

Powerlink Queensland

Sustainability Report

2025/26



About this report

The FY25/26 Powerlink Queensland (Powerlink) Sustainability Report has been prepared in accordance with Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures (AASB S2), issued by the Australian Accounting Standards Board (AASB), and the requirements of the *Corporations Act 2001* (Cth) as amended by the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024*.

The Sustainability Report presents Powerlink's climate-related disclosures for the organisation and its subsidiaries for FY25/26. References to Powerlink in this report include the organisation and its subsidiaries. This report should be read together with Powerlink's Financial Statements for the same period.

Powerlink had the following subsidiaries during the reporting financial year:

- Harold Street Holdings Pty Ltd
- Powerlink Transmission Services Pty Ltd
- Queensland Capacity Network (QCN) Pty Ltd
- CopperString 2.0 Electricity Transmission Corporation Pty Ltd (CETC).

QCN is the only active subsidiary of Powerlink. QCN does not meet the thresholds for standalone reporting under the Corporations Act. For the purposes of this disclosure, Powerlink's Board is responsible for disclosures on a consolidated basis, including QCN. QCN does not have a material impact on Powerlink's climate risk profile, as its telecommunications services leverage shared Powerlink and Energy Queensland Limited infrastructure. Refer to Powerlink's consolidated financial statements.

First-time adoption and transition reliefs

As this is Powerlink's first reporting period under AASB S2, the following transition reliefs available under AASB S2 Appendix C (Aus C1.1, C3 and C4) have been applied:

- **Comparative information (AASB S2 paragraph C3):** Powerlink has not disclosed comparative climate-related financial information for the preceding period in this first year of reporting.
- **Use of the National Greenhouse and Energy Reporting (NGER) Scheme as the primary quantification framework:** Established under the *National Greenhouse and Energy Reporting Act 2007* (NGER Act) and the *National Greenhouse and Energy Reporting (Measurement) Determination 2008* (NGER (Measurement) Determination), NGER forms the basis of Powerlink's greenhouse gas (GHG) emissions quantification methodology. Under the transitional jurisdictional relief provided by AASB S2 (2025–26), Powerlink has adopted NGER emissions factors for the calculation of its GHG emissions for FY25/26.
- **Scope 3 GHG emissions (AASB S2 paragraph C4):** Powerlink has not disclosed scope 3 GHG emissions in this first reporting period. Scope 3 disclosure is planned for inclusion from FY26/27.

Reporting boundary

In accordance with AASB S2 Appendix D (Aus 20.1 and Aus B38.1), Powerlink's reporting boundary for climate-related disclosures is consistent with the boundary used for Powerlink's financial reporting. This encompasses all entities in which Powerlink exercises operational control. GHG emissions are reported using the operational control approach, consistent with NGER Act methodology. This means emissions from all facilities and operations where Powerlink has the authority to introduce and implement operating policies are included. QCN's climate-related impacts are not material and are captured within this consolidated boundary.

Board governance and oversight

Powerlink's Board of Directors maintained active oversight of the organisation's approach to climate-related risks and opportunities throughout the reporting period.

About this report

Key governance arrangements underpinning this declaration include:

Board-level oversight

- The Board's Audit, Risk and Compliance Committee supported Board oversight of the integrity of Powerlink's financial reporting processes, including climate-related disclosure information, and reviewed and endorsed the Sustainability Report's climate-related disclosures.
- The Board's People, Safety and Environment Committee provided ongoing oversight of Powerlink's sustainability strategy, emissions performance, and climate resilience planning.
- The Board has been briefed on the requirements of AASB S2 and Australian Securities and Investments Commission (ASIC) Regulatory Guide 280 throughout the year.

Management accountability

- The Chief Executive and Chief Financial Officer provided the Board with sign-off on the accuracy and completeness of the information contained in the Sustainability Report.
- Powerlink's Executive Team has maintained oversight of the readiness program to ensure the organisation met its first climate-related disclosure obligations.

Key judgements, assumptions and measurement uncertainties

Powerlink's climate-related risks and opportunities are managed within a regulated operating environment. As Queensland's Transmission Network Service Provider (TNSP), Powerlink is subject to the Australian Energy Regulator's (AER) economic regulation, National Electricity Rules (NER) planning and investment requirements, and Queensland Government Owned Corporation (GOC) accountability obligations. These settings influence Powerlink's investment decisions, revenue recovery, network resilience planning and transition-related opportunities.

In preparing the Sustainability Report, Powerlink has applied significant judgement, including:

- determining which climate-related risks and opportunities are material and warrant disclosure
- selecting and applying climate scenarios and associated time horizons for assessing climate resilience
- determining the appropriate GHG emissions measurement methodology (NGER operational control approach) and emission factors (Clean Energy Regulator)
- classifying physical risks as acute or chronic and transition risks as policy, technology or market related.

Significant measurement uncertainties exist, particularly in relation to:

- climate scenario analysis with three-time horizons (2030, 2050 and 2070). Longer-term projections remain subject to uncertainty due to the evolving nature of climate change, including variations in future climate scenarios, policy responses, technological advancements and market conditions
- the evolving regulatory environment
- the assumptions embedded in the Intergovernmental Panel on Climate Change (IPCC) Shared Socio-economic Pathways (SSP) scenarios.

These uncertainties will be reduced as Powerlink's climate risk assessment capability matures.

See Basis of Preparation (Appendix A) for further detail on key judgements, assumptions and measurement uncertainties as it relates to the preparation of the Sustainability Report.

The presentation currency of the Sustainability Report is the Australian dollar (AUD), which aligns to the presentation currency used in the consolidated financial statements.

Directors' declaration

For the financial year ended 30 June 2026

The Board of Directors declare that, in their opinion, Queensland Electricity Transmission Corporation Limited (trading as Powerlink Queensland) has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report for the financial year ended 30 June 2026 (other than this Directors' declaration) is in accordance with the *Corporations Act 2001* (the Act), including:

- section 296C of the Act (compliance with applicable sustainability standards such as the Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures); and
- section 296D of the Act (climate statement disclosures).

This declaration is made on 26 August 2026 in accordance with a resolution of the Board of Directors of Queensland Electricity Transmission Corporation Limited and is signed for and on behalf of the Board by:

A handwritten signature in black ink, appearing to read 'C. Doyle', is positioned above a horizontal line.

Craig Doyle, Chair of the Board

Queensland Electricity Transmission Corporation Limited

Date: 26 August 2026

1. Governance

1.1 Company profile

Purpose

Connecting Queenslanders to a world-class energy future.

Values

- Accountability
- Customer
- Teamwork
- Safety

Strategic objectives

- Drive value for Queenslanders
- Guide the market
- The right grid for tomorrow
- Unleash our potential



Powerlink is a leading Australian provider of high voltage electricity transmission network services, combining innovation with insights to deliver affordable, reliable and sustainable solutions.

Powerlink is a GOC that owns, develops, operates and maintains the high voltage electricity transmission network in Queensland. Our network extends 1,700 kilometres (km) from Cairns to the New South Wales (NSW) border and comprises 15,697 circuit km of transmission lines and 156 substations. Our purpose is to connect Queenslanders to a world-class energy future, providing electricity to more than five million Queenslanders and 241,000 businesses.

Powerlink's corporate governance processes are consistent with the policies and commitments of the Queensland Government and the expectations of shareholding Ministers.

1. Governance

SHAREHOLDING MINISTERS			
BOARD			
Responsible for overseeing climate-related risks and opportunities as well as sustainability initiatives			
COMMITTEES			
Audit, Risk and Compliance Committee Oversees statutory financial information including climate disclosures	People, Safety and Environment Committee Oversees and monitors current and emerging environmental and climate-related risks	Mega Projects (and CopperString) Committee Oversees major projects and related investment decisions	
SENIOR MANAGEMENT			
Chief Executive Responsible for climate matters at the highest management level			
Executive Leadership Team Aligns workplans with strategy, manages climate-related risks and opportunities and drives the delivery of sustainability and resilience initiatives			
Climate Disclosure Steering Committee Responsible for overseeing the disclosure and related sustainability requirements		Executive Team People and Health, Safety Environment Committee Leadership accountability for health, safety and environmental matters including climate compliance and objectives	
MANAGEMENT AND SUPPORT FUNCTIONS			
Chief Financial Officer Responsible for overseeing financial reporting, business planning and budgeting	Corporate Services Responsible for developing sustainability policy, strategy and coordinating climate-related disclosures	Network Planning Responsible for planning the network to meet evolving market conditions including changes in generation mix and increased penetration of cleaner energy sources	Operations – Delivery and Technical Services, Major Projects and Field and Asset Management Responsible for managing and/or delivering new network infrastructure by addressing climate and weather-related risks, maintaining reliability and integrating new energy sources

1. Governance

1.2 Board oversight

Powerlink's Board is accountable for overseeing the management of all risks via the Enterprise Risk Register which incorporates strategic and operational risks and includes climate-related risk. Primary oversight for climate-related risk is exercised through the Board's People, Safety and Environment Committee and the Audit, Risk and Compliance Committee who oversee financial risk and disclosure integrity. The Mega Projects (and CopperString) Committee oversee broader project-related risks; however, climate risk is not explicitly within its remit.

An initial review of the Terms of Reference (TOR) for all committees was completed in FY24/25 and they were updated in FY25/26. The TOR for all committees is available via the Powerlink website. Powerlink acknowledges additional work needs to be undertaken to embed climate-related risk and opportunity into the Board's oversight and governance in line with regulatory requirements, including long-term climate-related opportunities.

People, Safety and Environment Committee

The People, Safety and Environment Committee provide governance over the key strategic areas of people, culture, remuneration, health and safety, and environment including climate change and emissions.

The committee supports Powerlink's strategic direction and provides oversight of the Health, Safety and Environmental Management system and performance. The committee is responsible for reviewing and monitoring the management system, organisational design, organisational culture, employee remuneration, performance frameworks, employee relations and climate strategy and emissions (excluding climate-related disclosures). This committee meets at least four times per year.

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee oversee financial reporting integrity, internal controls, compliance systems, and risk management. The committee meets at least four times a year and is supported by detailed reports from management.

For climate-related disclosures, the committee reviews and endorses statutory financial information. During this reporting period, climate-related matters were discussed on at least three out of the four occasions.

Committee oversight

The Audit, Risk and Compliance Committee receive the Enterprise Risk Report quarterly which includes climate-related risks. Currently, climate-related matters are optional standing items, and are discussed as required. Additionally, the Board reviews climate-related matters at least twice in the financial year.

As the organisation matures, appropriate changes will be made to all committees' governance processes to actively manage climate-related matters.

Board skills

Powerlink's Board maintains a self-assessed Board Skills Matrix to identify the skills and experience the members hold across a broad set of skill categories, including skills pertaining to governance and environmental, climate and social risks. Each Director's skillset and experience is assessed annually and monitored by the People, Safety and Environment Committee.

In FY25/26, the Board received independent expert advice to support their understanding of sustainability reporting to confidently approve climate-related disclosures. In FY26/27, the Board will consider development and climate-related competency training to support their understanding and response to climate-related risks and opportunities.

1. Governance

Remuneration

Powerlink's Board remuneration is set by the Queensland Government. Powerlink's Executive Team remuneration is guided by the government's remuneration policy and performance matrix. Currently there are no direct climate-related metrics included in remuneration policies for Powerlink's Board and Executive Team.

1.3 Management oversight

Powerlink's Climate Disclosure Steering Committee was established in FY24/25 and is responsible for overseeing the disclosure and related sustainability requirements across the organisation.

The steering committee provides management oversight and enables timely decisions to support the delivery of key business activities related to climate disclosures. Members of the committee include the Executive General Manager Corporate Services (Chair), Chief Financial Officer, and Executive General Manager Network Investment. The Climate Disclosure Steering Committee reports monthly into the Executive Team – People and Health, Safety, Environment Committee monthly to allow the full Executive Team to consider climate-related issues and opportunities. Updates are provided and matters are referred to relevant Board committees as required.

Powerlink's Risk Management Framework and Integrated Assurance Standard outlines business requirements for the identification, management and assurance of strategic and operational risks, including those related to climate change.

Powerlink's Executive Team use the Risk Management Framework to review key enterprise risks and changes to risk profiles resulting from business operations or external influences. Appropriate controls are established and are integrated into business processes, consistent with business requirements. The Enterprise Risk Report is provided to Powerlink's Executive Team quarterly.

2. Strategy

To reflect changes to the operating environment and following the release of the Queensland Government's Energy Roadmap in October 2025, Powerlink has refreshed its Corporate Strategy. The refreshed strategy reaffirms Powerlink's purpose of connecting Queenslanders to a world-class energy future and establishing a clear focus on delivering value, guiding the market, building the right grid for tomorrow, and unlocking the full potential of its people and capabilities. Powerlink is committed to supporting the government's net zero by 2050 target, as outlined in the Energy Roadmap.

Powerlink's Board oversee the Corporate Strategy and provide direction through the annual Statement of Corporate Intent and Corporate Plan, which reflects the Queensland Government's expectations and priorities. As Powerlink further develops its response to climate-related risks and opportunities, those changes will be reflected in future sustainability reports. Powerlink's Board and executives will also oversee progress in this area as opportunities continue to grow.

Powerlink is continually adapting its operations to meet market changes and uphold its commitments to corporate responsibility and environmental stewardship. Powerlink emphasises responsible environmental management and maintains transparent communication with stakeholders to achieve its corporate responsibility goals.

2.1 Business model and value chain

As the State's TNSP, Powerlink designs, builds, operates and maintains Queensland's high voltage transmission network. Powerlink manages Queensland's power system security and ensures compliance and coordination with the market operator. Powerlink's role is central to delivering the Queensland Government's Energy Roadmap and meeting the strategic expectations of our shareholding Ministers by enabling affordable, reliable and sustainable energy for Queenslanders.

As the State's designated System Strength Service Provider (SSSP), Powerlink is also responsible for planning, procuring and making system strength available to the Australian Energy Market Operator (AEMO) across Queensland.

Powerlink's business model and value chain can be summarised as:

- **Regulated network operations:** Powerlink owns and operates more than 15,697km of high voltage overhead transmission lines and associated substations, switchgear and transformers across Queensland. Its revenue is determined by the AER through five-year regulatory determinations (currently 2022–27). Powerlink transmits electricity from coal, gas, hydro, solar and wind generators to distribution networks for delivery to end users. Its responsibilities also include maintaining core grid infrastructure, and in its role as the jurisdictional planning body, planning and investing in the network where this efficiently meets consumer demand and supports generator and storage investment and operation.
- **Non-regulated connection services:** Powerlink competitively provides connection services to new generation, load and storage projects (renewable energy, batteries) on a commercial basis. These services support Queensland's changing energy needs and accounts for approximately 17–22% of capital expenditure (CAPEX).

2. Strategy

Climate-related risks and opportunities are concentrated across Powerlink's value chain as follows:

Stage (value chain)	Climate-related exposures	Financial effect
Upstream (supply chain)	- Specialised equipment and related supply chain risk - Electricity generators and related physical risk - Supply chain emissions (scope 3) - Tier one contractors - Supply chain (distributors and other contractors) and related risks	Operating Expenditure (OPEX), CAPEX, project delay risk
Midstream (transmission operations)	- Network assets and related physical risks (bushfire, flood, heatwave) - Emission impacts (scope 1 and 2) - Other assets (building, equipment) - Human resources and related impacts - Property and ecological impacts	OPEX, CAPEX, insurance, revenue risk
Downstream (electricity market)	- Speed of the energy transition and related policy impacts - Changing demand patterns (rooftop solar, Electric Vehicles (EVs), electrification) - Policy uncertainty	Revenue risk, asset stranding risk, regulatory risk

2.2 CAPEX and major transactions

Powerlink's key projects illustrate how the business is responding to future network requirements, supporting new generation connections and strengthening the resilience and operability of the transmission network.

Powerlink's key projects include:

- Gladstone Project:** This critical program of transmission upgrades will support additional capacity and reliability to the regional network as it prepares for the eventual retirement of the Gladstone Power Station.
- System Strength Project:** Synchronous condensers are being installed across Central Queensland to provide system strength services which are required with the forecast change in generation mix.
- New transmission connections:** Powerlink continues to deliver new transmission infrastructure to connect customers and support their generation projects.

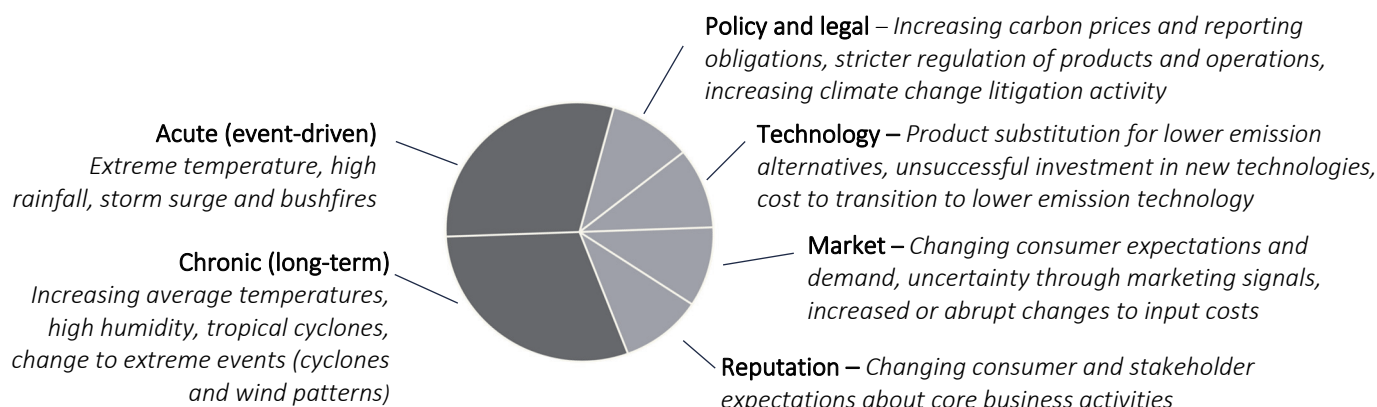
2.3 Climate narrative

Powerlink takes a structured approach to understanding and managing the potential impacts of climate change on its operations, services and infrastructure. This involves considering a range of future climate scenarios to identify and evaluate climate-related risks and opportunities that could affect the business. An initial enterprise-level review has been undertaken to highlight key areas of impact and inform future analysis, adaptation planning and resilience-building activities. Climate-related risks are categorised using the following risk matrix to support consistent assessment and prioritisation across the organisation.

2. Strategy

Physical Risks – resulting from changes in the climate around us

Transition Risks – resulting from human decisions in response to climate change



When developing Powerlink’s climate narrative, the business considered a range of scenarios and time horizons, including but not limited to IPCC, Commonwealth Scientific and Industrial Research Organisation (CSIRO) and AEMO’s Integrated System Plan (ISP)¹. In line with regulatory requirements regarding design engineering standards, AEMO’s guidelines and national energy objectives, Powerlink’s climate narrative focused on the SSP1-2.6 and SSP2-4.5² against 2030-, 2050- and 2070- time horizons. As part of our disclosure obligation and in line with legislation and GOC status, Powerlink has chosen to disclose on the following two scenarios.

Long-term Powerlink climate narrative	
Scenario 1 – Sustainability - SSP1-2.6	Scenario 2 – Middle of the road - SSP2-4.5
• Ambitious global action to reduce emissions in line with the Paris Agreement (orderly pathway) • Relatively low physical climate change impacts	• Relatively slow global action to reduce emissions in line with historical patterns – stronger action towards the end of the century • Relatively medium physical climate change impacts
1.4°C (0.6 – 2°C) average warming for Queensland by 2070	Well exceeding 2°C (1.4 – 2.6°C) average warming for Queensland by 2070
• Lower resource use and energy intensity with accelerated decarbonisation and lower energy costs • Growth in renewables and supporting infrastructure to allow for coal retirements • Rapid change in electrification and demand patterns of consumers and large industrial customers • Challenges of coal retirements and the need for timely investment in infrastructure • High economic growth leading to global economic convergence	• Fossil fuels remain the main fuel source as coal retirement extends beyond 2040, and the share of renewables increases slowly • The transmission network continues to face some challenges related to community support, supply chain, and lengthy regulatory processes • Steady technological advancement without fundamental breakthroughs makes management of grid stability more challenging and expensive • Medium to low economic growth, leading to global economic divergence • Increased risk management processes to adapt to increasing frequency and intensity of physical climate impacts
Time horizons – 2030, 2050 and 2070	
The 2030 short-term time horizon aligns with Powerlink’s Corporate Strategy, regulatory submission and standard business planning cycles. The 2050 medium-term time horizon reflects the timeframes used in Powerlink’s energy transition pathway and long-term network investment processes. For the 2070 long-term horizon, Powerlink has considered the long-life infrastructure exposure and average lifespan of current network assets. All three horizons are aligned with the Queensland Climate Long Paddock climate datasets to ensure consistency with state-based climate projections.	

¹ The Integrated System Plan (ISP) is a whole-of-system plan that provides an integrated roadmap for the efficient development of the National Electricity Market (NEM) over the next 20 years and beyond.

² Shared Socio-economic Pathways (SSPs)

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2.3.1 Powerlink climate-related risks

Powerlink recognises its climate narrative analysis is currently qualitative, with quantitative financial modelling under each scenario yet to be developed in line with Australian Sustainability Reporting Standards (ASRS) requirements. The two-scenario approach aligns with Powerlink's analytical maturity and related guidance as a GOC and will be reviewed as needed.

For network planning stress testing work, Powerlink uses high and low demand scenarios, factoring in climate-related transition drivers such as renewable energy uptake, electrification, policy settings, and higher-risk climate scenarios³.

Powerlink also relies on AEMO's ISP assessment and related climate mitigation scenarios. These assessments support infrastructure stress testing and regulatory obligations. Powerlink's qualitative assessment identified 17 climate-related risks across the business. Of these, three physical risks have a more material impact than others. In addition, two transition risks were selected for the disclosure based on the initial quantitative risk assessment, level of impact, and alignment with Powerlink's enterprise risk priorities.

Powerlink has sought to disclose only climate-related risks that are strategically and operationally relevant and provide a critical foundation for ongoing climate risk management and resilience planning. These risks are expected to arise across key time horizons, with varying impacts on Powerlink's network, operations, planning, and strategic decision-making.

Risk number and risk category	Risk summary and climate stressor – scenario identifier	Current and potential impacts	Controls/risk management
R1 Physical – Acute BUSHFIRE	Uncontrolled vegetation fire posing direct and indirect risk to transmission assets, conductors, polymer insulators, network operations, and employee safety Up to +15 high fire weather days per year across Queensland annual season by 2070	• Asset damage and replacement costs • De-energisation may have financial cost • Cost for increased vegetation management • Increase in insurance claims and premium costs • Emergency response costs • Health and safety impacts to employees Financial Effect: OPEX, CAPEX, Insurance	• Bushfire risk management and mitigation activities • Asset lifecycle management and maintenance practices • Vegetation management and land access programs • Emergency preparedness, response and recovery arrangements • Health, safety and wellbeing management processes

³ In addition to the two scenarios used for enterprise-wide AASB S2 disclosure (SSP1-2.6 and SSP2-4.5), Powerlink may separately consider high-risk scenarios in asset or network planning stress testing for selected or regulated assets, consistent with AER requirements and applicable engineering design standards. This asset-based analysis serves a distinct purpose from the enterprise-wide scenario analysis presented above and should not be conflated with, or read as extending, the AASB S2 scenario set used for entity-level climate risk disclosure.

2. Strategy

Risk number and risk category	Risk summary and climate stressor – scenario identifier	Current and potential impacts	Controls/risk management
R2 Physical – Acute FLOODING	Inundation of substations, access routes and easements from rainfall, riverine overflow, storm surge or dam release. Short intense storms producing faster-onset, more unpredictable flooding Risk to employee safety Shorter, more intense storms; faster onset flooding; less predictable flooding in Far North Queensland by 2070	- Substation de-energisation and equipment damage - De-energisation may have financial cost (damage or penalties) - Access, easement erosion and recovery costs - Impacts on insurance claims and premium - Health and safety impacts to employees Financial Effect: CAPEX, OPEX, Insurance	- Site-specific Flood Contingency Procedures or appropriate design standards for new developments (currently only six sites have flood exposure) - Managing risk with overhead transmission lines - Site mitigation works at high-risk substations - Work, health and safety plans
R3 Physical – Chronic HEATWAVES AND HUMIDITY	Prolonged heat and humidity increase peak electricity demand, reduce asset cooling efficiency, accelerate corrosion and insulation degradation, and increase risk of condensation, flashovers and equipment failure Risk to employee safety Prolonged heat events ≥ 3 consecutive days within regional context; increased atmospheric humidity across coastal Queensland regions by 2070	- Load shedding risk from peak demand surges - Reduced network capacity from conductor derating - Accelerated asset degradation and reduced capacity - Increased design and engineering costs - Lack of overnight cooling compounding risk - Reduced productivity associated with restricted worker duties or delayed activities - Health and safety impacts to employees Financial Effect: CAPEX, OPEX, Network capacity	- Demand management operational controls via network operations - Line rating management procedures - Thermal design allowances in asset standards - Work, health and safety plans

2. Strategy

Risk number and risk category	Risk summary and climate stressor – scenario identifier	Current and potential impacts	Controls/risk management
R4 Transition – Market and Policy CHANGING NETWORK ROLE AND RESPONSE TO ENERGY POLICY CHANGES	Inability to respond effectively to changes in pace and impacts of the energy transition and shifts in the electricity value chain The transmission network may not facilitate the optimal generation and storage investment or lead to inefficient congestion or may delay new electricity load connections Under scenario 1 sustainability (orderly pathway) risk is moderate whereas under scenario 2 (middle of the road) risk is higher and needs to be embedded in capital planning	• Cost uncertainty over next regulatory period (2027–32) • Uncertainty around the speed of transition and location and quantity of new supply or demand resources and withdrawal of existing supply may result in network investment being inefficient or stranded if undertaken too early or too late. This may also lead to inefficient development or operation of generation or storage, delays in supporting new loads, higher costs to maintain power system security and reliability, increased network congestion, inefficient curtailment of generation and adverse wholesale market price impacts Financial Effect: Cost of Capital, Revenue	• Align with the Energy Roadmap and monitor for regulatory change • Contingent project approach in revenue determination (2027–32) allows investments to be identified in advance but only commit when triggers are met. This supports optionality and better timing decisions and reduce the risk of over- or under investment • Active engagement with government, AEMO and AER on investment needs and striking a balance with earlier or later investment • Initiatives to maximise utilisation of existing assets
R5 Transition – Technology and Reputation NETWORK DISRUPTION FROM NEW TECHNOLOGY IMPLEMENTATION	Stakeholder expectations or industry standards for reliability of electricity supply and network resilience not met Failure to reliably and cost effectively develop and deliver the new technology (e.g. Next Generation Network Operations) to support the current and future network Under scenario 1 sustainability risk is advanced whereas under the scenario 2 risk is moderate to low	• Managing risks related to unplanned regulated network interruptions that compromise our obligations • Unplanned CAPEX for network augmentation • Developing regulated and non-regulated growth • Asset stranding due to risk related to technology or unforeseen events (e.g. supply chain issues, pandemic) Financial Effect: Cost of Capital, Revenue	• Seasonal preparedness activities are in place to mitigate potential risk impacts including ongoing network monitoring • Network operations continue to review all events and capturing lessons learnt. This includes learnings from the complex real-time engineering analysis when responding to events • Next Generation Network Operations Program will deliver a significant digital transformation • Implementation of Advanced Energy Management System underway

Physical risks (R1–R3) span all three horizons because they are present, escalating and are currently managed by existing controls. Cumulative physical change means the financial exposure compounds to high to significant by 2050 and 2070, particularly under our SSP2-4.5 or high under climate resilience testing.

Transition risks (R4–R5) are concentrated in the short to medium term. The evolving role of the network and responding to energy policy changes (R4) is significant in the short-term time horizon (2030) and resolves through the maturity of the energy transition and related policy. Disruption to the network and implementation of new technology (R5) remains moderate to significant over the short to medium term (2030 to 2050), as regulated

2. Strategy

network interruptions may arise due to substantial changes in the transmission network and the cost and complexity of new technology. By 2070, the transition will largely have settled into a new steady state under either scenario.

The scenario differentiation matters here: under SSP1-2.6 (sustainability), transition risks emerge earlier and are front-loaded; under SSP2-4.5 (middle of the road), they are slower, but the physical risks are more severe and extend further. This is reflected in the time horizon notes for R4 and R5.

2.3.2 Powerlink climate-related opportunities

Powerlink has identified material climate-related opportunities which impact across the organisation. These opportunities are expected to arise across all time horizons, with varying impacts on Powerlink's network, operations, planning, and strategic decision-making. While not currently assessed as financially material, they are strategically and operationally relevant and provide a critical foundation for future resilience planning work.

In FY26/27, a more detailed opportunity assessment and the expansion of the management of these opportunities is planned and subject to ongoing consultation with the Queensland Government. Powerlink intends to manage and track opportunities through the strategic and operational dashboards, ensuring opportunities are prioritised and delivered in alignment with the Queensland Government's Energy Roadmap and the strategic objectives of our shareholding Ministers.

Opportunity type	Opportunity description	Strategy integration/current actions
Demand growth – new generation and storage connections	Increased electrification of industrial processes, transport (EVs) and residential/commercial loads drives higher demand for electricity transmission, increasing network utilisation and supporting revenue growth. Depending on the location, new generation and storage connections may improve the utilisation of some parts of the network and/or require upgrades to efficiently integrate	• Factored into demand forecasting and Transmission Annual Planning Report with ongoing monitoring of the connection enquiry pipeline to inform scenario-based investment planning • As Queensland's TNSP, Powerlink has a regulatory obligation and commercial opportunity to connect new electricity generation and storage to the grid, supporting the state's energy transition and growing Powerlink's regulated and non-regulated revenue • Network augmentation needs have been factored into Powerlink's revenue proposal for 2027–32, including through the contingent project framework that provides optionality to respond to market triggers • Powerlink conducts joint planning with AEMO and distributor to identify efficient network augmentations across a range of future scenarios, including for the Integrated System Plan and coordinated transmission-distribution planning processes
Technology-enabled asset and network optimisation	Embedding AI-powered smart systems, live asset condition monitoring, innovative asset life-extension methods and advanced weather and bushfire forecasting into network operations reduces unplanned outages, extends asset life and improves capital allocation efficiency	• Real-time supervisory control and data acquisition monitoring in place • Weather modelling under the asset management strategy • Thermal design allowances embedded in asset standards

2. Strategy

2.4 Strategic decision making

Powerlink recognises that climate change, related policy and industry responses to climate change present strategic, operational and regulatory implications for business, assets, customers and the broader community. Powerlink is committed to integrating identified climate-related risks and opportunities into corporate strategic planning.

Powerlink currently manages weather-related physical risks as part of its business-as-usual activities through relevant hazard management processes. The potential impacts on the network and associated assets are monitored on an ongoing basis.

For the short-term (2030) time horizon (in both scenarios) climate-related risk is managed as a business-as-usual program. Physical risks apply across the entire network, as flood or bushfire events can occur throughout the network area. We have investigated transition risk through our planning work and have included projects (including contingent projects) to address it.

Powerlink will continue to develop its medium to long-term (2050–2070) approach to addressing climate-related risks, opportunities and transition considerations within its strategic planning and decision-making processes. This includes improving operating procedures for network control and emergency management. As this approach evolves, consultation with the Queensland Government and shareholding Ministers will occur where applicable on strategic matters with financial or policy implications, in line with government expectations, relevant policies and the Queensland Government's Program for Emissions Reduction Plans.

Climate-related risks and opportunities are being considered on an integrated basis in Powerlink's strategic planning and decision-making processes, for network resilience, future investment needs, energy system transition and long-term business planning. Powerlink's strategic objectives and business plans reflect its role in supporting a safe, reliable and resilient transmission network through a changing energy environment, while contributing to the delivery of the 2025 Queensland Energy Roadmap.

2.5 Business model impacts

As Queensland's TNSP, Powerlink can access multiple revenue mechanisms to absorb and respond to climate-related risks and opportunities. Powerlink's primary source of revenue and capital allowances are set by the AER under the NER, with the current 2022–27 regulatory determination providing revenue to manage climate risks, invest in network resilience, and deliver the Queensland Government's 2025 Energy Roadmap.

As Queensland's power system continues to evolve, Powerlink must upgrade the network and operational processes and systems to support new generation, storage, and electrification. However, uncertainty about the nature and speed of the transition may cause under-utilised assets or reduced returns in the interim.

Powerlink accesses funding pathways for its two main business streams – regulated projects and non-regulated projects.

Regulated network impacts

Powerlink's regulated revenue model provides substantial protection against short-term climate-related financial volatility as revenue and capital allowances are determined through established regulatory processes. This framework can support recovery of approved expenditure for network resilience, maintenance and augmentation. However, over the medium to long term, climate-related transition risks may affect the timing, scale and efficiency of network investment. Uncertainty in energy policy, demand patterns, generation location and storage development could increase the risk of under- or over-investment, asset under-utilisation, stranded assets or regulatory under-recovery.

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Non-regulated connection impacts

Powerlink's non-regulated connection activities are more directly exposed to market conditions, customer investment decisions and the pace of the energy transition. Growth in renewable generation, storage and large load connections may create revenue opportunities and increase network utilisation. However, policy uncertainty, supply chain constraints, changing demand patterns and shifts in project timing may affect connection revenue, project delivery costs and commercial returns.

These impacts will be monitored through Powerlink's capital planning, connection pipeline assessment, policy and regulatory monitoring, and application of the climate narrative to investment decision-making.

3. Risk management

Powerlink has a Risk Management Framework, with an overarching Board approved Risk Policy. The framework and its associated elements apply to all Powerlink risk management activities and demonstrates management's commitment to effective risk management that supports decision making, contributes to organisational success and effective execution of Powerlink's strategy.

The Risk Management Framework is supported by Board approved Risk Appetite Statements (RAS) that specify Powerlink's risk appetite across multiple themes including three dimensions of climate change: physical, emissions and opportunities. Risk Appetite is the amount and type of risk that Powerlink is prepared to accept in pursuit of its strategic and business objectives. It is reflected through a variety of mechanisms at Powerlink, including Board decisions, policies, strategy, delegated authority, and practices and procedures.

Powerlink's process for identifying, assessing and monitoring climate-related risks and opportunities includes:

- **Identification:** Powerlink identified climate-related risks and opportunities across the business, covering physical and transition factors. Workshops and expert interviews informed how climate change could affect services and operations.
- **Assessment:** Each risk was assessed for significance under Powerlink's Risk Management Framework. The climate narrative informed the assessment of impact and likelihood across climate scenarios, including asset prioritisation under the Security of Critical Infrastructure framework.
- **Prioritisation:** Powerlink applied weather-related likelihood and consequence matrices to prioritise climate-related risks and opportunities across the business. Approximately 200 key assets were considered as part of this assessment. Physical risks were evaluated based on their potential impact on Powerlink's transmission assets, network operations, revenue and employee safety. This process supported the identification of the most material risks and opportunities for management action and disclosure, with the three highest-impact physical risks elevated for detailed disclosure.
- **Monitoring and review:** Climate-related risks are monitored through Powerlink's enterprise risk management processes. Each risk is assigned an owner responsible for managing controls, supported by key risk indicators and regular reporting through established governance processes.

How Powerlink currently monitors climate risk via enterprise-level risks:

- R1, R2, and R3 are linked to the enterprise risk 'climate change physical risk' with associated risks including extreme weather events, asset damage, increased maintenance requirements, workforce health and safety impacts, network disruptions, insurance availability and broader infrastructure resilience challenges. These risks are managed through Powerlink's enterprise risk management, asset management and resilience planning processes, which support the identification, assessment and mitigation of climate-related impacts across the business. Risk management is also supported by emergency and crisis management practices, business continuity planning, and the Register of Critical Infrastructure Assets.
- R4 is linked to the energy policy uncertainty and changing role of the transmission network. The risk also includes speed of transition and electrification of various sectors; compliance with legislation, regulations and the NER and policy impact due to both tiers of government. Currently these risks are managed by undertaking wider stakeholder engagement, continuing to influence proposed changes related to transmission planning, investment and other priorities and additionally utilising our network planning expertise.
- R5 is linked to enterprise risk network disruptions and implementation of Next Generation Network Operations. This also includes industry standards for reliability and network resilience. Currently, this risk is mitigated by ongoing 24x7 network monitoring and long-term asset resilience works. Network operations continue to review all events and capturing lessons learnt.

3. Risk management

3.1 Operational and capital project risk management

Powerlink recognises and understands the potential impacts of extreme weather events such as cyclones, floods, heatwaves and bushfires, alongside longer-term climate risks that affect Powerlink's assets and operations.

Powerlink will continue to formally integrate climate and weather-related risks into ongoing processes to strengthen resilience and ensure robust response strategies. In recent years, Powerlink has strengthened its capability for preventative and recovery operations across the transmission network, particularly within the North Queensland corridor.

3.1.1 Operational risk management programs

Physical risks are primarily operational and project related. Powerlink has significant experience mitigating these risks.

- **Network maintenance:** Powerlink has processes and policies for network planning, asset inspection and maintenance, vegetation management, bushfire preparations, and fault and emergency response.
- **Committed to safety and environment:** Safety and environmental management are central to how we work, and we share a commitment to improving health, safety and environment performance.
- **Community safety:** Powerlink's commitment to delivering a safe high voltage electricity transmission network for Queenslanders extends to raising community awareness of electrical safety, including during storms and floods.
- **Transition risks** are addressed in the Powerlink Corporate Strategy, which sets a clear direction for core business, customers and stakeholders.
- **Workforce and supply chain resilience:** Skills and material shortages affect delivery timelines for Powerlink's capital projects.
- **System strength remediation:** Queensland's generation portfolio has historically been composed of large coal-fired, gas-fired and hydroelectric power stations, which provided system strength as a by-product of their energy generation, enabling the power system to operate in a stable manner.
- **Supply chain:** Relationships with suppliers are fundamental to Powerlink's procurement strategy, particularly considering the current global supply chain constraints driven by significant increases in demand for specialised power system equipment.

3.1.2 Demand and climate impact management

New connections

Powerlink manages a highly complex and evolving energy demand landscape through a multi-layered planning and forecasting approach. Powerlink forecasts demand through a structured, evidence-based planning process that combines historical load data, customer intelligence and scenario analysis. Forecasts are developed by analysing underlying electricity consumption trends, economic and population growth, electrification impacts, and known or prospective large customer connections.

New load, generation and storage projects submit enquiries and applications to connect. Powerlink works through the connections process and technical standards specified in the NER and the commercial connection and access agreement.

Demand forecasts and scenarios of future load, generation and storage projects form part of the Transmission Annual Planning Report and Regulatory Investment Test for Transmission (RIT-T) assessments to ensure future network augmentations are staged and justified. This approach allows Powerlink to sequence investments based on scenario analysis of different uptake rates for generation, storage and electrification.

3. Risk management

Network infrastructure management

Powerlink's network infrastructure management operates across four integrated disciplines.

- **Asset inspection and maintenance:** Assets are maintained under approved plans, with inspection methods and frequency based on asset type, condition and risk, using routine patrols, scheduled inspections and condition-based assessments.
- **Vegetation management:** The network is managed across tropical and rural zones, with treatment every two years in tropical areas and every four years in rural areas. Intensive areas are inspected annually. Clearances are maintained through selective clearing and herbicide application, supported by land and aerial inspections.
- **Bushfire preparedness:** Powerlink uses early warning systems to detect fires near high voltage assets and applies site fire protocols, including daily hazard checks, firefighting equipment and hot works permits, in line with the Queensland Electrical Supply Industry Code of Practice. A risk-based vegetation program prioritises high-risk spans using Light Detection and Ranging (LiDAR) technology, aerial and ground inspections, with clearances maintained above minimum requirements.
- **Fault and emergency response:** Powerlink maintains specialist capability for major plant failure investigations, asset condition monitoring and emergency restoration of overhead lines up to 330 kilovolts (kV), supported by participation in state and national emergency training and coordination forums.

3.1.3 Network strength and resilience

Powerlink's asset management approach supports the strength and resilience of its transmission network in the face of weather events. Powerlink maintains a low tolerance for environmental harm from events like bushfires, floods, and extreme heat, and applies stringent environmental controls such as extensive vegetation management programs and regular asset inspections to protect its infrastructure.

Currently, Powerlink integrates weather-related risks into the design safety standards which are guided by Workplace Health and Safety legislation, Australian engineering design standards and frameworks ensuring extreme weather conditions are factored into safe operations. Powerlink uses qualitative reliability standards, supported by real-time Supervisory Control and Data Acquisition (SCADA) monitoring, asset inspections and historical outage data to manage service disruptions from severe weather events and maintain reliable network performance. This approach reflects Powerlink's risk management maturity and its commitment to transparency and accountability.

3.2 Financial impact and risk management

For this reporting period, Powerlink's assessment of the financial impacts of climate-related risks and opportunities is primarily qualitative. A more detailed quantitative assessment of the current and anticipated financial impacts is being developed.

During FY25/26, Powerlink did not identify a material direct impact of climate-related risks on reported financial performance or cash flows. However, climate-related matters are relevant to current operating and investment decisions, including vegetation management, flood and bushfire mitigation activities, insurance-related considerations, supply chain, inflationary cost pressures, expenditure associated with supporting new generator and battery connections and network resilience.

Nearly 70% of Powerlink's revenue is derived from regulated network activities and determined under the AER revenue determinations. The initial qualitative assessment suggests most of our non-regulated activities (estimated at 30%) are directly linked to connecting new generation to the transmission network, reflecting the private sector's desire to decarbonise and reduce emissions.

3. Risk management

Powerlink's short-term financial planning considers climate-related expenditure will be covered through existing financial operating practices, including contingency planning budgets or pass-through cost recovery mechanisms, which are regulatory revenue sources.

Over the medium to long term, climate-related risks and opportunities may affect Powerlink's financial performance and cash flows through changes in asset investment requirements, resilience expenditure, generation and storage connection activity, network utilisation, maintenance requirements and operating cost pressures. At this stage, these effects have not been quantified in detail, and Powerlink has not disclosed a significant risk of material adjustment for FY26/27 arising specifically from climate-related matters. This position will continue to be reviewed as quantitative assessment capability matures.

The table below provides an indicative breakdown of Powerlink's capital allocation in FY25/26, highlighting expenditure associated with supporting new generation and storage connections, maintaining the regulated asset base and enhancing network resilience in response to climate-related risks and operational requirements.

Capital deployed	For FY25/26 ⁴
The percentage of total CAPEX incurred to support new connections and market opportunities through non-regulated network expenditure	32%
The percentage of total CAPEX incurred to maintain the regulated asset base through regulated network expenditure	28%
The expenditure incurred in FY25/26 related to vegetation management – sub-classified under network maintenance. This work is critical for bushfire prevention and enhancing the resilience of the network against climate-related risks	\$20.2 million

Financial vulnerability of assets and business activities linked to climate-related risks and opportunities	
Business activities vulnerable to climate-related transition risks: We consider Powerlink to be most vulnerable to climate-related transition risks through changes in electricity generation and electrification of transport and industrial load which directly impact transmission network demand, utilisation and future investment requirements	Transmission operations
Percentage of assets vulnerable to one or more weather or climate hazards: Due to the nature of our transmission network, most of our assets are exposed to weather elements. (Powerlink reviewed 200 assets prioritised by criticality, identifying 30 assets with varying levels of weather-related vulnerability, representing approximately 15%)	15%

This allocation reflects Powerlink's current approach to managing climate-related risks and opportunities through a combination of regulated network investment, resilience-focused expenditure and support for energy transition-related connection activity. This is a current-state, qualitative exposure indicator, not a forecast of cost timing. Near-term (to 2030) climate-related costs continue to be managed through existing regulatory mechanisms with no material financial impact identified in FY25/26.

⁴ Note: These figures may differ (no material change expected), as they were developed before closure of final accounts.

3. Risk management

While these investments are not solely attributable to climate-related factors, they demonstrate how climate considerations are being incorporated into financial planning and capital prioritisation. Powerlink will continue to improve the linkage between climate-related risk assessment and financial planning, including the development of more detailed and quantitative analysis of climate-related financial impacts over time in future disclosures. Consultation will be undertaken with the Queensland Government to ensure alignment with the strategic objectives of our shareholding Ministers.

4. Metrics and targets

As a GOC, Powerlink publishes its Statement of Corporate Intent which outlines the organisation's strategic priorities and related performance indicators. Powerlink's Strategy Management Framework defines the structure for the metrics, targets and Key Performance Indicators (KPIs) used to monitor the strategic environment and track progress against these strategic priorities.

For climate-related indicators, Powerlink monitors transmission losses and new network connections through corporate strategic metrics. Powerlink supports the Queensland Government's net zero by 2050 target and acknowledges the need to establish corporate targets in line with government policy.

Additionally, Powerlink has developed emission reduction initiatives to monitor and manage its own emissions. A governance process is being developed to manage and monitor these initiatives at an executive and Board level.

Internal carbon price and cross industry metrics: Internal carbon pricing is not applied to Powerlink's non-regulated activities. Expenditure on the regulated network is justified by RIT-T. The AER has recently introduced an Emissions Reduction Value methodology involving GHG emissions calculations to be considered in RIT-Ts. Powerlink will undertake additional work in upcoming years to assess and develop its Cross Industry Metrics.

4.1 Greenhouse gas emissions

Powerlink reports scope 1 and scope 2 GHG emissions annually to the Clean Energy Regulator to comply with the NGER Act. The organisation also voluntarily discloses emissions through the Clean Energy Regulator's Corporate Emissions Reduction Transparency (CERT) report. For this reporting period, Powerlink has applied available transition reliefs and calculated scope 1 and scope 2 emissions using NGER methodologies and the applicable emissions factors for the current financial year. Powerlink intends to progressively transition to GHG protocol reporting as reporting requirements evolve.

As electricity moves through the network, some electricity is lost due to electrical resistance, heating of powerlines and electrical equipment and/or self-consumption for equipment. With more than 15,697km of overhead transmission lines, transmission losses are underpinned by the significant distances over which electricity is transmitted across the regional, rural and remote network area. For Powerlink, transmission losses are the dominant source of emissions, accounting for nearly 95% of total reported emissions. These losses fall under scope 2, with all losses due to electricity transmission across Queensland captured.

Another source of emissions is sulphur hexafluoride (SF₆) gas. SF₆ gas is commonly used in electricity network equipment, such as circuit breakers and switchgear, due to its effectiveness for electrical insulation and arc quenching. Over time, SF₆ gas can leak from equipment and has a Global Warming Potential (GWP) 23,500 times greater than carbon dioxide (CO₂). Limited options are available for alternatives in high voltage electricity network equipment. Powerlink continues to undertake market scans for new technology or alternatives as a replacement.

In FY25/26, Powerlink recorded a reduction in transmission losses, contributing to an overall decrease in scope 1 and scope 2 emissions. This was driven by increased rooftop photovoltaic generation and new battery connections within the grid, supported by a reduction in the annual Queensland emissions factor.

The following table provides a breakdown of Powerlink's emissions by type and illustrates that transmission losses make up a significant portion (approximately 95%) of total GHG emissions.

4. Metrics and targets

Powerlink's greenhouse gas emissions	
Year ended on 30 June	FY25/26 ⁵ (t CO ₂ -e)
Network-related emissions	
Fugitive gas emissions (SF ₆) – subcategory of scope 1	24,512
Transmission losses – subcategory of scope 2	715,085
Aggregated emissions	
Total scope 1	28,712
Total scope 2	723,477
Total scope 1 and 2	752,188

Scope 1 emissions are expected to increase over time as the transmission network expands to connect new generation and storage across Queensland. In general, transmission losses are also expected to rise as the network grows. However, overall, scope 2 emissions growth is expected to be moderate as more renewable generation and storage connect to the grid and displace fossil fuel generation, supporting Queensland's emissions reduction targets.

Data assurance: Powerlink's NGER submission is independently audited by a third party for limited assurance and confirmed to be compliant with the NGER Act. Powerlink has developed a robust data collection process and annually submits its GHG report to the Clean Energy Regulator and Queensland Government. Powerlink is working on establishing a robust process to accommodate ASRS reporting requirements.

4.2 Emission reduction initiatives

Powerlink is continuing to enhance its approach to managing and disclosing climate-related risks, opportunities and transition considerations as part of its sustainability reporting. Part of this approach focuses on reducing GHG emissions or leveraging energy efficiencies for implementation across Powerlink. These initiatives come with trade-offs and are carefully considered for prioritisation.

Focus area	Objective	Level of priority
Fleet vehicles and fleet fuel	Transition to lower emission fleet vehicles and optimising the number of fleet vehicles	High
Energy use – offices and non-network assets	Increase energy efficiency across our buildings for emission reductions and long-term cost efficiency	Moderate
Transmission network equipment	Explore opportunities for lower emission alternatives, including SF ₆ , for net zero by 2050 target	Moderate
Construction methods and innovation	Continue use of innovative construction and delivery practices such as drone stringing, mobile spacers and steel pile foundations	Moderate
Sustainable procurement and supply chain	Embed sustainability principles into our procurement standards and processes	High

⁵ FY25/26 data to be audited by an independent third party, consistent with Powerlink's standard practice for the NGER reporting obligations. This data is based on actuals and forward-looking estimates in line with ASRS reporting process. See Basis of Preparation for further detail on reporting boundaries, methodology and assurance scope.

4. Metrics and targets

4.3 Network-related events

4.3.1 Weather-related outage events

Network operations monitors, plans and supports our operational response to planned and unplanned network outages, some of which occur due to weather-related events. The table below summarises the total number of unplanned network outages, with approximately 17% of these unplanned outages linked to weather conditions that affected our network.

Year ended	Total unplanned outage events	Unplanned outage events linked to weather conditions
FY25/26	155	26

During FY25/26, Powerlink did not identify a specific connection between individual unplanned outages and named weather events. However, 26 unplanned outage events were linked to general weather conditions, representing approximately 17% of total unplanned outage events for the period. Lightning was the primary contributing factor, with a small number of outages associated with high winds. These events were largely caused by severe storm activity affecting transmission assets, including electrical flashovers and damage to network components.

On 12 February 2026, during the evening peak demand period, Powerlink’s network recorded a peak demand load of 9,462 megawatts (MW). This was lower than the previous financial year’s peak demand, primarily due to reduced consumption in the greater South East Queensland region.

Conversely, on 31 May, during the early morning period, Powerlink’s network recorded a minimum demand load of 2,302MW. Minimum demand continues to decline annually as rooftop solar, and grid connected battery installations increase. Powerlink expects this trend may continue.

4.3.2 New connections

As a TNSP, under NEM requirements, Powerlink has an obligation to connect energy generators to the grid, irrespective of the type of generation. The details below provide the pipeline of work completed in FY25/26. These metrics indicate the scale of ongoing connection activity and provide additional context for current and future investment requirements.

- | | |
|---|-----------------------|
| • Connection enquiries: 85 | 41.221 gigawatts (GW) |
| • Connection applications: 110 | 43.753GW |
| • Connection and access agreements: 9 Committed | 2.353GW |

5. Climate-related risks and opportunities and next steps

In developing its first Sustainability Report, Powerlink is taking a significant step in enhancing transparency on climate-related risks and opportunities. Powerlink is committed to ongoing progress in its disclosures, aligning with evolving disclosure requirements and future developments.

Powerlink has completed the following key actions:

	Completed FY25/26	Underway and planned FY26/27
Governance	- Powerlink's Board Committee established to oversee the Sustainability Report - Climate Disclosure Steering Committee established for executive governance	- In FY25/26 2.35GW of new energy generation and storage projects were committed - Work is underway to further develop Powerlink's transition planning activities, including the delivery of emissions reduction initiatives. The approach will continue to evolve through consultation, where applicable with the Queensland Government and shareholding Ministers, to support alignment with the Program for Emissions Reduction Plans - Review of Powerlink's internal process and documentation to ensure the information and data necessary to meet the requirements for the ASRS disclosure is available
Risk management	- Powerlink climate narrative and initial risk assessment completed - Embedded climate-related risks into Powerlink's enterprise risk framework	
Strategy	Refreshed Powerlink's Corporate Strategy to reflect changes to the operating environment and release of the Queensland Energy Roadmap in October 2025	
Metrics and targets	Developed Powerlink's emission reduction initiatives	

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Appendix

Basis of preparation for greenhouse gas emissions

Methodology used to calculate emissions

For FY25/26, Powerlink has applied the NGER Scheme as its primary emissions quantification framework, consistent with the NGER Act and the NGER (Measurement) Determination. Under the AASB S2 transitional reliefs and Australian-specific amendments, Powerlink has used NGER methodologies and National Greenhouse Accounts (NGA) factors for specified scope 1 and scope 2 emissions, avoiding duplicative emissions calculation processes. Powerlink has registered facilities under the NGER Act and has applied NGER methodologies (such as the NGER Measurement Determination) to measure and disclose those specific scope 1 and 2 emissions.

Powerlink data is reported on a financial year basis (1 July 2025 to 30 June 2026) across progressive phases. For this report, Powerlink used nine months of actual data and three months of estimated interim data (excluding transmission losses) to compile a full-year dataset. For the reporting period FY25/26, actual transmission loss data has been reported. Transmission losses are the most material emissions for Powerlink. Powerlink will submit 12 months of actual data to the Clean Energy Regulator by 31 October.

Organisational boundary and rationale

Powerlink applies the operational control approach under section 11 of the NGER Act. Under this approach, Powerlink reports emissions from all facilities over which it holds authority to introduce and implement operating, health, safety, and environmental policies. The boundary includes transmission substations, Powerlink-owned and leased offices and depots, fleet vehicles and plant, and contractors operating under Powerlink's Operational Control on contracts exceeding \$1 million. Properties leased to third parties and contractors who hold greater policy authority than Powerlink are excluded.

The rationale for selecting Operational Control over an equity-share approach rests on four grounds:

1. it is the approach prescribed by the NGER Act and most accurately reflects Powerlink's capacity to influence emission-generating activities;
2. it satisfies AASB S2's requirement for a clearly defined and auditable consolidation boundary;
3. it better reflects management accountability given Powerlink operates but does not hold financial ownership of all assets; and
4. it ensures consistency across Powerlink's NGER, ASRS and Queensland Treasury whole-of-government submissions.

The boundary is confirmed annually through an Operational Control review conducted by management before each reporting period commences.

Materiality disclosures

Powerlink has applied the materiality requirements of AASB S2 in preparing these disclosures. Material information is information that could reasonably be expected to influence decisions of primary users of general-purpose financial reports. The disclosures include climate-related risks and opportunities that could reasonably be expected to affect Powerlink's prospects, including cash flows, access to finance and cost of capital over the short, medium and long-term. Powerlink's materiality assessments are based on management judgement and consider qualitative and quantitative factors to inform risks disclosed in Section 2.3.1 (Powerlink climate-related risks), per Powerlink's process for identifying, assessing and prioritising climate-related risks and opportunities detailed in Section 4 (Risk Assessment). Powerlink's estimation of the financial effects of climate-related risks and opportunities remain primarily qualitative at this stage of reporting maturity.

Appendix

Emission factors applied

Scope 1 emission factors are sourced from the NGER measurement framework for all combustion sources, including diesel, petrol, Liquefied Petroleum Gas (LPG), acetylene and petroleum-based products. Method 1 default factors are used unless measured fuel quality data is available, in which case Method 2 factors are applied where relevant. For SF₆, Powerlink applies the IPCC GWP value of 23,500 tCO₂-e per kilogram, as adopted in the NGER framework. Powerlink uses Method 1 to calculate SF₆ emissions based on fixed leakage rates for electrical equipment, with no allowance made for stored or laboratory-managed SF₆ mass.

Scope 2 calculations use the Clean Energy Regulator's NGA factors – specifically the Queensland state grid emission factor applied to both purchased electricity and metered transmission network losses. These are updated annually.

GWP values applied across all scopes follow the IPCC Fifth Assessment Report (AR5) 100-year values as adopted in the NGER (Measurement) Determination: CO₂e = 1 tonne, CH₄ = 28 tonne, N₂O = 265 tonne, SF₆ = 23,500 tonne.

Key assumptions and estimation techniques

Where actual metered or invoiced data is unavailable, estimation is applied in accordance with the NGER (Measurement) Determination for scope 1 and 2.

The principle estimation techniques by source are:

- Electricity consumption is pro-rated from available metered data or prior-period actuals adjusted for known site changes.
- Stationary fuel combustion uses prior-period volumes as a proxy where invoices are outstanding.
- Transport fuels draw on fleet management system odometer data and average fuel economy rates where fuel card data has gaps.
- SF₆ emissions are estimated using opening inventories carried forward where a physical stocktake has not been completed.
- Contractor emissions default to prior-period data where the contractor has not submitted within the 30-day deadline.

Appendix

Glossary of key terms

The following abbreviations are used throughout this report:

Abbreviation	Definition
AASB	Australian Sustainability Reporting Standard
AASB S2	Australian Sustainability Reporting Standard S2 — Climate-related Disclosures
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
ASIC	Australian Securities and Investments Commission
ASRS	Australian Sustainability Reporting Standards
AUD	Australian dollar
CAPEX	Capital Expenditure
CERT	Corporate Emissions Reduction Transparency Report (Clean Energy Regulator)
CETC	CopperString 2.0 Electricity Transmission Corporation Pty Ltd
CSIRO	Commonwealth Scientific and Industrial Research Organisation
CO ₂	Carbon dioxide
EVs	Electric vehicles
FY	Financial year
GOC	Government Owned Corporation
GHG	Greenhouse Gas
GW	Gigawatt
GWP	Global Warming Potential
IPCC	Intergovernmental Panel on Climate Change
ISP	Integrated System Plan
KM	Kilometres
KPIs	Key Performance Indicators

Appendix

Abbreviation	Definition
kV	Kilovolt
LiDAR	Light Detection and Ranging
LPG	Liquefied Petroleum Gas
MW	Megawatt
NEM	National Electricity Market
NGA	National Greenhouse Accounts
NER	National Electricity Rules
NGER Act	<i>National Greenhouse and Energy Reporting Act 2007 (Cth)</i>
NGER	National Greenhouse and Energy Reporting
NSW	New South Wales
OPEX	Operating Expenditure
QCN	Queensland Capacity Network Pty Ltd
RAS	Risk Appetite Statements
RIT-T	Regulatory Investment Test for Transmission
SCADA	Supervisory Control and Data Acquisition
SF ₆	Sulphur hexafluoride
SSP	Shared Socio-economic Pathway
SSSP	System Strength Service Provider
tCO ₂ -e	Tonnes of carbon dioxide equivalent
TNSP	Transmission Network Service Provider
TOR	Terms of Reference

INDEPENDENT AUDITOR'S REVIEW REPORT ON SPECIFIED SUSTAINABILITY DISCLOSURES

To the Members of Queensland Electricity Transmission Corporation Limited (trading as Powerlink Queensland)

Review Conclusion

I have conducted a review of the following specified Sustainability Disclosures in the Sustainability Report of Powerlink (the Company) and its controlled entities (the group) for the year ended 30 June 2026 as required by Australian Standards on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

Sustainability Disclosures	Reporting requirement of Australian Sustainability Reporting Standard AASB S2 <i>Climate-related Disclosures</i> (AASB S2) (including related general disclosures required by Appendix D)	Location in Sustainability Report
Governance	Paragraph 6	Sections 1 to 1.3 on pages 34 to 37
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Sections 2.3.1 to 2.3.2 on pages 41 to 44
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Sections 4 to 4.1 on pages 52 to 53

The requirements of AASB S2 identified in the table above form the criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001*.

I have not become aware of any matter in the course of my review that makes me believe that the specified Sustainability Disclosures in the table above do not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

Basis for Conclusion

I conducted my review in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. My review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant criteria, I note that subsection 296C (1) of the *Corporations Act 2001* includes a requirement to comply with AASB S2.

My conclusion is based on the procedures I have performed and the evidence I have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the 'Summary of the Work Performed' section of my report below.

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

I am independent of the group in accordance with the applicable ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) together with the ethical requirements in the *Corporations Act 2001*, that are relevant to my review of the specified Sustainability Disclosures.

I have also fulfilled my other ethical responsibilities in accordance with these requirements, the Code and the *Auditor-General Auditing Standards*.

I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the group, would be in the same terms if given to the directors as at the time of this independent auditor's review report.

The *Auditor-General Auditing Standards* incorporates a system of quality management, guided by the Australian Auditing Standards on quality management. This includes implementing and operating policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Other Information

The directors of the Company are responsible for the other information.

The other information comprises the information included in the group's annual report for the year ended 30 June 2026 but does not include the specified Sustainability Disclosures and my auditor's report thereon.

The other information comprises the director's report and general-purpose financial statements which we obtained prior to the date of this auditor's report, and the Annual report, which is expected to be made available to me after that date.

My conclusion on the specified Sustainability Disclosures does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However as required by the *Auditor-General Act 2009* and the *Corporations Act 2001*, I have formed a separate opinion on the general-purpose financial statements.

In connection with my review of the specified Sustainability Disclosures, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or my knowledge obtained when conducting the review, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Preparation of the Sustainability Report

Responsibilities of the directors for the specified Sustainability Disclosures

The directors of the Company are responsible for:

- the preparation of the specified Sustainability Disclosures in accordance with the *Corporations Act 2001*; and
- designing, implementing and maintaining such internal control necessary to enable the preparation of the specified Sustainability Disclosures, in accordance with the *Corporations Act 2001* that are free from material misstatement, whether due to fraud or error.

The directors' inherent limitations in preparing the Sustainability Report

The following matters describe inherent limitations associated with certain sustainability disclosures included in the Sustainability Report. These limitations arise from the nature of the reporting framework and the methods, assumptions, estimates and judgements used by the directors in preparing that information.

The Sustainability Report contains forward looking information-relating to future events and conditions. These are inherently uncertain and may not occur as anticipated, or at all. We do not provide assurance on the extent to which this prospective information will be achieved.

The Sustainability Report outlines that greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of the estimation and complexity to calculate, including application of activity data and emissions factors. The comparability of sustainability information between entities and over time may be affected by inconsistencies to estimate the measurement of those emissions, due to different, but acceptable, methods applied.

Auditor's responsibilities

My objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes my conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

As part of the review in accordance with ASSA 5000, I exercise professional judgement and maintain professional scepticism throughout the engagement. I also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of my responsibilities under the *Auditor-General Act 2009* and *Auditor-General Auditing Standards* is located at the Queensland Audit Office website at: www.qao.qld.gov.au/audit-program/audit-standards.

These descriptions form part of my auditor's report.

Summary of the Work Performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

The procedures I performed included, but were not limited to, the following:

- Enquired with relevant management personnel to understand management's materiality assessment process, the internal controls, governance structure, methodologies, assumptions, judgements, and reporting process for the presentation of the specified Sustainability Disclosures.
- Obtained an understanding of the processes and information flows related to the specified Sustainability Disclosures.
- Reviewed internal documentation including, charters, minutes of board and committee meetings, risk management frameworks, relevant technical papers, and records supporting the specified Sustainability Disclosures.
- Assessed the appropriateness of the reporting boundaries applied by obtaining an understanding of the group's activities and organisational structure.
- Assessed the appropriateness of management's process for identifying and assessing climate-related risks and opportunities, including through inquiries of relevant personnel and inspection of supporting documentation.
- Performed analytical procedures to evaluate the reasonableness of Scope 1 and 2 emissions.
- Considered the presentation and disclosure of selected information in the specified Sustainability Disclosures against the requirements of AASB S2 *Climate-related Disclosures*.

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Martin Luwina
as delegate of the Auditor-General

27 August 2026
Queensland Audit Office
Brisbane

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