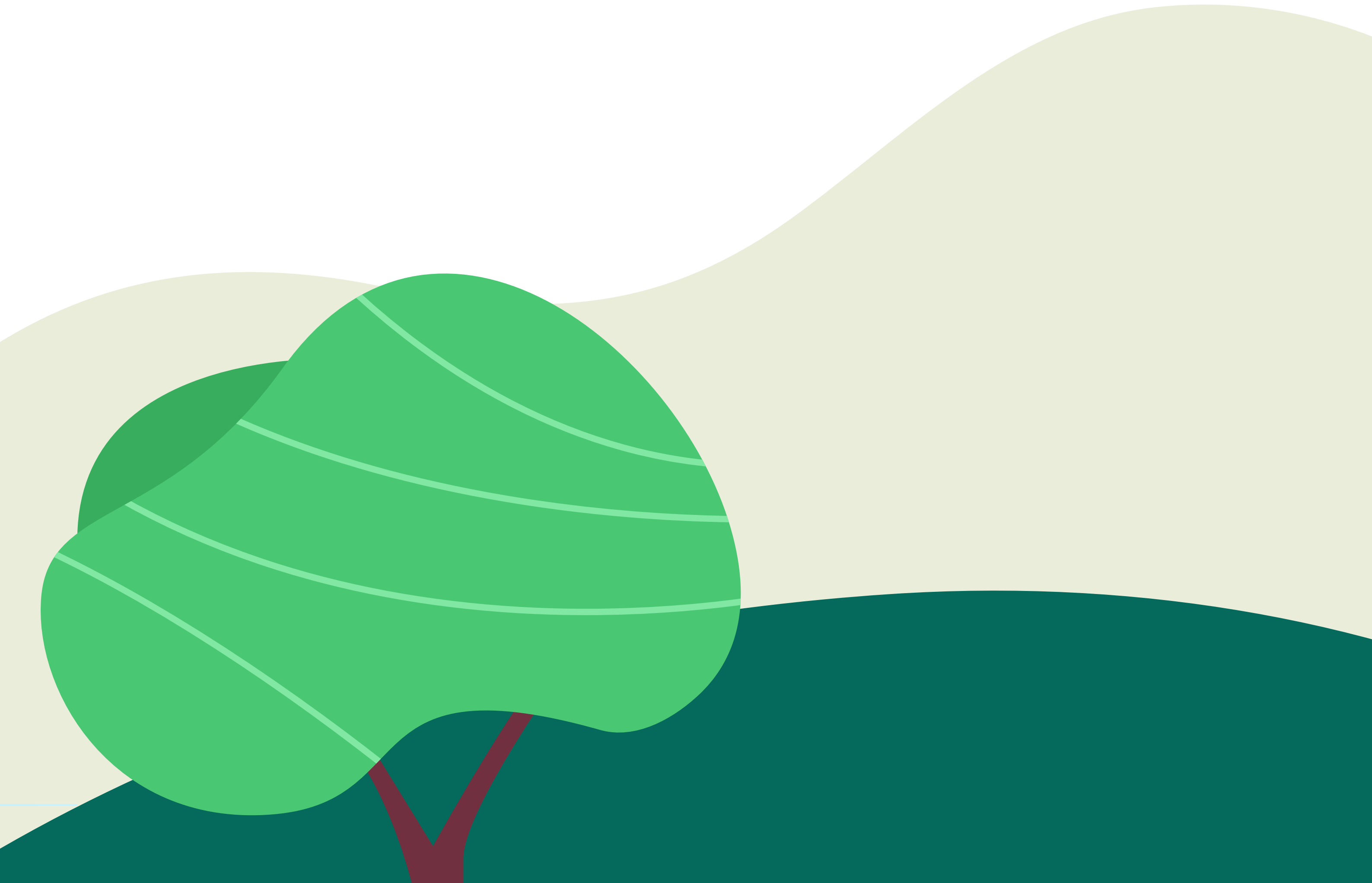
SGSP AUSTRALIA ASSETS

Green Finance Framework

2026



Introduction to SGSP Australia Assets Pty Ltd

About SGSPAA

SGSP (Australia) Assets Pty Ltd ("**SGSPAA**") owns and operates a diverse portfolio of energy assets across northern Australia and Australia's east coast, spanning across all parts of the energy value chain (see Figure 1). As a leading infrastructure, maintenance and services group with more than AUD13.2 billion worth of major utility infrastructure, we supply millions of households and businesses with essential services every day.

We've been bringing energy to life for Australians for almost two centuries, tracing our origins back to the 1800s when gas was first used to light the streets of Newcastle, Sydney, and other parts of New South Wales. Since then, we have grown and evolved as a key participant in the energy sector, and we're proud to continue this evolution as we play our part in the energy transition. SGSPAA comprises of:

- Jemena - an integrated energy infrastructure business delivering gas and electricity solutions to communities across Australia. The Jemena Gas Network in New South Wales serves 1.5 million customers, while the Jemena Electricity Network supplies electricity to more than 380,000 customers in Melbourne's north-west. Our gas transmission pipelines across the Northern Territory, Queensland, New South Wales, and Victoria transport the equivalent of around 25% of Australia's total domestic gas consumption.
- Zinfra - an energy services and contracting business providing engineering, management, and construction services to leading energy companies nationwide, with a presence in Queensland, New South Wales, Victoria, Tasmania and the Northern Territory.

We strive to deliver energy reliably, safely and sustainably while caring for our people, the environment, and the communities in which we operate. As a company that transports natural gas and electricity generated from both fossil fuels and renewable sources, we recognise the need to adapt and embrace new technologies and renewable energy sources. We are committed to supporting Australia's legislated target of net zero greenhouse gas emissions by 2050.

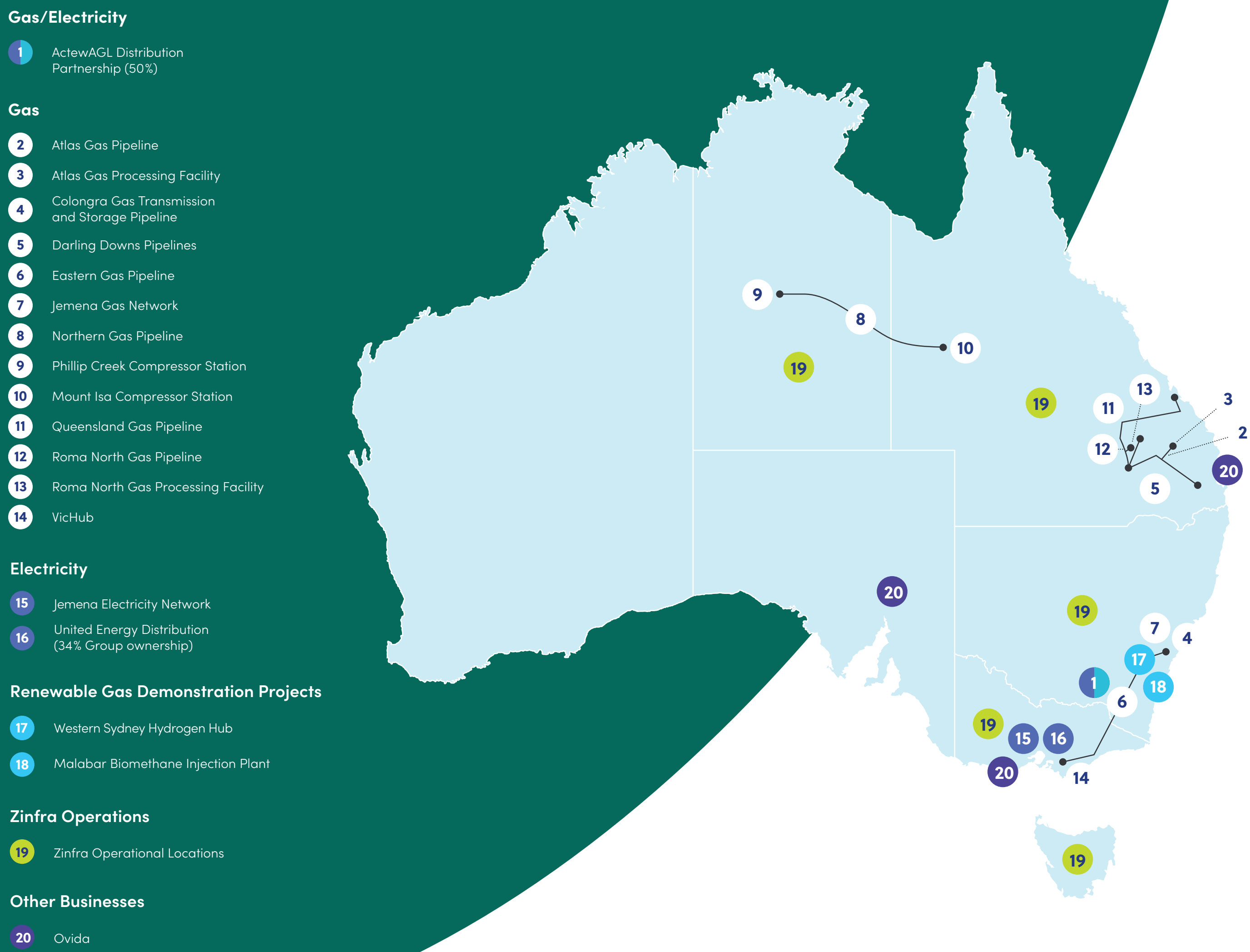


Figure 1: Overview of SGSPAA's activities in the energy value chain

SGSPAA is owned 60% by State Grid Corporation of China ("SGCC") and 40% by Singapore Power ("SP"), which is illustrated in Figure 2. SGCC is the largest utility globally and SP is a leading energy utility in the Asia-Pacific region and one of Singapore's largest corporations. Through their ownership, SGSPAA benefits from a deep level of knowledge and resources from its shareholders.

We're owned by

国家电网公司 State Grid Corporation of China

SPgroup

SGSP Australia Assets

Our brands consist of

Jemena bringing energy to life

Zinfra Your trusted partner in energy

With additional interests in ActewAGL Distribution Partnership (EvoEnergy) and United Energy Distribution Holdings.

Figure 2: SGSPAA's shareholders and brands

SGSPAA's Sustainability Approach

As a provider of gas and electricity services and solutions, we are committed to caring for our people, the environment and the communities in which we operate. To meet this commitment, our business is focused on sustainable practices to improve environmental, social and governance ("**ESG**") performance.

This focus is driven by making sustainability an integral part of how we do business, including our support for Australia's transition to a net zero future. Our Vision is "Creating Sustainable energy solutions with communities[1]", and our aspiration is to reach net zero Scope 1 and 2 emissions[2] by 2050, delivering a mix of fuels and services safely, reliably, and affordably.

In 2023 we became a member of the nationally recognised Infrastructure Sustainability Council and integrated its criteria framework into our processes and procedures. This enables our people to embed ESG criteria through the planning, design, build, and operations phases of projects and programs, to help achieve ESG objectives both for the business and our clients. We have eight focus areas in our formal ESG Plan, aligned with our values and the United Nations Sustainable Development Goals ("**UN SDGs**"), as illustrated in Figure 3.

ESG Plan

Our business is focused on sustainable practices to improve environmental, social, and governance (ESG) performance. ESG is integral to how we do business and support Australia's energy transition.

Group objectives		ESG Focus Areas	Objective	Measures	Initiatives	UN SDG's
Transition our assets and business to enable a resilient energy future	Environment	Climate Change	Address our own carbon footprint, while developing new and existing technologies for a low-carbon future	Deliver emission reductions to achieve 2030 emissions target Refresh climate scenario analysis based on 2025 IASR from AEMO	• Group Climate Scenario Resilience Assessment • Scope 1, 2 and 3 Emissions Reduction Roadmap • Renewable Gas strategy & advocacy	7, 9, 11, 13
		Nature	Minimise our impact on nature and biodiversity across our supply chain and operations	Establish supply chain biodiversity risk profile Increase waste diversion from landfill	• Supply Chain Biodiversity risk profile • Transition of new waste management partner • Sustainable properties plan	11, 12
Continue to build a safe and inclusive workplace	Social	Health & Safety	Continued excellence in the safe operation of our assets and the health of our people	Maintain strong safety outcomes Improve critical risk control effectiveness	• Uplift Health & Safety Risk Management practices • Improve operational learning through work insights program • Continue to embed Respect@Work culture, underpinned by improved psychological safety framework • Continue to uplift safety leadership capability	3
		Our People	Enable our workplace to be a great place to belong, where people feel safe and valued for their diversity	Ensure ongoing employee engagement Increase participation of women to 40% by 2030	• DIB Plan • Innovate Reconciliation Action Plan • Leadership Framework • Talent Management	5, 8
Deliver safe, reliable, affordable energy and sustainable performance for all		Our Customers	Our Customers & Clients voices are reflected in our strategies and operations throughout the energy transition	Maintain network reliability & customer satisfaction Deliver against 'Customer Commitments' for network customers	• Mature cyber security to protect customer data and continued operation of energy network • Vulnerable Customer support initiatives • Energy Charter #Better Together Action Plan • Deliver Community batteries for network customers	7, 11
		Our Community	Leave a positive and lasting legacy in the communities where we operate	Retain strong reputation score Continue community investments	• Aboriginal and Torres Strait Islander Procurement Strategy • Corporate Social Responsibility (CSR) Strategy • Local community development initiatives • Asset, project and program community engagement programs	8, 10
	Governance	Corporate Governance	Maintain trust, transparency and accountability in how we do business	Reporting to meet upcoming ASRS S2 climate financial disclosures for Group 1 companies in 2025	• Imbed ESG into Governance Framework & Mgt Systems • Mature ESG data, analytics, metrics, reporting and insights • Preparedness for ASRS disclosure publication • Business Continuity and Resilience assurance programs	8, 16
		Business ethics	Maintain a culture of acting lawfully, ethically and responsibly	Improve visibility of ESG impacts on supply chain Maintain and improve compliance performance	• Sustainable Procurement Strategy and Plan • Modern Slavery Action Plan • SOCI Supply Chain Risk Management Program • Mature and deliver compliance plans	8, 16

Group values: Better together | Be accountable | Find a better way | Think like a customer | We Care

Figure 3: An overview of our sustainability approach (ESG Plan[2])

[1] www.sustainability.jemena.com.au
[2] Net zero emissions is defined as "an overall balance between greenhouse gas emissions and removals" per Australia's net zero plan. This covers Scope 1 and 2 emissions, with offsets used only as a last resort.

SGSPAA’s Role in Australia’s Energy Transition

Energy is at the center of our lives, underpinning our economies, enhancing living standards, facilitating better health outcomes and leading to longer life expectancies. The need for energy is also growing, with global and domestic demand expected to increase over the coming decades. At the same time, technology and climate change are influencing how energy is made, distributed, and used.

SGSPAA supports the framework established by the Paris Agreement to avoid dangerous climate change. We have adopted an aspiration to achieve net zero emissions by 2050, guided by interim targets set out in our Climate Transition Plan 2025. This plan includes targeting a 30 per cent reduction in Scope 1 and Scope 2 greenhouse gas emissions by 2030 (compared to a 2021–22 baseline), investing $185 million in energy and climate transition initiatives by 2030, rebalancing our asset portfolio to achieve a 55-45 gas-electricity mix by 2030, and fully integrating climate considerations into business processes and systems.

In bringing our strategy to life, we are taking real and tangible steps today to support the transition of Australia’s energy systems. In our electricity networks, we are increasing renewable generation integration, supporting electric vehicle uptake, and enabling distributed energy resources while maintaining grid reliability. In our gas networks, we are advancing renewable and zero-carbon gases through partnerships and projects, including the Malabar biomethane injection plant, which now injects certified renewable gas into the NSW network. Additional initiatives include making the Eastern Gas Pipeline bi-directional to enhance energy security and deploying advanced methane detection technologies to reduce fugitive gas emissions.

We believe both our electricity and gas assets, as well as the services we provide, will play a critical role in supporting an orderly and just energy transition for Australia.

SGSPAA’s Rationale in Green Financing

With SGSPAA’s active role in supporting Australia’s energy transition, we believe green financing is an effective tool to finance projects that have demonstrated environmental benefits and thereby contribute to the achievement of the UN SDGs and facilitate the transition to a low-carbon future. Issuing Green Financing Instruments enables SGSPAA to align its funding strategy with its sustainability and transition strategies and long-term objectives.

SGSPAA places high emphasis on energy transition as a sustainability priority and intends to continue investing in projects that increase the share of and manage the level of renewable energy in the distribution and transmission networks in Australia and therefore, contribute to the energy transformation and transition of the country.

Under this Green Finance Framework (“**Framework**”), SGSPAA has the ambition to initiate and finance projects related to renewable energy which underpin SGSPAA’s ESG Plan, and Climate Transition Plan.

SGSPAA's Green Finance Framework

SGSPAA's Framework demonstrates how SGSPAA intends to issue and/or obtain green debt instruments such as bonds, loans, promissory notes, and/or contingent facilities (such as bonding lines, guarantee lines, or letters of credit) ("**Green Financing Instruments**"). These will (re)finance projects that aim to deliver positive environmental outcomes that support SGSPAA's sustainability vision and plans.

The Green Finance Framework is developed in alignment with the following voluntary market standards (together, the "**Principles**"):

- Green Bond Principles[3] as published by the International Capital Market Association ("**ICMA**"); and
- Green Loan Principles[4] jointly published by the Loan Market Association ("**LMA**"), Asia Pacific Loan Market Association ("**APLMA**") and Loan Syndications and Trading Association ("**LSTA**").

The Framework is structured according to the following key pillars:

1. Use of Proceeds;
2. Project Evaluation and Selection;
3. Management of Proceeds;
4. Reporting; and
5. External Review.

This Framework may be subsequently revised and updated as SGSPAA's sustainability vision and plans evolve and/or as the green finance market develops. Any future updated version of this Framework that may exist will either maintain or improve the current levels of transparency and reporting disclosures, including the corresponding review by an external review provider. For the avoidance of doubt, any updates to this Framework will not apply retrospectively to Green Financing Instruments issued before the update.

[3] Most recently issued in June 2025, available at https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/
[4] Most recently issued in March 2025, available at https://www.lsta.org/content/green-loan-principles/

Use of Proceeds

An amount equivalent to the net proceeds of Green Financing Instruments issued by SGSPAA will be used to (re) finance, in whole or in part, projects which comply with the Eligibility Criteria below (“**Eligible Green Projects**”). Eligible Green Projects include fixed assets (“**Assets**”), capital expenditures (“**CapEx**”), operating expenditures (“**OpEx**”) and/or a combination thereof. Assets/CapEx shall qualify for refinancing with no limitation with regards to the look-back period, while OpEx will be applied with a maximum two-year look-back period.

This Framework excludes infrastructure dedicated to creating a direct connection, or expansions of existing direct connection, to generation assets with emissions above 100gCO_2e/kWh.

Table 1 below provides an overview of the eligibility criteria for Eligible Green Projects, their linkage to the Australian and EU Taxonomies, and their contribution to the UN SDGs.

Eligible Green Project Category	Eligibility Criteria	Link to Australian Taxonomy	Link to EU Taxonomy[5]	Contribution to the UN SDGs
Renewable energy	Electricity distribution infrastructure[6] and/ or equipment in an electricity system that complies with the following criteria: More than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100g CO2e/kWh on a life cycle basis, over a rolling five-year period.	D10 Transmission and distribution of electricity – contributing to the Australian environmental objective of climate change mitigation.	4.9 Transmission and distribution of electricity - contributing to the EU environmental objective of climate mitigation.	

Table 1: Eligible Green Categories

[5] Alignment to the relevant technical screening criteria for a substantial contribution to climate change mitigation under the Australian Sustainable Finance Taxonomy and the EU Taxonomy.
[6] Infrastructure may include overhead lines; towers and poles; transformers reactors and substations; underground cables; circuit breakers and switchgear.

Project Evaluation and Selection

The identification of Eligible Green Projects will be managed by Treasury team. The team will coordinate with the relevant internal stakeholders to ensure proceeds are allocated in accordance with the Framework and the team will meet at least annually to assess the green eligibility of projects.

The Treasury Team in coordination with the relevant stakeholders are responsible for:

- Overseeing the process for evaluating and selecting Eligible Projects;
- Providing oversight of the Framework, and endorsing any amendments;
- Reviewing the need to update external documents such as the Second Party Opinion;
- Providing oversight and sign-off on the annual allocation and impact report, including any external assurance;
- Monitoring internal processes to identify known material risks of negative social and/or environmental impacts associated with the Eligible Green Projects and appropriate mitigation measures, where possible; and
- Liaising with relevant business teams and other stakeholders as necessary on any of the above.

SGSPAA ensures that all Eligible Green Projects comply with local laws and regulations and, on a best-efforts basis, international environmental and social standards. It is part of SGSPAA's transaction approval process to comply with internal environmental and social policies. Application of these policies shall support the monitoring and management of environmental and social risks associated with the Eligible Green Assets, CapEx and/or OpEx. These policies include:

- Code of Conduct;
- Health, Safety, Environment & Quality Policy;
- Procurement and Contract Management Governance Framework; and
- Sustainability Policy.

Management of Proceeds

An amount equivalent to the net proceeds of the Green Financing Instruments will be managed and tracked by SGSPAA through its internal systems. SGSPAA shall allocate proceeds to Eligible Green Projects, selected in accordance with the Eligibility Criteria and the Process for Project Evaluation and Selection presented above, within 36 months following the time of issuance of each Green Finance Instrument.

SGSPAA aims to achieve and maintain, on a best-efforts basis, a level of allocation that matches or exceeds the balance of net proceeds from its outstanding Green Financing Instruments.

Pending full allocation, unallocated net proceeds will be managed temporarily in accordance with SGSPAA's treasury policies and held in cash or cash equivalents.

If an Eligible Green Project is no longer eligible during the allocation period, or in case of any major controversy affecting a project (at the company's own evaluation), SGSPAA will allocate the proceeds to another Eligible Green Project as soon as possible with the aim of maintaining a level of full allocation of outstanding Green Financing Instruments.

Reporting

SGSPAA will report on the allocation of net proceeds and associated impact at least annually until full allocation, and in the event of a material change in the Eligible Green Projects to which proceeds are allocated. This report will be made available on SGSPAA's website. SGSPAA intends to align, on a best-efforts basis, the impact reporting with the International Capital Market Association's *Handbook - Harmonized Framework for Impact Reporting*[7].

Allocation Reporting

The allocation report may include:

- Aggregated amount of allocation of the net proceeds to the relevant Eligible Green Projects by category;
- Geographic location of the relevant Eligible Green Projects;
- Amount or the percentage of new financing and refinancing;
- Balance of unallocated proceeds, if any; and/or
- Amount or the percentage of the Eligible Green Projects with allocated proceeds that align with the Australian Taxonomy.

Impact Reporting

The impact reporting may provide, where feasible, metrics on the environmental benefits associated with Eligible Green Projects. Impact indicators may include:

Green Eligible Category	Examples of green impact reporting indicators
Renewable energy	• Capacity and/or production of renewable energy connected in the grid (in MW) • Annual renewable energy generation (MWh/GWh) • Estimated annual GHG emissions avoided/reduced (in $tCO2$), direct and/or indirect impact • Number of renewable energy (customer PV) connected to the grid • Efficiency improvements (%) and energy losses avoided (MWh).

Table 2: Examples of green impact reporting indicators

[7] Most recently the June 2024 edition, available at: https://www.icmagroup.org/

External Review

Second Party Opinion (pre-issuance)

This Framework has been reviewed by Sustainable Fitch who has issued a Second Party Opinion. The Framework and the Second Party Opinion will be published on SGSPAA's website.

Verification (post-issuance)

Starting one year after issuance, and continuing until full allocation, SGSPAA will obtain a limited assurance report each year on the allocation of its Green Financing Instruments from an external auditor.

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