how to get the most out of their solar or electric vehicles (**EVs**);
- Participating in the Energy and Water Ombudsman NSW's Redfern Community Assist Day and Hunter Homeless Connect, providing advice and support about energy concessions to customers across Sydney and Newcastle; and
- Attending local community events such as Tocal Field Days, Bengalla Upper Hunter Show and Merriwa community events, to assist customers with their queries and show them how to access support.

Find out more about how we are supporting communities in the **Social legacy** section.

Explaining network pricing

We recognise that broader economic conditions and cost of living pressures have been challenging for energy consumers. Ausgrid Group remains focused on reducing our cost to serve though increased efficiency in our business.

Network prices are governed by the Australian Energy Regulator (**AER**) under the National Electricity Rules. Our overarching tariff strategy is agreed via the AER-approved Tariff Structure Statement for each five-year regulatory period and then network prices are updated each financial year (effective on 1 July) through the AER's approval of the Annual Pricing Proposal.

The key objectives of our pricing are to be flexible, fair, efficient and cost-reflective. Ausgrid's revenue is set for each regulatory period by the AER and is not dependent on the volume of electricity we distribute.

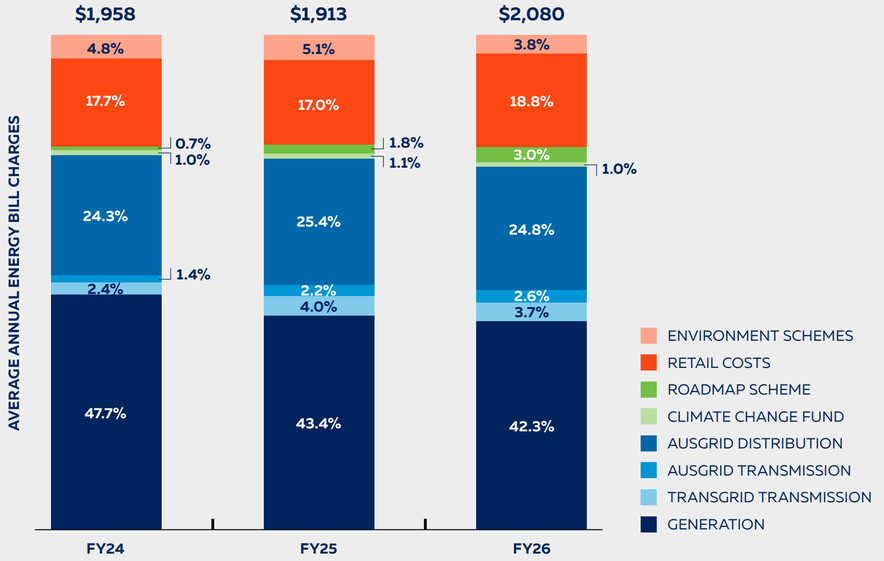
As such, average unit prices are determined by dividing the total revenue set by our regulator across the total electricity consumption volumes.

Ausgrid distribution and transmission charges made up 28% of a typical residential customer electricity bill in FY25 (see chart on the top right).

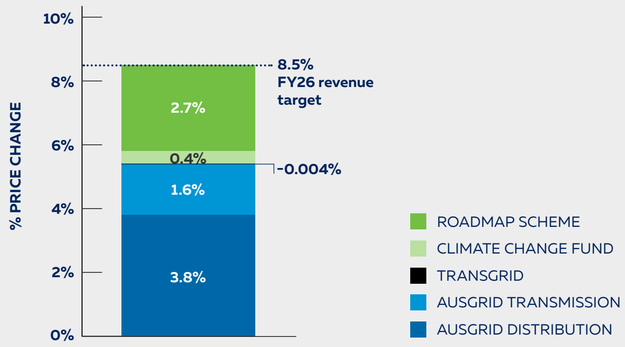
In June 2025, we announced Ausgrid network revenue would increase by 8.5% in FY26[1] (see chart on the bottom right). Just under two-thirds of the increase is due to Ausgrid's own costs mainly relating to external factors, with higher interest rates, inflation, higher cost of capital and adjustments in insurance premiums driving much of the increase.

The other significant contributing factor to the price rise was the costs for the NSW Government's Electricity Infrastructure Roadmap, which coordinates investment in transmission, renewable energy and storage to deliver clean electricity for NSW.

BREAKDOWN OF AVERAGE ANNUAL RESIDENTIAL ENERGY BILL FY24 TO FY26[2]



CONTRIBUTION TO AUSGRID PRICE INCREASE FROM FY25 TO FY26



1 While our network revenue is expected to increase by 8.5% from FY25 to FY26, due to lower consumption forecast over that period, network prices will increase by 8.95%. The FY26 price rise, which took effect on 1 July 2025, is provided here due to the length of time between the previous price increase in FY25 on 1 July 2024 and the publication of this report. For completeness, in FY25, Ausgrid network prices increased by 18% from FY24.

2 Based on AER Final DMO5, DMO6 and DMO7, 5,000 kWh per annum on a demand tariff structure. Includes metering charges and excludes controlled load usage. Excludes GST. Nominal Dollars.

FY25 PERFORMANCE HIGHLIGHTS

$200

Estimated annual discount for eligible customers who opt into Energy Storage as a Service (ESaaS)

>1.6m

Total PLUS ES smart meters installed to date

2.2b

Total PLUS ES smart meter readings in FY25

280,000

Solar connections (15.5% of our network)[1]

Offering tariffs to meet customer needs

The 2024-29 Regulatory Reset provided an opportunity to enhance certain tariffs. In the first year of the current regulatory period (FY25), Ausgrid made several changes to its network tariff structures. The changes included extending our peak energy windows from 3pm to 9pm for all customers and removing the shoulder period so that off-peak charges apply at all times outside of the peak charging window. This is designed to encourage customers to 'soak up' excess solar energy in the middle of the day.

We also extended the peak period to weekends for residential customers, because demand from these customers tends to be elevated on Saturdays and Sundays, while removing the low season peak demand charge for residential and small businesses so those customers do not have to pay demand charges outside of the summer and winter months.

Using tariffs to shift demand and reduce overall network costs

Peak electricity demand is a key driver of network costs. With more homes and businesses getting rooftop solar, there is also more excess electricity in the day when the sun is shining but demand is lower. Incentivising customers to use less energy during peak times and more during the middle of the day can reduce pressure on the grid, and the amount network operators need to spend on infrastructure to meet peak demand.

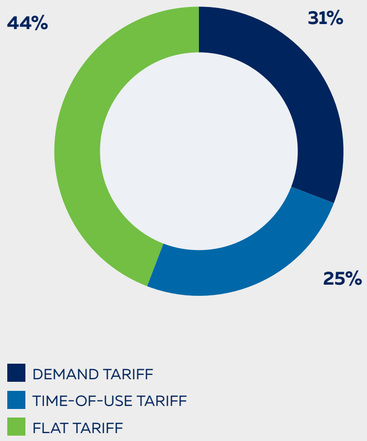
For residential and small business customers, we provide demand tariffs, time-of-use tariffs and a solar export tariff. Each has different characteristics to incentivise shifting electricity use to periods when it is more available. These tariffs, available to customers with smart meters[2], are set out in the table on the right.

In FY25, over half of all residential customers in our network were either on demand tariffs or time-of-use tariffs rather than flat tariffs (where customers pay the same rate for electricity, no matter what time of day they use it, or how much they use).

As more of our customers get smart meters installed, customers will increasingly move over to more cost-reflective demand and time-of-use tariffs, which help manage peak demand and support a more efficient and sustainable energy system.

On 1 July 2025, we introduced a mandatory export tariff for customers who can export electricity with solar or batteries, which had previously been an opt-in tariff. Up to 300,000 residential and small business customers who are export capable will have the new tariff assigned to their premises. The export tariff migration will not impact any customer's existing network tariff for energy consumption, since the new tariff only applies to exports. See table on the right for description of the export tariff.

PROPORTION OF AUSGRID RESIDENTIAL CUSTOMERS BY TARIFF IN FY25



NETWORK TARIFFS EXPLAINED

Tariff	What are they?	What are the benefits?
Demand tariffs	A demand tariff charges customers not just for how much electricity they use, but also for how intensely they use it during peak times.[3] A demand tariff adds a demand charge to the usual fixed and flat rate usage charges. It's calculated on the one day of the month during a peak window between 3pm and 9pm when the highest 30-minute period of consumption occurs. Retailers determine how that charge is passed on to customers.	Demand tariffs better reflect the cost of network infrastructure, which must be built to handle peak demand. Demand tariffs encourage customers to spread out their energy use away from peak times and by doing so, households can lower their own bills while contributing to the reduction of overall network costs, benefiting all customers.
Time-of-use tariffs	A time-of-use tariff has different pricing for different times of day. Electricity usage is billed at different rates during two distinct time periods: 'peak', when rates are higher, and 'off-peak', when rates are lower.	Time-of-use tariffs encourage customers to shift their usage to times when there is less demand on the grid. This helps to reduce peak demand, which lowers the need for network infrastructure upgrades. It also supports solar integration by promoting daytime usage when solar generation is high.
Export tariffs	An export tariff is a pricing structure that applies when customers with rooftop solar or batteries send excess electricity back into the grid. They encourage exports when they are most valuable, particularly in the late afternoon when demand is high, and discourage exports in the middle of the day when solar output is high and electricity demand is low.	Export tariffs encourage customers to use their own solar in the middle of the day when there is excess solar and lower demand on the grid. This will keep energy bills lower for everyone across the network in the long term and supports fairness so that customers who are unable to have solar do not pay more in network charges compared to those who do.

1 As of 30 June 2025, of which 269,000 (96%) are residential customers and 11,000 (4%) are business customers. While business customers represent 4% of total solar connections, their systems are generally larger and account for more than 17% of total installed capacity.

2 Subject to being offered by retailers.

3 Demand charges only apply during the summer and winter months and not during April, May, September or October.

Introducing new tariffs for business customers

Ausgrid's **Tariff Structure Statement** for the 2024–29 period allows more flexibility and tariff options for retailers to offer to business customers who consume less than 100 MWh each year, helping them find the most affordable tariff option to suit their needs.

From FY25, we began to increase the upper annual consumption threshold at which customers can access time-of-use tariffs by 20 MWh each year, starting from 40 MWh in FY24 and reaching 100 MWh in FY27.

We also introduced tariffs for embedded networks in FY25 with an increased capacity charge compared with a non-embedded network tariff. Embedded networks are private electricity networks that supply multiple homes or businesses, such as apartment buildings or shopping centres. This increased capacity charge will be phased in over a seven-year transition period. It will ensure embedded networks pay a price that is more reflective of their use of the network, so that customers who are not in an embedded network do not pay more than they should.

In FY26, we are undertaking trials for two new tariffs for business customers. Our small business local use of system tariff will offer Energy Storage as a Service (**ESaaS**), aligned with our residential tariff for community batteries (see page 21). An individually calculated tariff for large storage facilities will also be trialled for customers who import and export high volumes of electricity to the grid.

Supporting customers in vulnerable circumstances

Some of our customers experience vulnerabilities and have difficulties paying their electricity bills. Our **Customer Assistance Framework** outlines our commitment to working flexibly with customers who may be experiencing challenging life circumstances when they are required to undertake network maintenance or rectification work on private property, or to pay for liability for damage to our network. In FY25, we received 43 applications for assistance under the Framework.[1]

Creating business efficiencies to enhance affordability

Part of our role to help deliver a faster, fairer and more affordable energy transition is ensuring our business is efficient. Business transformation initiatives aim to enhance efficiency, so as to deliver greater value without compromising on safety or reliability.

Our major transformation programs include right-sizing of our property footprint, technology enablement and productivity improvements. In FY25, we made efficiency savings of $6 million, which were delivered through a mixture of technology, productivity and property savings.

Developing innovative solutions to promote access and affordability

We are developing new network models and deploying technologies to promote fairness and affordability for our customers on network charges. Some examples are listed below:

- Seeking approval from the AER to trial a Community Power Network concept where excess rooftop solar within the relevant trial area will be stored in batteries we install, with net savings put into a communal pool, which will be distributed amongst customers in the area – see page 23;
- Providing ESaaS allows residential customers to benefit from a community battery in their neighbourhood without needing to install their own. It is designed to lower electricity bills by an estimated $200 per year – see page 21;
- Installing EV chargers on power poles and kiosks to enable more access to public charging – see page 22; and
- Deploying over 1.6 million smart meters so customers can monitor and manage their energy consumption more effectively – see page 22.

1 The Customer Assistance Framework aims to help those who need to pay us directly for safety rectification work, damage to our network, or the rental of tigertail safety equipment.

Customer experience

As the energy transition accelerates, maintaining trust relies on providing a reliable energy supply and ensuring customers have a positive experience if they need to contact us.

Our customers expect reliability, whether that's around new connections, upgrades, or other routine activities. When outages do happen, we aim to address them promptly through proactive SMS notifications and ensure customers can connect with us via their preferred channels. We can be contacted through a dedicated contact centre, website, email, and social media.

This year, we introduced the Customer Service Incentive Scheme (**CSIS**), a regulatory mechanism that financially incentivises improved performance in areas our customers have told us matter most. The scheme targets three key metrics:

1. Enhancing the ease of customer experience during planned outages, measured through post-outage customer surveys;
2. Reducing the time it takes to complete new connections projects; and
3. Increasing satisfaction with our website, particularly during unplanned outages when access to timely and accurate information is critical.

These focus areas were shaped by direct customer feedback and reflect our commitment to delivering more responsible and accessible service.

Our Group Executive – Customer, Assets and Digital leads the continuous improvement of customer experience, supported by our Customer Consultative Committee (**CCC**) and Customer teams, who use feedback to enhance customer requests, connections, contact centre interactions and digital channels. The Board is provided with regular updates on key customer service delivery metrics (see performance highlights on page 25 and page 30), so they have oversight of our customers' experience.

Maintaining a reliable service for our customers

We recognise the significant inconvenience outages can cause for our customers. To help minimise outages, we take proactive steps like maintaining assets, avoiding overloads, ensuring strong structural and electrical design, and managing vegetation effectively.

If an outage does happen, we act quickly to identify faults, make repairs, and restore power as soon as possible.

By using accurate data, we pinpoint areas that need improvement, uncover the root cause of outages, and assess risks to keep enhancing our service.

We assess network reliability through the common measures of average reliability: System Average Interruption Duration Index (**SAIDI**), which measures the average time in minutes a customer is without electricity over the previous 12 months; and System Average Interruption Frequency Index (**SAIFI**) is the average number of service interruptions to each customer over the previous 12 months.

These measures are normalised by removing exceptional days where the daily SAIDI exceeds a 'major event day' threshold. In FY25, we have implemented a new measure to account for the major event days as part of our resilience program. Find out more on pages 41 and 42.

In FY25, SAIDI increased to 73.09 from 69.15 the previous year. This did not meet our target of 65.09. Over the same period, SAIFI increased from 0.49 to 0.58, achieving our target of 0.63. Both metrics were within the normal range of variation, primarily driven by changes in weather year to year. We will continue to focus on maintaining a reliable service for customers.

Utilising new technology to minimise outages

In FY25, more components of the Advanced Distribution Management System (**ADMS**) were embedded as key tools to improve outage management. These components will improve Ausgrid's ability to manage outages and improve customer experience.

The ADMS has delivered operational efficiencies and improved network visibility across the distribution system. This has been through the integration of advanced analytics, real-time data processing, and upgraded supervisory control functionality. The system now enables faster fault detection and isolation, resulting in shorter outage durations and enhanced overall reliability.

FY25 PERFORMANCE HIGHLIGHTS

91%

Ausgrid contact centre first contact resolution

84%

of Ausgrid outages and emergency calls answered within 30 seconds

100%

of applications for Customer Assistance responded to within five business days

Enhancing our communication during outages

Clear and timely communication before and during planned outages is essential to help customers stay informed and make necessary arrangements. This year, we improved the outage finder section of our website to make it easier for customers to access real-time information. We also expanded our SMS notifications – previously sent only to the primary account holder – to now reach all mobile numbers listed on an account. In response to customer feedback, we introduced a new SMS notification when power is restored, allowing customers who made arrangements to be away to return home sooner.

During unplanned outages, timely updates are critical to managing customer expectations. Our OneNetwork program, which integrates ADMS with our works management and customer relationship management systems, has enhanced real-time outage communication by integrating and digitising network management and customer updates. It streamlines coordination across field crews, control rooms, depots and contact centres, enabling us to keep customers informed.

Customers now receive real-time SMS notifications when they report emergency issues to Ausgrid; when the estimated restoration time changes; and a completion SMS when the job is closed, keeping them better informed as crews respond. We also continued our outreach to life support customers by initiating personal phone calls during extended unplanned outages where automated messages are unavailable or unsuccessful, helping ensure their safety and awareness during prolonged disruptions.

Holding ourselves accountable for timely connections

Customer connections to the network are a critical service Ausgrid provides. We have implemented a new service metric to hold ourselves accountable for connecting customers within a set timeframe.

The CSIS provides a reward or penalty, depending on whether we meet connection timelines, tying our financial outcomes to helping our customers and partners meet their construction milestones.

In FY25, our connection timelines were temporarily affected by Protected Industrial Action (**PIA**) related to the renegotiation of the Ausgrid Enterprise Agreement (see page 36). Between August and December 2024 (which was the period during which PIA occurred), there were 699 cancelled connection appointments, impacting customer projects and creating a backlog. After the Enterprise Agreement was resolved in December 2024, our teams responded quickly to address the delays. By the end of June 2025, the connection backlog for customer projects that occurred during the PIA period was cleared.

Our compliance with energisation date metric tracks the percentage of customer connections that have their power switched on by the scheduled date, selected by the Accredited Service Provider (**ASP**) before construction begins. It helps us to assess how reliably Ausgrid and the ASP meet customer expectations. In FY25, Ausgrid's compliance with energisation date was 41%. This was primarily due to the connection delays that occurred during the PIA period.

Serving our customers and responding to feedback

Ausgrid measures customer experience through the 'Always On' Voice of Customer program, which collects data on customer experiences to inform our business decisions and identify where we can improve.

Service resolution and service ease are important measures that help us understand how effectively we resolve customer-initiated requests and how easy it is for customers to interact with us. In FY25, we met our target of 76% for service resolution, however the metric decreased from 78% the year before. This was the result of underperformance in 'website first visit' resolution, tree trimming, and pole and wire repairs. Service ease remained steady at 79%, but below our target of 81% for the year.

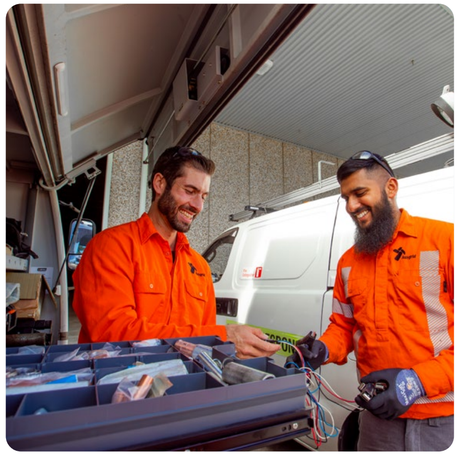
In PLUS ES, we use our Net Promoter Score (**NPS**) to measure the extent to which our retailer, broker, ASP and embedded network customers are willing to recommend us. In FY25, the PLUS ES NPS was 48.57, representing a slight fall from the FY24 score of 52, above the targeted score of 40.

Acting on customer complaints

Ausgrid Group's complaint and dispute resolution process was refreshed in FY25. The policy is consistent with Australian Standard AS/NZS 10002:2022 'Guidelines for complaint management in organisations'.

Over 88% of the complaints Ausgrid received were resolved in under 20 days. This was below our FY25 target of 89% and down from 91% in FY24. This result can be attributed to an increase in complaints received following the major storm event in January (see page 45) and the subsequent delay in resolving cases.

In FY25, we experienced a 20% increase in cases escalated to the NSW Energy and Water Ombudsman compared to FY24. Ninety-one per cent of 'Referred Higher Level' cases from the Ombudsman were resolved without the need for investigation. At the end of FY25, Ausgrid is currently the electricity distributor with the least complaints; sitting at 2.4 per 10,000 customers.



We have implemented a new service metric to hold ourselves accountable for connecting customers within a set timeframe.

Social legacy

We strengthen trust through proactive community engagement and collaborating with diverse communities, including First Nations peoples.

Community-minded and inclusive engagement is essential in maintaining our social licence with communities as we seek to accelerate the energy transition.

Through the development of major projects, such as the Hunter-Central Coast Renewable Energy Zone (**HCC REZ**) network infrastructure project, grid-scale batteries and the increasing uptake of customer energy resources (like rooftop solar and batteries), our role as a distribution network is changing. Fostering community awareness and acceptance is critical in supporting energy transition initiatives.

We want to leave a positive social legacy, delivering long-term, sustainable outcomes for local communities that persist and grow after our projects are complete.

In FY25, we kicked off a project to develop a social legacy framework. Once complete, it will serve as a unifying tool across our business to integrate, measure and create social value while enhancing community trust. Through the year, we conducted industry analysis, a maturity assessment, interviews and a workshop with internal stakeholders to develop the framework, which we plan to launch in FY26.

Aligning our engagement approach with community needs

Our approach to engagement is embedded in the planning, construction, operation and maintenance of our electricity network. As we advance large-scale energy transition projects, we continue to evolve our community engagement and seek to keep impacted communities informed and involved throughout the process.

The Ausgrid Group Community Engagement Policy shapes our approach, drawing from the International Association of Public Participation (**IAP2**) spectrum, regulatory guidance, and industry best practices. This year, we have reviewed and updated our policy and framework in consultation with our people and our CCC. It will be tabled for endorsement by our Executive Leadership Team (**ELT**) in early FY26.

The related Community Engagement Framework will replace our previous Community Engagement Handbook and meet our obligation to comply with the NSW Code of Practice for Authorised Network Operators.

We have a cross-functional Community of Practice within our business to refine engagement strategies, mitigate impacts and enhance community outcomes. This group empowers teams to manage project risks and strengthen our reputation while fostering knowledge sharing.

Some of the ways we engage with communities include:

- Involving local stakeholders in the planning and evaluation process, fostering collaboration and community engagement;
- Our community development program 'Grants for Good' that provides a funding mechanism for community development initiatives;
- Engaging with the broader community through consultations on specific initiatives, including major infrastructure and innovation projects;
- Using communication tools appropriately for each project, for example printed letters, onsite events, digital engagement tools, surveys, contact centre calls, website, direct and bulk email, social media and SMS alerts; and
- Inviting people to share feedback on our upcoming projects via Ausgrid's **'YourSay' website**, helping to ensure our services and the future grid align with community interests and needs.

The HCC REZ network infrastructure project demonstrates our commitment to community engagement, with a range of activities undertaken to ensure the local community is informed. Between January and April 2025, we held 11 community and landowner information sessions, one pop-up session, four webinars, and more than 20 stakeholder briefings.

Collaborating with a wide range of stakeholders

We engage with the Federal and NSW governments, local councils, water authorities, regulators, industry peers, customer advocacy organisations, emergency response partners and research institutions to consider the current and future needs of our customers in our decision making.

Customer Consultative Committee

The independent CCC serves as a platform for members to advocate for Ausgrid customers. The committee identifies opportunities to leverage Ausgrid's assets, priorities and regulatory processes in the interests of customers.

The CCC has sub-committees that provide in-depth advice and feedback on specific topics. These are the Pricing Working Group, Network Innovation Advisory Committee, Customer Communications Working Group, Climate Adaptation and Resilience Expert Panel and HCC REZ Regulatory Panel.

Read a description of the **CCC's sub-committees** on our website.

Launch of the 'Wired for good' podcast

Throughout FY25, senior Ausgrid Group leaders have been joined by respected industry voices to facilitate meaningful and engaging conversations on how the energy transition can unlock greater benefits for all Australians.

Hosted by Australian electrification advocate Sarah Aubrey, guests have included Matt Kean, Chair of the Climate Change Authority and Brendan French, CEO of Energy Consumers Australia. Access all episodes of the 'Wired for good' podcast on the **Wired for good website**.

Monitoring our reputation with stakeholders and the community

We measure our reputation with key stakeholder groups and the broader community, using RepTrak, which is a globally recognised reputation measurement platform. This helps us to gain insights about how we are perceived so we can feed that into our plans and how we communicate with our stakeholders.

In FY25, our community score was 71.5, increasing 2.1 points on FY24. Our stakeholder score in FY25 was 81.4, which was up on our FY24 score of 74.6. This was driven by significant improvements in our score with stakeholder groups including industry, government, council leadership, ASPs and retailers.

RepTrak scores[1]	FY24	FY25
Community score	69.4	71.5
Stakeholder score	74.6	81.4

We are committed to keeping communities informed about upcoming projects.

1 Our RepTrak community score is measured through monthly surveys with the general public and is calculated on a 12-month average. Our RepTrak stakeholder score is measured through an annual survey of key stakeholder groups: customer advocates, industry, government, major connections, council leadership, ASPs and retailers.

FY25 PERFORMANCE HIGHLIGHTS

$140k

in Ausgrid Group grants to support locally led community organisations, consisting of:

12

electrification grants of up to $15k each provided to support charities in pursuing clean energy solutions

10

grassroots grants of up to $5k each provided to support local community groups

Engaging with First Nations communities

Ausgrid's network area spans the lands of 17 First Nations language groups, and we recognise the deep cultural, spiritual, and historical significance of these places. Respecting and engaging with First Nations communities is essential to how we plan, develop and deliver our projects.

Our dedicated Senior Cultural Heritage Officer, Hunter-Central Coast First Nations Officer and Stakeholder and Engagement team coordinate engagement with Local Aboriginal Land Councils to establish ongoing and meaningful relationships with First Nations communities.

Recognising the significance and unique perspectives of First Nations peoples, Ausgrid Group is dedicated to fostering respectful and collaborative relationships with these communities, including through the HCC REZ network infrastructure project. We have consulted with First Nations communities on that project to ensure their voices are heard and their concerns are addressed. Initial meetings with representatives of various Aboriginal groups focused on sharing project information, cultural heritage surveys and site supervision during preliminary activities.

To celebrate the rich heritage of our communities, selected assets feature First Nations art as permanent installations on community batteries and EV chargers.

We will continue to listen to the aspirations of community and build on our relationships to achieve them.

In August 2025, we launched our fourth Reconciliation Action Plan (**RAP**), reflecting Ausgrid Group's ongoing commitment to reconciliation. For more information see our **Innovate RAP 2025–2027**.

Giving through 'Grants for Good'

We seek to be a positive contributor to the communities in the Ausgrid network area. Ausgrid Group's community giving grants distribution program, 'Grants for Good', is an important way in which we can support communities, causes and organisations across our network area. Grants are evaluated based on four key themes:

1. **Electrification** – enabling a shift to sustainable energy;
2. **Community** – fostering connections and engagement;
3. **Equity and accessibility** – ensuring fair access to electricity and renewables; and
4. **Safety** – prioritising the wellbeing of communities.

Two funding streams were available to support communities: electrification grants, helping communities transition from gas to electric with funding of up to $15,000; and grassroots grants, providing up to $5,000 to support local causes and organisations. In total $140,000 was dedicated to the program.

After reviewing over 200 submissions, our judges awarded 12 electrification grants and 10 grassroots grants. Funding was awarded to eight community organisations and supported a range of community initiatives, promoting sustainability, inclusivity and local engagement.

This year's Grants for Good program has helped local organisations transition to electric equipment, introduce healthier meal options and boost participation in community sports. Examples of our grant recipients can be found on the **Grants for Good page** of our website.

Artwork designed by Keira Graham. This artwork is called 'Guided by Light' and was created to reflect the spirit of the Wanaruah/Wonnarua community as we step into a new chapter – one powered by renewable energy and guided by cultural strength, vision and legacy.

CASE STUDY

Co-creating a community energy strategy with the Wanaruah/Wonnarua people

In 2024, we engaged with Indigenous Energy Australia (IEA) to partner with the Wanaruah/Wonnarua people, who are the Traditional Custodians of the Upper Hunter Valley, in the co-creation of a Community Energy Strategy.

Most of the HCC REZ network infrastructure is on Wanaruah/Wonnarua land, and there is significant development there related to the energy transition including our proposed transmission infrastructure.

The purpose of the Community Energy Strategy was to empower the community to shape its energy future – fostering deeper understanding of how energy can be a catalyst for economic development, social wellbeing, cultural renewal and environmental stewardship.

Developed through a collaborative process, the Strategy reflects the aspirations, strengths and unique perspectives of the Wanaruah/Wonnarua people. It now stands as a comprehensive blueprint that not only guides the community's own journey, but also offers meaningful direction for proponents of energy projects seeking to partner with the community in respectful, impactful ways, that deliver tangible local outcomes.

Fostering a safe, inclusive and engaged workforce

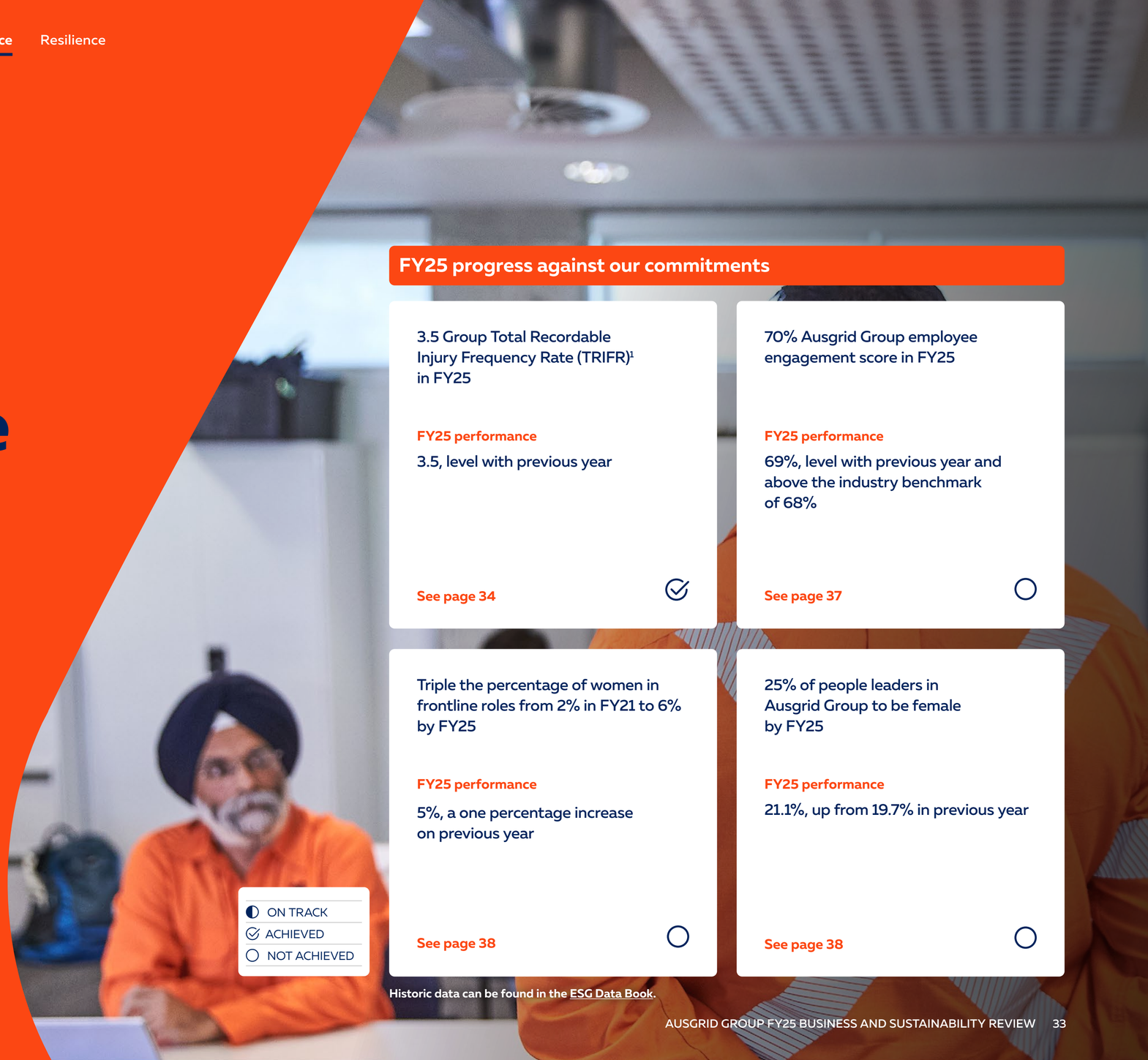
Our people are critical to our success. Their safety and wellbeing are paramount, as is the need to ensure a culture that encourages performance and innovation.

Employee learning, development and a respectful and inclusive workplace are all important to making Ausgrid Group a great place to work.

WE CONTRIBUTE TO THE FOLLOWING SDGS IN THIS SUSTAINABILITY PRIORITY:

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES



FY25 progress against our commitments

3.5 Group Total Recordable Injury Frequency Rate (TRIFR)[1] in FY25

FY25 performance

3.5, level with previous year

See page 34

70% Ausgrid Group employee engagement score in FY25

FY25 performance

69%, level with previous year and above the industry benchmark of 68%

See page 37

Triple the percentage of women in frontline roles from 2% in FY21 to 6% by FY25

FY25 performance

5%, a one percentage increase on previous year

See page 38

25% of people leaders in Ausgrid Group to be female by FY25

FY25 performance

21.1%, up from 19.7% in previous year

See page 38

ON TRACK
ACHIEVED
NOT ACHIEVED

Historic data can be found in the ESG Data Book.

1 Our Group Total Recordable Injury Frequency Rate (TRIFR) is calculated as 'No. of Recordable Injuries x 1,000,000 / average no. of Full Time Equivalent workers x 2,000. This is calculated over a rolling 12-month period, with 2,000 being the average hours worked per worker per year (contractor hours working on behalf of Ausgrid Group are also included). This calculation is consistent with other Distribution Network Service Providers (DNSPs) and allows us to benchmark against our industry.

Health, safety and wellbeing

The health, safety and wellbeing of our employees, contractors and communities is at the heart of everything we do. We work hard every day to ensure everyone feels, acts and remains safe across our network. It's one of our core organisational values: work safe, live safe.

We invest heavily in health, safety and wellbeing initiatives to protect and support our staff, because we know their wellbeing leads to better customer outcomes and safeguards our business from long-term financial and reputational risk.

Our commitment to health, safety and wellbeing

In 2025, the Ausgrid Board endorsed a new five-year health and safety strategy called *Safety Rewired*.

Central to this strategy is a focus on our people. We will ensure our employees and contractors are equipped with the knowledge, skills and processes they need to work safely. By working with our people, we will embed a deep understanding of how each individual contributes to their own safety as well as that of their team and the community they serve.

We are committed to the realisation of our vision, where our people work together to prevent harm and support an industry-leading safety culture we are all proud of.

Recent workplace incidents

Since May 2024, there have been two tragic incidents that resulted in the fatal injuries of two Ausgrid employees. The first incident occurred in the previous year, May 2024, when a worker fell from height; and the second this year, in May 2025, when a worker received an electric shock.

After each incident, Ausgrid paused and completed a detailed review. Competency assessments were revisited, and a review of work methods was initiated. Field assurance activities carried out by leaders and our Health and Safety teams increased to ensure critical controls are implemented effectively.

These events triggered a review of the *Safety Rewired* strategy to ensure our safety focus and initiatives met the needs of our people and addressed the risks faced. The strategy was verified by two external organisations and there has been a reprioritisation of activities to be delivered in the next 12 months.

These tragedies were felt deeply across the Ausgrid Group community, with ongoing support provided to employees and their families through our Employee Assistance Program (**EAP**) and Health and Wellbeing team.

Strong governance and robust systems on health and safety

Ausgrid Group's commitment to health, safety and wellbeing is underpinned by our **Health, Safety and Environment Policy**, which guides our safe systems of work. Health and safety is integrated into all levels of our business – from the Board and Executive Leadership Team (**ELT**) to supporting committees and workers across the business.

Health, safety and wellbeing performance is a key metric for the organisation. Health and safety metrics, assurance activities, programs of work, trend analysis and investigation outcomes are regularly reported to the Board and its relevant sub-committees.

Health and safety performance at Ausgrid Group is monitored through our Health and Safety Management System (**HSMS**). In 2025, the HSMS achieved certification to the international standard ISO 45001:2018 Occupational Health and Safety Management Systems (ISO 45001). As a result, the HSMS is subject to annual external surveillance audits.

Our HSMS establishes and defines:

- The standards, processes and activities required to ensure a safe and healthy workplace;
- Health and safety obligations, defining how we comply with work health and safety laws, codes of practice, Australian Standards, and self-insurer requirements;
- The requirements for workers to report injuries, incidents, near misses and hazards in a timely manner. This enables us to implement corrective actions and communicate lessons learnt quickly, reducing the risk of a repeat incident; and
- Health and safety risks including our 10 fatal risks and the associated controls.

To ensure all new employees understand how the HSMS works and how it applies to them, they must complete our Health and Safety Induction e-learning module.

Contractors, delivery partners, alliance partners and consultants are required to uphold safe work systems that meet or exceed our HSMS standards. We strengthened contractor health and safety performance by establishing a dedicated program to improve contractor pre-qualification.

Assuring the effectiveness of our safe systems of work

Ausgrid Group assesses the performance of its safe systems of work, including its HSMS, regulatory compliance, self-insurance and certification requirements. Our assurance program is delivered using a 'lines of defence' approach:

- The first line verifies that the HSMS is being implemented;
- The second line validates that the HSMS is efficient, effective and compliant with relevant standards and organisational expectations; and
- The third line utilises an independent audit of the HSMS and processes.

In FY25, Ausgrid Group completed health and safety assurance activities including approximately 10,000 critical control interactions, 1,000 fatal risk inspections, 3,000 contractor site inspections, 4,000 safety interactions and 3,400 post-work quality inspections.

A systematic approach to managing high-risk activities

Ausgrid Group manages fatal risks via critical controls. All high-risk activities have prescribed controls, which when applied, minimise or eliminate the risk of fatalities and life-changing injuries occurring.

To implement critical controls effectively, our employees are trained and are verified as competent, in addition to having ongoing in-field support, assurance and supervision. The Hazard Assessment Conversation helps our people identify site-specific hazards, assess fatal risks, and determine the necessary controls for safe operations.

Health and safety performance data

Health and safety performance for Ausgrid Group (permanent employees and contractors)

	FY25	FY24	FY23
Group Total Recordable Injury Frequency Rate (**TRIFR**)[1]	3.5	3.5[2]	2.9
Group Lost Time Injury Frequency Rate (**LTIFR**)	2.0	1.9[3]	1.3

TRIFR remained stable at 3.5 with the year before. We recorded a minor increase in our LTIFR to 2.0, compared to 1.9 in FY24. While there were two additional Lost Time Injuries (**LTIs**) in FY25, the average lost days per worker who was injured in FY25 reduced when compared with the average lost days per worker from injuries that occurred in FY24.

1 Our TRIFR is calculated as 'No. of Recordable Injuries x 1,000,000 / average no. of Full Time Equivalent workers x 2,000. This is calculated over a rolling 12-month period, with 2,000 being the average hours worked per worker per year (contractor hours working on behalf of Ausgrid Group are also included). This calculation is consistent with other DNSPs and allows us to benchmark against our industry.

2 Restated from the previously reported FY24 result of 3.3 due to two FY24 injuries upgraded from First Aid Injuries to LTIs due to surgery in FY25.

3 Restated from the previously reported FY24 result of 1.6 due to two FY24 injuries upgraded from First Aid Injuries to LTIs due to surgery in FY25.

Keeping people safe throughout our network

As a provider of essential services, we are committed to keeping everyone safe, from our employees, contractors and partners to our customers and communities. By continuously improving systems and educating the public on electrical safety, we prioritise maintaining a secure environment.

Some of the steps we are taking to increase public awareness around electrical hazards are set out below:

- Continue our annual Electricity Safety Week school program (see case study on the right);
- Proactive summer safety campaign to help customers prepare ahead of storm season;
- Encourage the public to report a hazardous issue on our network via our **website** and upload photos of the impacted areas or assets through social media and advertising on Weatherzone; and
- Launched three 15-second advertisements to promote **worker safety around overhead powerlines** and the 'Look Up and Live' app.[1]

Supporting employee wellbeing

Our wellbeing vision is an important part of our organisational culture. Our Fit for Life program takes a holistic approach to health and wellbeing, providing a suite of tools, skills, strategies and resources to help our people stay physically and mentally fit.[2]

As a provider of essential services, we are committed to keeping everyone safe – from our employees, contractors and partners to our customers and communities.

See the graphic on the right for some of the programs and initiatives we delivered in FY25.

Ausgrid Group provides comprehensive support to all employees with a work-related injury or illness. For mental health support, our people can reach out to one of the 99 accredited mental health first-aiders across the business or use the EAP for confidential coaching and counselling.

Ensuring fitness for work

Specific employee groups also participate in role-critical training. To ensure the safety of our people and the communities they serve, all power workers must complete a comprehensive medical and functional assessment when they join the organisation and repeat it every two years.

Ausgrid Group also implements random drug and alcohol testing and respiratory health monitoring so our people are, and remain, fit for work.

EMPLOYEE WELLBEING INITIATIVES

- NUTRITIONAL ADVICE AND COOKING DEMONSTRATIONS
- SKIN CANCER SCREENINGS
- BODY COMPOSITION SCANS
- CARDIAC AND DIABETES RISK HEALTH CHECKS
- MENOPAUSE AND PERIMENOPAUSE INITIATIVES
- FATIGUE RECOGNITION TRAINING
- MEN'S MENTAL HEALTH AWARENESS CAMPAIGN
- FREE INFLUENZA VACCINES
- DISCOUNTED PRIVATE HEALTH INSURANCE
- DISCOUNTS TO FITNESS CLUBS, SWIMMING POOLS AND GYMS

CASE STUDY

Helping kids to stay safe around electricity

Established by Ausgrid in 2002 and supported by the NSW Department of Education, Electricity Safety Week takes place each September, teaching primary school students the importance of electrical safety.

FY25 saw a record number of schools sign up, with 820 (95%) schools in our network area participating. Additionally, 106 Ausgrid volunteers spoke to over 5,400 students at 44 schools delivering interactive sessions to aid awareness of how to stay safe around electricity. Staff were also supported to tailor the program resources to deliver our safety messages to two preschools in our network.

As part of the program, Ausgrid provides **online resources**, and simple circuit kits to help teachers develop lessons around electrical safety.

1 This was launched pursuant to an enforceable undertaking between Ausgrid Management Pty Ltd, ACN 615 449 548 and SafeWork NSW entered into on 24 August 2023.

2 Our Fit for Life program was delivered pursuant to an enforceable undertaking between Ausgrid Management Pty Ltd, ACN 615 449 548 and SafeWork NSW entered into on 24 August 2023.

Capable and engaged workforce

Attracting and retaining a skilled and engaged workforce is vital to deliver for our customers and for the long-term success of our business.

Ausgrid Group has 3,182 employees and we are proud that nearly two-thirds of our people have been with our business for 10 years or more.

Creating an environment for success

We know we are more likely to deliver Ausgrid Group strategic objectives if our employees feel engaged, committed and recognised for their efforts.

Our Employee Value Proposition drives this engagement by defining the values, rewards, recognition, support and culture that empower our people to succeed. This approach is led by our Group Executive – People and Culture, with regular updates on employee engagement, attrition and open positions provided to the Board.

We have a range of policies and procedures that guide how we work together and reinforce behaviours that foster a safe, inclusive and engaged workplace. These include:

- **Recruitment and Selection Policy –** Provides a structured, consistent and transparent framework for our recruitment process, supporting equal opportunity, anti-discrimination, privacy and other relevant legislation or standards;
- **Family Leave Policy[1] –** Supports gender equity with up to 20 weeks of paid parental leave, up to five days leave for fertility treatment, provisions for early pregnancy loss and flexible working policies;
- **Remuneration and Progression Framework –** Embedded in Ausgrid's Enterprise Agreement, this framework recognises and rewards employee performance, skills and experience. Employees who are not covered by our EA are employed on individual employment contracts. The terms and conditions differ to those on the EA. For example, employee superannuation contributions reflect the standards set by Australian legislation;
- **Performance Development Policy –** Encourages a culture of feedback and development by providing a framework for open and honest performance communication between managers and employees; and
- **Workplace Bullying, Harassment and Discrimination Policy –** Sets out our commitment to build a respectful and inclusive work environment where people treat each other fairly, respectfully and with dignity.

For information on our Code of Conduct and other policies, see page 15.

The Amped Recognition Program celebrates individuals and teams that deliver positive results for the business. Our people can send a 'Hi Five' to anyone to say a personal thanks and leaders can reward individual excellence with a $50 e-gift voucher. Our quarterly and annual awards recognise the outstanding contributions of our people and we celebrate long-service milestones.

Our Family Leave Policy[1] supports gender equity with up to 20 weeks of paid parental leave, up to five days leave for fertility treatment, provisions for early pregnancy loss and flexible working policies.

Respecting freedom of association

Ausgrid Group fully supports the right to freedom of association. In FY25, 89.5% of Ausgrid employees were employed under the Enterprise Agreement.

Protected industrial action took place in the second half of 2024 as employees and unions put forward claims for the new Enterprise Agreement. A resolution was reached in December 2024, when 82% of eligible employees voted to accept it and the Fair Work Commission ratified the new Agreement.

1 Applicable to all Enterprise Agreement (**EA**) and individual contract employees after six months of employment.

FY25 PERFORMANCE HIGHLIGHTS

233
New employee hires

50
Apprentices recruited

9
Internships

10
Graduates recruited

Supporting training and development

We support our people to learn and develop, not only to enrich their careers, but to help strengthen the service we provide customers and to have the skills needed to accelerate the energy transition.

Technical training is a statutory requirement for our field-based staff who complete refresher training every 12 months. A skilled team of educators train our people in specialist training facilities in Sydney's West, Central Coast and Hornsby areas, Newcastle and Muswellbrook. Our training yards feature a simulated learning environment complete with poles, wires, underground and overhead network transmission, operating and apprentice work.

In FY25, to build our knowledge and skills we:

- Delivered 90,096 hours of training through facilitator-led sessions to expand knowledge, capability and compliance in field and specialist roles;
- Completed 49,412 online courses through our Learning Management System;
- Shared newsletters, health and safety alerts, 'toolbox talks' and information days;
- Provided development opportunities including secondments, financial assistance and study leave to support further study; and
- Ran group mentoring and targeted talent development programs.

Our learning curriculum undergoes periodic updates, ensuring training is current and in line with industry best practice, policies and procedures. We continue to invest in career pathways to retain talent and have promoted 216 Ausgrid Group employees in the last year.

Developing future talent

Ausgrid Group's Early Career programs are cultivating the next generation of workers to support a more sustainable energy future. Ten new graduates commenced our two-year graduate program in FY25, which provides the opportunity to build a career in the energy sector with four rotational placements across the business. In total there are 29 graduates rotating in different areas of the business.

We also train our apprentices through our four-year Bright Sparks Apprentice program. This program enables apprentices to gain real-world experience working alongside professional field teams as they complete a nationally accredited qualification to become an electrician, line worker or cable jointer. Fifty new apprentices commenced this program in FY25, which now has a total of 146 apprentices.

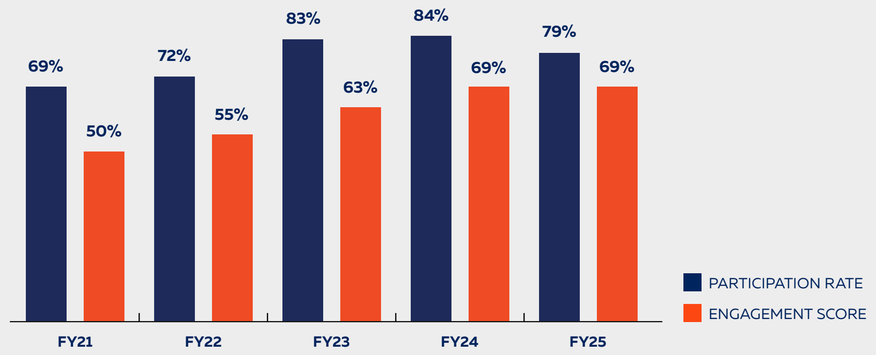
Nine students also took part in our summer engineering internship, gaining hands-on experience in the field of engineering with exposure to real-world projects.

Listening to our people

We seek feedback from our people using the annual MySay employee engagement survey to help us make Ausgrid Group a better place to work. This confidential and voluntary survey seeks employee feedback on a range of factors so we can track progress each year and prioritise areas for improvement. In FY25, we maintained our overall engagement score at 69%; one point above the Australian utilities benchmark, but below our target of 70%. Seventy-nine per cent of our people responded to the MySay survey.

Throughout the year, feedback is sought through a variety of channels including topic-specific workshops, Chief Executive Officer (**CEO**) Roundtables, Business Unit team meetings, surveys and exit interviews.

MYSAY EMPLOYEE ENGAGEMENT SURVEY



Inclusion and diversity

Embracing inclusion enhances the wellbeing of our people, strengthens engagement and encourages different perspectives to drive innovation across our business.

A diverse and supportive environment empowers people to bring their authentic selves to work. By better reflecting our customers, diversity helps us to better understand and meet their needs.

Fostering an inclusive workplace where everyone feels valued

Ausgrid Group values a diverse, respectful and inclusive workforce. We know that diversity of thought, experience, culture and background is key to fostering an inclusive workplace and delivering better outcomes for our customers.

We focus on five key diversity pillars to accelerate positive change:

1. Gender;
2. Disability;
3. First Nations participation;
4. Lesbian, Gay, Bisexual, Trans, Intersex, Questioning (**LGBTIQ+**); and
5. Racial and cultural equity.

Our commitments are enabled by our Inclusion and Diversity Council. Co-chaired by the Group Executive – People and Culture and the Group Executive – Safety Delivery and Operations, and comprised of employees across the business, the Council's role is to provide guidance, governance and support for our goals:

- **Inclusive and respectful workplaces –** fostering a sense of belonging, allowing authenticity and respect for our people;
- **Gender diversity –** through greater gender diversity, we attract the right talent, moving us towards our future business aspirations;
- **Voice of employees –** driving engagement, enabling meaningful connection, and sharing lived experiences to shape our initiatives; and
- **Support business strategy –** our business strategy is supported and enhanced through inclusion and diversity of thought.

These goals are reinforced through a suite of policies including our Code of Conduct, Fair and Just Culture Policy, Human Rights Policy, Gender Affirmation Policy and Workplace Bullying, Harassment and Discrimination Policy. We also have inclusive guidelines on flexible working, accessibility, and family and domestic violence support.

Our Inclusion and Diversity Manager is responsible for overseeing how inclusive practices and principles are embedded into our business-as-usual activity.

Employees can share feedback on diversity, equity and inclusion through our Employee Resource Groups (**ERGs**) or as part of the annual MySay employee survey. In FY25, 84% of our people responded positively that Ausgrid Group supports different aspects of inclusion and diversity in the MySay survey.[1]

Celebrating difference through Employee Resource Groups

Ausgrid Group ERGs promote awareness and support for our inclusion and diversity objectives. These ERGs have Executive sponsors and facilitate employee opportunities to connect, discuss topical ideas, and learn from role models.

Our ERGs also hold events that raise awareness and celebrate days of significance, such as International Women's Day, NAIDOC and National Reconciliation Week, Mardi Gras, and International Day of People with Disability.

Ausgrid Group also partners with peak inclusion and diversity bodies to understand best practice and provide our people with opportunities to engage in information sharing. Our partners include Work180, Australian Disability Network, the Diversity Council of Australia, Pride in Diversity, Supply Nation, Women in Leadership Australia, and Grace Papers.

Making progress on gender balance

Gender diversity is one of our key inclusion and diversity goals. It plays a crucial role in enhancing employee engagement and positioning Ausgrid Group as an employer of choice; maximising our ability to attract skilled talent, now and in the future.

While our sector is making some progress on gender diversity, many field-based and technical roles have been historically male-dominated, so there is still work to do.

Ausgrid Group is committed to growing the representation of women in the energy industry. Since implementing our refreshed gender diversity strategy, we have seen a positive shift in our gender balance over the past 12 months growing from 19.3% to 20.2%. As of 30 June 2025, 21.1% of our leaders are women, up from 19.7% the year before. While we were unable to reach our goal of tripling the percentage of women in frontline roles from 2% in FY21 to 6% by FY25, we have reached 5% representation this year, a one percentage point increase on the previous year.

Nearly one-third of our workforce has been with us for 20 years or more. Given our low attrition rates and the under-representation of women in field and technical roles in the external market, increasing representation of women in our business will take time.

Greater female representation in employees early in their careers such as interns, graduates and apprentices has been an important foundation for increasing overall representation. We believe it will help to drive changes to the gender and leadership profile of Ausgrid Group in the longer term.

We have enhanced our policies to foster a more inclusive and attractive workplace for women, and have a tiered incentive program for employee recruitment referrals.

EMPLOYEE RESOURCE GROUPS

Pride

- Increase representation, inclusion, respect and support for LGBTIQ+ employees and their allies.
- Increase knowledge, expand relationships and connect Ausgrid Group to the wider LGBTIQ+ ally community.

First Nations

- Recognise and embrace First Nations culture in the way we work in line with our Reconciliation Action Plan.
- Provide opportunities that help build capability and participation of First Nations peoples at all levels in our organisation.

DisAbility

- Develop, lead and influence disability recognition and inclusive culture.
- Work to become an industry-leading employer for disability inclusion.

Gender Balance Network

- Increase the representation of women, particularly in people leadership and front-line roles.
- Create a culture where women are included, heard and empowered.

Racial and Cultural Equity (RACE)

- Grow the cultural awareness of our employees and ensure employees from all cultural backgrounds feel included and welcome.
- Work to ensure our workforce better reflects the cultural diversity of our community.

1 This measure is an average of employee responses to three questions in the MySay survey: 'My manager genuinely supports equality between genders', 'At Ausgrid Group, gender-based harassment and sexual harassment is not tolerated' and 'Ausgrid Group values diversity'.

FY25 PERFORMANCE HIGHLIGHTS

54

Ausgrid Group employees completed First Nations Cultural Safety and Awareness training

52

female apprentices and graduates in FY25

84%

of Ausgrid Group's people responded positively on inclusion and diversity in our MySay survey

We have leadership capability, early careers and mentoring programs to help build the representation of women in our business; and in FY26, we will be submitting, and reporting against, new gender targets to the Australian Workplace Gender Equality Agency (**WGEA**).

Advancing women in our industry

To ensure our programs on gender diversity are practical, targeted, and embedded across the business, we have established seven focus areas. These are listed below with some of the actions we took in FY25:

1. Inclusive culture – We have two e-learning modules on inclusion and respect in the workplace that are mandatory for all new starters, and we ran 'creating inclusive and respectful workplaces' pilot sessions led by an external facilitator.

2. Early careers – We aim for gender balanced intakes of early careers cohorts. In our 2025 intake, 57% of our interns, 38% of our graduates and 28% of our apprentices were women. Ausgrid also supports two scholarships – the UNSW Women in Engineering Scholarship and the UTS Women in Engineering and IT Cooperative scholarship, providing students with financial support as well as work placements.

3. Field-connected employees – Half of our mentee cohort in our mentoring program and 43% of those approved for Study Assistance were women. International Women's Day and International Men's Day events were held at five Ausgrid depots, along with our people attending events held external to the organisation, including Engineers Australia and United Nations Women events.

4. Strong employee value proposition – Our 20-week parental leave, flexible working policies, and special leave for fertility and pregnancy loss are some of the benefits we offer to support gender equity.

5. Part-time work – We held a 'Keeping in Touch' panel session led by Grace Papers and leaders in the business.

6. Gender pay gap – Family Leave increased from 16 weeks to 20 weeks for primary carers, regardless of gender, and superannuation is paid to employees while on their paid and unpaid portion of Family Leave.

7. Gender Balance Network and allies – Monthly group meetings, along with five webinars held for our people on topics such as menopause and opportunities for women to maximise their superannuation. Ausgrid are also founding members of the Women in the Energy Sector group, focused on addressing challenges to gender equality in the workplace, such as Personal Protective Equipment (**PPE**) for women.

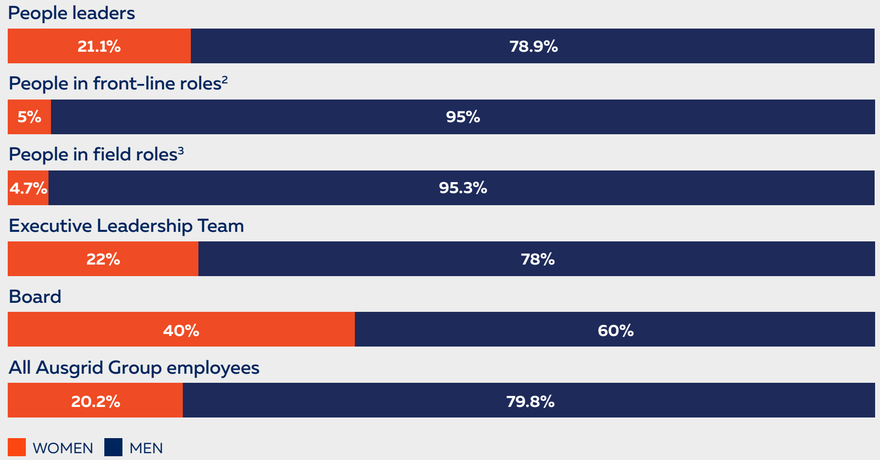
Working to tackle the gender pay gap

Ausgrid Group reports annually to WGEA on our gender pay gap.[1]

Our average (mean) total remuneration gender pay gap in FY25 was 7.8% and the median was 15.2% in favour of men. While the median gender pay gap has decreased from 17.6% in FY24, we expect to see an increase in the next reporting period. This is due to likely increases in overtime and allowances in field roles – that are predominately (95%) held by men – during the year. To a lesser extent, our focus on early careers has also meant that more women are joining at entry-level, lower quartile pay bands and it will take some time before they advance their careers to higher levels of the organisation.

It is widely recognised that closing the gender pay gap in male-dominated industries such as electricity distribution will require long-term focus and a commitment to change the composition of the workforce. Our gender targets to increase women in field, technical and leadership roles are working towards this end.

GENDER BALANCE AT AUSGRID GROUP: FY25



1 In FY24, WGEA changed the methodology that it requires employers to report on. In addition to reporting the average (mean) total remunerations gender pay gap, the median is now required – including base salary, superannuation, overtime, bonuses, and other additional payments. The median gender pay gap reflects the difference between the middle-paid man and woman, when all salaries are ranked from highest to lowest, while the mean calculates the average pay gap across all employees.

2 Front-line roles refer to field-based operational positions that directly support the delivery, maintenance and safety of the electricity network.

3 Field roles refer to technical field positions including Test and Measurement and Installation Inspectors, and Compliance Officers.

Respecting First Nations cultures

Currently, 2.5% of our workforce identify as Aboriginal and Torres Strait Islander people. This number has grown, slowly but steadily, through initiatives focused on cultural safety, development support, and targeted recruitment. Our Bright Sparks apprenticeship program exemplifies this progress, with 6.2% of our apprentice cohort identifying as Aboriginal and Torres Strait Islander people.

Our Innovate Reconciliation Action Plan (**RAP**) builds momentum for our vision of an energy industry that recognises the Traditional Custodians of the lands on which we operate and celebrates our connection to Country.

We aim to build an accessible and sustainable energy industry that elevates the voices and participation of Aboriginal and Torres Strait Islander peoples. We are committed to walking alongside Aboriginal and Torres Strait Islander communities, deepening our understanding of their aspirations, and finding solutions together as we move through the energy transition.

Updated every two years, our latest Innovate RAP covers the FY25–27 period, focusing on four strategic pillars:

1. Elevated cultural safety and awareness;

2. Economic empowerment for Aboriginal and Torres Strait Islander peoples;

3. Increasing employment opportunities, career pathways, and mentoring; and

4. Community connection and self-determination.

Our RAP and First Nations ERG are sponsored by the Group Executive – Property, Logistics and Governance, with the support of our ELT. Our RAP Working Group includes leaders from across the business, including Aboriginal and Torres Strait Islander leaders who offer cultural guidance and advice. The Working Group is supported by both internal and external First Nations Cultural Advisors and reports to our ELT annually.

Ausgrid First Nations Cultural Advisors are employees who operate independently of the Working Group. They provide essential cultural expertise and input and have played a key role in developing our actions. They will continue to provide guidance and feedback during the implementation of our RAP, ensuring that cultural perspectives are incorporated into each stage.

In FY25, 54 employees completed face-to-face training on First Nations Cultural Safety and Cultural Awareness. These sessions aim to build an understanding of history and culture, with participants learning how to create an inclusive and culturally safe workplace for First Nations people. We also ran Inclusive Leadership Habits training with key people leaders across the business. We ensure we are fostering a supportive, inclusive community internally at Ausgrid Group, with First Nations employees meeting bi-monthly as a group with an Indigenous Councillor through Converge, our EAP supplier.

For more information see our **Innovate RAP 2025–2027**.

Supporting First Nations Early Careers

As part of our ongoing commitment to build a diverse talent pipeline and nurturing First Nations talent, Ausgrid Group have ensured that First Nations representation is a part of our annual Early Careers intake. We have created several programs designed to attract First Nations job seekers into our organisation.

In FY25, seven students completed our First Nations pre-employment program, EmPower, which feeds into our apprentice recruitment and talent pipeline. Over six weeks, school-aged pre-apprentices are trained and mentored to help secure an apprenticeship. The program expands on the Ausgrid Group's existing apprentice partnership with the National Electrical and Communications Association.

During the year, we also hosted our pilot NextGen First Nations Work Readiness Program in partnership with Indigenous Registered Training Organisation, Yalagan. Three young Aboriginal and Torres Strait Islander people completed the five-day program focused on connecting participants to culture, navigating the workplace and building their confidence in preparation for a rewarding career.

Supporting LGBTIQ+ employees

In FY25, Ausgrid Group increased support for LGBTIQ+ employees by introducing a Gender Affirmation Policy and Guidelines. These documents provide practical steps for employees, their managers and broader teams to navigate gender affirmation in the workplace.

We also co-created an inter-energy Pride Alliance Network Group. The Group builds a supportive network for LGBTIQ+ employees, and advocates to remove systemic barriers to inclusion and change the perception of the industry more broadly to be LGBTIQ+ friendly. Additional LGBTIQ+ peer support training was provided to Ausgrid Group's Mental Health First Aiders and People Specialists. To raise the profile of how best to support LGBTIQ+ employees, allyship talks were held at various depots during NSW's Mardi Gras season.

Supporting accessibility and inclusion

Supporting people with disability within our organisation means fostering an inclusive and accessible environment where everyone can thrive. By embracing accessibility and proactively removing barriers, we create a stronger, more dynamic workplace that values the unique perspectives and talents of all employees.

To ensure accessibility is a part of what we do at Ausgrid Group, we have:

- Facilitated a design for dignity and deaf awareness session with our Property team and the Australian Disability Network;
- Held disability awareness training for our People and Culture and Health and Safety teams; and
- Ensured our Talent Acquisition team is ready and able to support candidates who need a job access assessment or workplace adjustments.

Addressing unacceptable conduct

Having measures to deal with behaviour that undermines inclusion reinforces a workplace culture of respect and equal opportunity. Ausgrid Group's Managing Unacceptable Conduct and Managing Unacceptable Performance policies govern our actions. Managers receive training to help recognise and manage poor conduct and performance in line with this policy, and to support fair and just processes for employees.

CASE STUDY

Supporting people from underrepresented backgrounds to achieve success

Increasing representation in an industry where many voices have been absent is vital to building a workforce that reflects the diversity of our customers and communities.

Careers in Colour is a grass-roots not-for-profit organisation that brings together people involved in cultural diversity ERGs across the public, private, and not-for-profit sectors.

Ausgrid Group supported a Careers in Colour event in February 2025. Over 100 people attended to hear speakers discuss why ERGs are crucial to move beyond networking to helping people from underrepresented backgrounds become strategic drivers of organisational success.

Strengthening the resilience of our network and supply chain

Ausgrid Group faces increasing pressure from climate and nature disruptions, cyber threats, grid stability and supply chain risk.

Our resilience programs manage this risk, to reduce impacts on communities and the environment.

WE CONTRIBUTE TO THE FOLLOWING SDGS IN THIS SUSTAINABILITY PRIORITY:

8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
13 CLIMATE ACTION

1 Total customers that experienced an outage >12 hours.
2 This is the average performance over five years as of 30 June 2025. This metric, aligned with the global standard IEEE Std 1366. We use a five-year moving average to smooth the impacts of individual events and enable the understanding of longer-term trends.
3 Australian Energy Sector Cyber Security Framework (Security Profile 1 Version 2).

FY25 progress against our commitments

Less than or equal to 3.1% five-year moving average Customers Experiencing Long Interval Disruptions (CELID)[1]

FY25 performance

2.7% five-year moving average[2], level with previous year

See page 42

Zero material cyber incidents or near misses

FY25 performance

Zero, level with previous year

See page 47

100% compliance with security obligations in Australian Energy Sector Cyber Security Framework[3]

FY25 performance

100%, level with previous year

See page 47

>95% of high-risk vulnerabilities identified and remediated within timeframes

FY25 performance

95%

See page 47

100% ISO 27001 certification

FY25 performance

100%

See page 47

Reduce environmental incidents (less than the five-year rolling average of 52)

FY25 performance

40, an 18% improvement on the previous year

See page 50

ON TRACK
ACHIEVED
NOT ACHIEVED

Historic data can be found in the ESG Data Book.

Managing the resilience of our network

Resilience refers to the ability to anticipate, withstand and recover rapidly from a major disruption and adapt and evolve to changing conditions.[1]

Resilience is important to our customers and is also central to Ausgrid's role as a critical infrastructure provider. The *Security of Critical Infrastructure Act* (SoCI Act) requires us, so far as it is reasonably practicable, to minimise or eliminate any material risks.

Ausgrid takes its role as a critical service provider seriously. We have formal resilience programs focused on strengthening our network infrastructure. We also have operational and community responses to disruptions to help us make targeted investments to protect the long-term resilience for the network and the community.

While historically climate impacts have been the leading cause of disruptive events, cyber-attacks could also cause major outages, while supply chain disruptions could delay necessary repairs or upgrades to the grid. These can have significant consequences, affecting community safety, vulnerable populations and the provision of critical services. We also consider our environmental impact and take responsibility for maintaining the resilience of the natural environment where we operate.

Measuring resilience

In FY25, we introduced a new resilience performance metric – Customers Experiencing Long Interval Disruptions (**CELID**).[2] This measure calculates the proportion of customers who have endured a single outage longer than 12 hours. Unlike shorter duration interruptions tracked by SAIDI and SAIFI (see page 29), CELID specifically accounts for atypical disruptions caused by incidents including on 'major event days', like the January 2025 storm (see page 45).

CELID is measured using a multi-year moving average to account for large variations caused by high-impact extreme weather events in a single year. In FY25, the CELID five-year moving average was 2.7%, which was steady on the previous year. Tracking CELID helps us to monitor the effectiveness of resilience programs.

Resilience is central to Ausgrid's role as a critical infrastructure provider.

1 The management of more typical outages is covered in the Customer Experience section on page 29.

2 This metric is aligned with the global standard IEEE Std 1366. It uses a five-year moving average to smooth the impacts of individual events and enable the understanding of longer-term trends.

Climate change resilience

Ausgrid's network is located across diverse geographical locations and is subject to the impacts of extreme weather events. As these events have always been a risk to manage, the business has been refining its practices over many decades to build resilience to them.

Over the 15-year period to FY25, 51% of supply outages to customers were caused by climate-related weather events. To understand future risks, we have a climate model that uses climate projections to simulate assets failures and impacts, and identifies the optimal investments required to maintain current service levels.

We have assessed three potential climate futures using representative concentration pathways (**RCPs**) reflecting low, medium and high emissions scenarios. Under the mid-range scenario, the model projects that Ausgrid Group's climate risk will grow by 1% on average each year, negatively impacting our resilience to wide area, long duration outages if left unmitigated.

Through this work, we identified that windstorm is the physical climate risk most material to our business. Other extreme weather events, such as bushfire, will impact the business and the business invests in programs to mitigate these risks – such as Ausgrid's annual bushfire prevention program.

But the model projects that the quantum of change in these risks caused by climate change over the short, medium and long term will be less significant than windstorm risk.

We are improving our modelling of wind risk to consider geographic topography when identifying where wind risks will be greatest. This will help us translate climate change models to the windspeeds experienced at asset locations, so that we can prioritise locations for investment.

We ensure that we are working with up-to-date climate data, and bolster the body of knowledge by investing in scientific and community research.

Windstorm is the physical climate risk most material to our business.

Wind modelling at Sydney harbour.

Network and community resilience

It is important that we build resilience in our network and communities to anticipate, withstand, quickly recover, and learn from disruptive events.

Ausgrid Group's FY24-29 Regulatory Proposal included a climate resilience business case to maintain current customer service outcomes to 2050 under a mid-range climate scenario. The proposal was co-designed with customers in an 18-month deliberative engagement that included building network resilience to wind and bushfire, and community resilience. Following the Australian Energy Regulator's (**AER**) decision, we are investing $52 million of capital expenditure, mostly for network resilience and $6 million of operational funds, mostly for community resilience and research.

Fire Mesh fibreglass protection installed at the base of a timber pole.

Strengthening the resilience of our network infrastructure

During FY25, the first year of our regulatory period, we progressed the detailed design work, enabling some programs to move into delivery.

As noted on page 43, windstorms are a major risk to our infrastructure and have caused the most significant climate-related damage to the network. Coastal areas are more vulnerable to strong winds causing failures from conductor clashing and falling branches, especially for bare conductor types. Our 2024-29 climate resilience plan focuses on enhancing network resilience by replacing 120 kilometres of bare high-voltage conductors with covered conductors and installing 41 reclosers to minimise outages. Reclosers are used to detect and interrupt faults, to prevent faults downstream of the recloser affecting upstream customers, and then automatically restore power if the fault clears. Areas historically affected by extreme weather, where there are more vulnerable populations (the Central Coast, Lake Macquarie and Port Stephens) have been prioritised.

Bushfires can cause pole failures and network faults, presenting risks to our network. Under the RCP 4.5 scenario, projections indicate a 13% increase in the frequency of severe bushfire weather days (days with a Fire Danger Index greater than 50) in the Ausgrid network area by 2050. By FY29, we will install Fire Mesh fibreglass protection on 3,000 timber poles. This innovative mesh is coated with a material that expands when exposed to extreme heat and has a fire-resistant coating that provides a robust barrier against direct flames.

Preparing communities for the impact of climate change

Ausgrid Group is investing more in proactive measures to help our vulnerable customers withstand the impacts of prolonged outages. In FY25, we pitched and supported an industry-wide collaboration led by The Energy Charter to develop an outage planning toolkit for customers. The Power Outage Plan prompts people to think about their own circumstances and impacts they might not have thought of, like how to open their electronic garage door during an outage. The plan covers six important domains: people, essentials, communication, light, comfort and surroundings. It was designed with input from customers with lived experience of long duration outages.

In FY25, our new Community Resilience Liaison Officer started work, supporting customers in vulnerable areas to use new planning tools and plan for outages. We continued to develop local partnerships; in particular, working with council partners to scope and design energy resilience investments at community hubs that will be delivered over the next year.

Through clear communication, educational efforts and strategic local partnerships, we are empowering customers to take proactive measures to prepare for, and recover quickly from, the impacts of long unplanned outages.

CASE STUDY

Network investments that enable response effectiveness

Climate events can lead to wide-spread outages, where the number of faults surpass the capacity to respond. Traditional methods of locating faults, such as patrolling lines, are time-consuming. Remotely monitored Line Fault Indicators (**LFI**) detect fault current at specific locations and help indicate the fault location.

When paired with digital protective relays and reclosing switches, LFI can direct crews to the fault location, reducing the time spent finding the fault. Seven hundred LFI will be installed by the end of FY29. In FY25, the initial trials, engineering and planning were complete; and the first devices installed.

Maintaining operational resilience

Ausgrid Group has a robust Incident Management System (**IMS**) that provides the framework for responding to incidents. It can be broadly applied to manage the organisation's response to threats, including beyond those that directly impact the network.

More information can be found in our **Annual Electricity Network Safety Management System Performance Report**.

Ausgrid Group approaches operational resilience using the Prevention, Preparation, Response and Recovery (**PPRR**) model. This model recognises the value of investment in prevention and preparation activities to manage and minimise impacts during the response and recovery phases. See the graphic below for more information.

Critical incident procedures and governance

Ausgrid Group's Incident Management Procedure and Incident Management Policy describes the tools available for emergency management and incident response. The policy is applicable to all employees, including the contingency workforce and consultants. Our Executive Leadership Team (**ELT**) has oversight of these policies.

We integrate with Emergency Service Organisations to support a multi-agency response.

Our Incident Management Procedure covers the deployment of emergency management tools when dealing with incidents, while our Lessons Management Framework outlines our responsiveness to those incidents. This provides a structure to review Ausgrid Group's incident response, outlining methods to debrief, identify lessons, and implement actions to enhance future effectiveness.

OPERATIONAL RESILIENCE

Prevention	Preparation	Response	Recovery
In addition to the physical network resilience described on page 43, Ausgrid conducts operational programs that minimise outages. These include aerial patrols for network defects, and vegetation management programs to ensure clearances are maintained.	We maintain ongoing situational awareness of changing and emerging risks, and uphold strong relationships with Emergency Services, government agencies and the community. We facilitate and participate in exercises to test efficacy of the IMS and specific response plans. Ausgrid also prepares an annual Summer, Storm and Bushfire Readiness Report that provides awareness of the climate risk profile specific to the upcoming season, and the activities that have been carried out in the lead-up to the season.	The Incident Management Team coordinates organisation-wide responses to events. We engage contractors, Accredited Service Providers and other Distribution Network Service Providers (**DNSPs**) to bolster resources. We integrate with Emergency Service Organisations to support a multi-agency response and draw on existing relationships with broader Emergency Management agencies for community support. Government agencies are kept informed of impacts to Ausgrid, our response strategy and progress.	Following events, we work closely with recovery centres to support the community with up-to-date information. We also participate in multi-agency debriefs to improve community outcomes for future disasters.

CASE STUDY

Responding to major storms hitting our network

Between 15-17 January 2025, our network was impacted by the worst storm Ausgrid has experienced in a decade.

This was categorised as a 'squall line storm' which is a convective weather system of thunderstorms in a long line formation often associated with a cold front. 74,000 lightning strikes and winds exceeding 120 kilometres per hour resulted in service interruptions to 210,000 Ausgrid customers.[1]

Over 1,000 people were involved in the storm response, restoring services to 99% of impacted customers within five days, making it one of the fastest storm recoveries we have ever achieved.

Ausgrid Group teams worked around the clock to restore electricity to impacted communities. Frontline crews, customer service representatives and drop-in centre staff engaged directly with customers, providing updates, assistance and essential services to customers, while safely restoring power. We received over 18,000 calls to our Customer Contact Centre and over 2.3 million visits to our website.

Around 7,000 individuals sought assistance at drop-in centres in some of our most at-risk areas, where they could access support, refreshments and phone charging stations. Despite the significant impact on customers, we achieved one of our most efficient recovery efforts. Our crews deeply valued the community's understanding and support. Although these storms are uncommon, they still cause significant inconvenience for customers.

1 A customer means a connection, such as a household. Total customers impacted including other networks is estimated at over 300,000.

Training and awareness

In FY25, 16 Emergency Duty Managers received annual training to ensure they are prepared in the case of an incident, following the procedures set out in our Incident Management Policy.

Every two years, our employees complete a mandatory 'black start' awareness training module which describes an incident where the majority of NSW is without electricity supply. While these events are extremely rare, the consequences for Ausgrid Group's business and the customers we serve would be severe. Our program includes an e-learning module, awareness video, and communication across the business about roles and responsibilities during an event, particularly in the absence of telecommunications.

Ensuring grid stability

In Australia and around the world, the way electricity is generated and consumed is changing. Traditional centralised energy generation, transmission and distribution is evolving to a more variable and decentralised model, as renewable energy increases and customers generate their own energy behind the meter. Ausgrid Group can play an important role in managing the emerging risks these trends present for grid stability.

Maintaining system strength

Renewable energy sources like wind and solar are variable, meaning their output can fluctuate significantly due to weather conditions, which can lead to imbalances between supply and demand. Traditional power stations, such as coal and gas plants, provide rotational inertia, helping to stabilise the grid by resisting changes in frequency. Renewable energy sources typically do not provide the same level of inertia, which can lead to greater frequency fluctuations and reduced system strength (which refers to the ability of the power system to maintain stable voltage levels during disturbances).

To mitigate these risks, significant investment in grid infrastructure is needed. This includes the development of batteries, grid-forming inverters and synchronous condensers that can provide the necessary support to maintain grid stability. The transmission network services provider in NSW, Transgrid, is responsible for planning and delivering system strength services in the State. With the increase in utility-scale renewable generation and the growth in rooftop solar on our customers' homes and businesses, the remaining NSW coal generators are due to retire; and more generation is being connected directly to the distribution network. As this shift occurs, system strength is becoming increasingly important to DNSPs like Ausgrid, so we are advocating to play an increasing role in supporting network resilience and grid stabilisation.

Managing minimum system load

Minimum system load is also an issue we have a key role to manage. This refers to periods with the lowest level of operational electricity demand on the grid. With the increase in rooftop solar, managing operational demand is becoming more complex. For power system stability, there are thresholds for operational demand which must be maintained. During mild weather conditions, the grid may experience high levels of generation from these sources, which need to be managed to prevent instability.

Ausgrid Group is playing a role to manage minimum system load, rolling out community batteries and facilitating the installation of kerbside electric vehicle (**EV**) chargers on our power poles, both of which can soak up excess generation exported to the grid (see pages 21 and 22). Our dynamic pricing program, 'Project Edith', can provide signals to customers to use the energy themselves or charge their batteries rather than exporting electricity during periods of low demand (see page 23).

However, in addition to enabling customers to manage their energy usage and behind the meter generation in a way that supports the system, a last resort mechanism will be required for those rare – but increasingly possible – events where the Australian Energy Market Operator (**AEMO**) is unable to maintain grid stability due to minimum system load.

On direction from the NSW Government and in collaboration with other NSW and ACT DNSPs, we are developing capabilities to better manage the stability of the grid during energy supply emergencies. The NSW Emergency Backstop Mechanism will allow AEMO to direct NSW and ACT electricity distribution businesses to remotely turn down or switch off rooftop solar systems when excess solar energy poses a risk to the grid. The technology being delivered as part of this Mechanism will also support Ausgrid Group's broader capabilities for managing the increasing levels of Consumer Energy Resources (**CER**) and CER market participation, such as through virtual power plants.

Preparing for a black start

As a distribution network, it is vital we plan for the unlikely event that the majority of NSW is without electricity supply due to a natural disaster, equipment failure or other emergency, as happened in April 2025 in Spain and Portugal. Restoring power to the grid after a complete or partial shutdown without relying on external power sources is called a 'black start'.

Ausgrid plays a vital role in the black start process by maintaining and operating key infrastructure that can facilitate the restoration of power. Additionally, Ausgrid coordinates with other network operators and stakeholders to manage the sequential re-energisation of the grid, ensuring a stable and controlled restoration of power. See left for details of our black start training module.

Cyber security

To ensure a secure and resilient electricity supply, Ausgrid Group is committed to mitigating cyber security risks and promoting cyber-safe practices across our business.

As cyber threats evolve in both frequency and complexity, we are continually reassessing and reinforcing our security measures to safeguard our business and customers. As a critical infrastructure operator, Ausgrid Group faces heightened risks of cyber attacks. A severe breach targeting our network, including the city of Sydney, could have far-reaching consequences, impacting Australia's social, economic, health and geopolitical landscape.

We employ a multi-layered security framework designed to counter both new and emerging threats. These defences undergo regular testing, conducted by our dedicated in-house security team as well as experts in the cyber security industry, ensuring resilience and continuous improvement.

Maintaining a robust cyber security framework

We aim for the highest level of security under the Australian Energy Sector Cyber Security Framework (**AESCSF**) to manage cyber threats and secure our network and associated information, communications and technology systems.
The Board is updated each quarter through the Risk Committee on cyber and data privacy issues, performance and risk metrics and progress made to improve cyber controls.

We had no material cyber incidents or near misses in FY25 and over 95% of high-risk vulnerabilities that we identified were remediated within agreed timeframes. Our organisational Cyber Security Strategy enables us to take a holistic approach to cyber security and invest in a range of measures to protect our network. We focus on improving security capability and reducing overall security risk. Some of the measures we are taking include:

- Our cyber systems, policies and processes are certified to ISO 27001, a globally recognised standard for information security management systems;
- Having policies in place, including the Organisational Security Policy, Security Vulnerability and Patch Management Policy, and Acceptable Use of Technology Policy;
- Annual independent external audits are conducted to assess our compliance with AESCSF, including our cyber risk controls management system;
- The Ausgrid Vulnerability Disclosure Program, launched in FY25, allows security researchers to share security vulnerability findings in any Ausgrid Group system, service or product directly with us;
- Our Control System Security Strategy, which focuses on the security of our operational technology (**OT**) that manages our electricity network;
- Our Incident Management System framework, that has staged business and control restrictions in the event of a cyber security incident; and
- Campaigns, events and training to raise awareness and educate our people on cyber and physical security and data privacy, including an annual mandatory training course for all employees on how to be cyber safe, both at work and at home.

As a critical infrastructure operator, Ausgrid Group faces heightened risks of cyber attacks.

CASE STUDY

Strengthening vigilance through cyber awareness exercises

It is important to ensure our people are vigilant for cyber attacks and malicious communications.

During the year, we refreshed our online cyber training to reflect the latest attacker tactics and ran more frequent phishing simulations for all employees and suppliers. Over 36,000 phishing awareness emails were sent to employees to simulate phishing attacks and enhance awareness. Our dedicated Cyber Team have oversight of phishing messages reported by our people which informs our ongoing behaviour campaigns and controls.

CASE STUDY

Introducing the next generation to cyber safety

In FY25, the Ausgrid Group Cyber Team, in partnership with Palo Alto Networks and Cyberlite, hosted interactive cyber security workshops for the children of Ausgrid Group staff.

These fully booked sessions introduced young digital citizens to online safety, cyber threats, and responsible digital habits, in an engaging and age-appropriate way.

The sessions promoted safe online behaviour and inspired many families to refresh their digital safety practices at home. We are proud to be playing a part in helping the next generation build strong, safe digital habits from an early age.

Ensuring data privacy for our customers

We implement data protection measures to ensure compliance with relevant privacy laws and standards. Ausgrid Group's framework, policies and guidelines outline our approach, which includes enforcing strong passphrases and conducting regular software updates.

Our Access and Use of Data Policy, which is approved by our Chief Executive Officer (**CEO**) and applies to all employees and contractors, sets out our commitment to respecting individual privacy, and accessing and using an individual's data only where Ausgrid Group has a legitimate reason to do so. This is supported by our External Information Sharing – Acceptable Use Obligations document that defines how employees should consider the information they are sharing and how to securely share information. Guidance on managing risks relating to data privacy is included in the annual mandatory employee cyber security training.

Ausgrid Group's Cyber Team continuously performs real-time monitoring to prevent sensitive data loss, undertakes monthly internal reporting, and reviews all external user access to ensure those external parties who no longer need access are removed. We have a formal process for assessing, managing and reporting privacy breaches, which are escalated to our Risk and Governance Teams and reported to the Risk Committee. The Privacy Commissioner and affected parties would be notified in the event of a material privacy breach.

Leaks, thefts or losses of customer data

To support the safety and privacy of customer data, Ausgrid Group removes obsolete data from our systems. In FY25, data lifecycle management processes have been strengthened with more than 1.5 million historical records securely removed from our systems, supporting stronger customer data privacy.

During the year, Ausgrid Group had zero substantiated complaints concerning breaches of customer privacy or losses of customer data.

Human rights and supply chain

We engage with new and existing suppliers to assess their approach to protecting human rights and managing social and environmental issues. We encourage them to meet the ethical standards set by our organisation and improve performance where required.

To deliver services to customers across our network, Ausgrid Group had an annual procurement spend of $1,020 million in FY25 and we utilised both domestic and international supply chains. The goods and services we procure often come from complex supply chains, involving multiple suppliers and manufacturers who provide raw materials, components and services to create the final products and services we use.

Managing human rights and modern slavery risks

Ausgrid Group's **Human Rights Policy** reiterates our commitment to respecting and supporting human rights across our operations and supply chain. Our human rights commitments are aligned with international human rights instruments and are supported by a suite of associated policies, including our **Whistleblower Policy**.

We report annually under the *Modern Slavery Act 2018* (Cth) in the Ausgrid Group Modern Slavery Statement and undertake modern slavery risk assessments. We continue to use social criteria within our supplier selection process and conduct annual risk assessments of our supply chain and operations.

Ausgrid Group's Modern Slavery Remediation Guideline supports remediation where we identify an incident or become aware of an incident (including claims) of modern slavery, either in our business operations or our supply chain and its operations.

For more information, see our most recent **Modern Slavery Statement** online.

We seek to continually improve our approach to managing human rights and modern slavery risks. Some of the actions we have taken during FY25 include:

- A workshop was held simulating a modern slavery incident within our operations in which we applied our Modern Slavery Remediation Guideline to a practical example to ensure it is effective in responding to such incidents;
- A new modern slavery risk assessment tool, Fair Supply, was implemented to enhance our modern slavery risk management activities; and
- We continued our Modern Slavery 'deep dives' program, having sessions with five strategic suppliers to share insights and experiences and gain a deeper understanding of supply chain risks.

Fostering supply chain diversity

We are committed to fostering supply chain diversity by actively engaging with businesses that reflect the rich diversity of our communities.

Ausgrid Group has a Social Procurement Working Group that seeks to diversify our supply chain and promote sourcing goods and services from First Nations owned businesses. We also participate in IFM Investors' First Nations' Economic Community of Practice, collaborating to provide economic opportunities to these businesses and communities.

Our expectations for the social performance of our supply chain are outlined in our Sustainable Procurement Policy, **External Partner Code of Conduct** and **Human Rights Policy**.

Ensuring the resilience of our supply chain

In recent years, worldwide supply chains have been impacted by an extraordinary wave of complex, interconnected challenges – from the wide-reaching effects of the COVID-19 pandemic to regional conflicts and geopolitical tensions. These disruptions remind us that supply chain resilience is critical as we seek to accelerate the clean energy transition.

The SoCI Act aims to strengthen Australia's ability to manage and respond to security risks across critical infrastructure sectors. As an operator of critical infrastructure, Ausgrid must take an 'all hazards' approach to supply risk management.

In line with the SoCI Act, we have established a Critical Infrastructure Risk Management Program identifying critical electricity assets and critical suppliers. A SoCI Risk Management Procedure has been compiled to support early risk identification and monitoring for key procurement risk areas such as operational, supply chain and geopolitical volatility.

Learn about our risk management process in the **Corporate Governance Supplement**.

FY25 PERFORMANCE HIGHLIGHTS

5

Ausgrid Group supplier modern slavery deep dives or knowledge shares

99.4%

of Ausgrid Group procurement spend on Australian suppliers

$16.3m

spent on First Nations suppliers equating to 1.6% of Ausgrid Group's procurement spend

Nature and environment

Our network operations have a tangible impact on the natural environment. With biodiversity declining faster than at any time in human history,[1] we take responsibility for minimising the impact our operations have on the environment.

The interface between nature and our infrastructure can also pose risks for our network, particularly during severe weather events such as bushfires and falling vegetation during windstorms.

Our network spans diverse environments with rural, suburban and metropolitan settings and includes areas such as National Parks, wilderness areas, wetlands, old growth forests, rainforests and land identified as having outstanding biodiversity value.

We focus on minimising the environmental footprint of our operations, protecting biodiversity, ensuring compliance with regulations and promoting a culture of responsible environmental innovation. Our commitment is evident through our compliance programs and Environmental Management System (**EMS**).

Our approach to environmental management and biodiversity

We are committed to having a workforce equipped with the necessary skills, knowledge and resources to protect the environment around our operations.

Our Board, Health, Safety and Environment Committee and the Environmental Services Team oversee the effectiveness of Ausgrid Group's management approach, including our biodiversity and environment programs. Our Board-approved Health, Safety and Environment Policy outlines our commitment to drive environmental sustainability and protect the environment.

Our environmental responsibilities are defined in our Code of Conduct, Environmental Code of Conduct, Environmental Handbook for Construction and Maintenance and relevant processes and procedures. Our Environmental Handbook sets out the assessments and restrictions that we apply in ecologically sensitive areas to manage our impact on habitats with the highest biodiversity value. Field workers, engineering design staff and contractors complete annual environmental awareness training based on these procedures.

Since 1996, our comprehensive EMS has been certified to ISO 14001.[2] Our EMS is audited annually by an external certifier and our Internal Audit Team. This system allows us to manage our environmental risks in operating, maintaining and building our network.

We develop an annual Ausgrid Group Environmental Sustainability Improvement Plan in consultation with our ELT, which sets objectives and targets to improve our environmental performance in areas such as pollution control, biodiversity, cultural heritage, contaminated land, energy and water reduction, waste, and carbon emissions.

Ausgrid Group complies with the NSW Code of Practice for Authorised Network Operators in conducting Environmental Impact Assessments, which also include social and community considerations.[3]

We regularly engage with our stakeholders to mitigate potential environmental impacts and assess the effectiveness of our controls. For example, during the planning of the Hunter-Central Coast Renewable Energy Zone (**HCC REZ**) network infrastructure project, we engaged with three councils, five environmental authorities, seven different types of landowners and 24 Registered Aboriginal Parties. The HCC REZ review of environmental factors (**REF**) was publicly exhibited from 29 April to 9 June 2025. More detail is available in section 3 of the HCC REZ REF.

More information about how we engage with stakeholders can be found on page 31.

We report regularly on Ausgrid Group's environmental performance to our regulators. Further details can be found in our ESG Data Book.

Environmental incident performance

In FY25, there was one pollution incident reported to the NSW Environment Protection Authority (**EPA**) due to environmental harm being unknown at the time; however no evidence of offsite impact was observed. There were 40 environmental incidents in total, an 18% improvement on our incident performance from last year, which met our FY25 target of less than 52.

While Ausgrid Group has operations in biodiversity-sensitive areas, our FY25 activities did not have a significant negative impact on these areas.

CASE STUDY

Reducing environmental impacts for Hunter-Central Coast Renewable Energy Zone

Our HCC REZ network infrastructure project proposal includes replacing powerlines within existing corridors, minimising environmental impacts such as vegetation clearing and construction access tracks, which would have been required for a new route.

Potential environmental impacts associated with the proposal were identified as Aboriginal heritage, ecology, noise and vibration, electric and magnetic fields and visual impact. Several specialist environmental assessments were undertaken to avoid or reduce these potential impacts during the design of the project.

This included identifying all known Aboriginal heritage sites and areas of sensitivity along the overhead power line route and designing the substation and feeders to minimise impacts on the sensitive endangered ecological area near Sandy Creek.

By identifying mitigation measures to address the impacts and minimise any residual issues, the proposal is not likely to significantly affect the environment, community or biodiversity. For more information on the HCC REZ see page 20.

1 Nature's Dangerous Decline 'Unprecedented'; Species Extinction Rates 'Accelerating' – United Nations Sustainable Development.

2 ISO 14001 is the internationally recognised standard for environmental management systems. Since 2018, it has been a Ministerial Distributor's Licence Condition for Ausgrid to hold a certified EMS. Our EMS covers all Ausgrid Group operations. However, our certificate is limited to NSW sites.

3 All Environmental Impact Assessments are made available to the public upon request and assessments for major projects are published on our website.

FY25 PERFORMANCE HIGHLIGHTS

0

reported significant Ausgrid Group impacts on biodiversity

0

Ausgrid Group environmental fines or prosecutions

0

Ausgrid Group environmental licence breaches

1,066

Ausgrid Group environmental impact assessments completed

Protecting wildlife

Many native species depend on tree hollows for shelter and breeding, yet mature trees with suitable hollows are increasingly scarce in urban environments. To address this challenge, our planning process prioritises the identification and protection of sensitive environmental areas, seeking to minimise disruption to native habitats wherever possible. However, in instances where habitat removal is unavoidable, we consider mitigation measures to support displaced wildlife.

In addition to habitat management, we actively address wildlife interactions with our network. Incidents such as wildlife electrocutions and bird strikes are investigated to determine possible interventions, including asset modifications or replacements.

Some of the measures we take to protect wildlife are listed below:

- Analysing wildlife electrocution data to inform the prioritisation of network programs;
- Providing habitat for native stingless bees since 2019 to support increased plant pollination; and
- Developing a tool and database with BirdLife Australia for our vegetation maintenance crews and other land managers, to protect nesting sites of the Powerful Owl, Australia's largest native owl.

Managing water impacts

While electricity distribution networks are not heavy users of water relative to other sectors, water management is embedded in our processes, ensuring responsible consumption and discharge. Our water consumption consists mainly of water used at network properties and depots for routine uses such as amenities, fleet and property maintenance. We continue to increase the efficiency of water devices and appliances, as well as the rainwater tank capacity across our facilities, to decrease the reliance on potable water.

Our water discharges are primarily from electricity distribution infrastructure such as substation oil containment systems and cable tunnel groundwater treatment plants. Ausgrid Group's comprehensive water discharge sampling program evaluates the effectiveness of separators and treatment plants, ensuring discharged water meets relevant standards.

Disclosures on Ausgrid Group's water usage and discharge can be found in our ESG Data Book.

Reducing waste to landfill through recycling and reuse

Waste is generated throughout our value chain, from the handling and disposal of construction materials to the earthmoving activities involved in our distribution network maintenance. We prioritise reducing waste at its source, enhancing reuse and recycling, and ensuring the proper treatment of hazardous waste.

In FY25, Ausgrid Group had 2,671 tonnes of waste disposed through our main waste contractor, down from 2,920 tonnes the year before.[1] Twenty-two per cent was recovered for re-use, recycling or energy use.

An additional 33,300 tonnes of waste was diverted from landfill by repurposing and recycling surplus or redundant materials through other works contractors.[2] This included 864 tonnes of scrap metal and cable to be smelted into ingots for recycling, more than 600 timber poles recovered for other uses, and over 22,000 tonnes of green waste mulched for reuse on-site or donation to local groups and landscape suppliers.

Ausgrid Group's waste data can be found in our ESG Data Book.

A native stingless bee habitat, provided by Ausgrid to support plant pollination.

1 Data is limited to waste disposed via Ausgrid's main waste contractor, Veolia, which excludes waste recycled or disposed via Ausgrid works contractors or through other individual waste service providers.

2 Does not include IT equipment and waste diverted through Veolia contract.

Wired for good.

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