Australian Gas Infrastructure Group

Sustainability Report 2024

Publish Date: March 2025

Dampier Bunbury Pipeline

Multinet Gas Networks

Australian Gas Networks

This 2024 Sustainability Report is part of Australian Gas Infrastructure Group's Environmental, Social and Governance reporting suite and supports the 2024 Environmental, Social and Governance Report.

The 2024 Environmental Social and Governance reporting suite is available on the Australian Gas Infrastructure Group website.

The scope of this report includes Australian Gas Infrastructure Group (as outlined in About AGIG), its wholly owned subsidiaries and joint ventures which it operates, unless otherwise noted. This report focuses on performance and activities from 1 January to 31 December 2024.

Acknowledgement of Country

Australian Gas Infrastructure Group acknowledges the Traditional Custodians of the lands upon which we live and operate, and we pay our respects to Elders past, present and emerging.

We recognise Aboriginal and Torres Strait Islander peoples' historical and ongoing connection to the land and waters, and we embrace the spirit of reconciliation.

Contents

Welcome to our inaugural Sustainability Report

Craig de Laine
Chief Executive Officer

Our Sustainability Report supports our Environmental, Social and Governance (ESG) Report and has been developed to ensure transparency in relation to our emissions reduction journey and decarbonising our business. It is also an important first step in preparation for mandatory climate reporting as required by the Australian Government in 2026, for the 2025 year.

Industry and government agree on the importance of a cleaner energy future, with the Federal Government's 2024 Future Gas Strategy acknowledging the important role of natural gas in a secure and low carbon energy system.

However, to achieve Australia's net zero carbon target by 2050, the integration of renewable gas and carbon-neutral gas is also essential. Existing infrastructure is equipped to facilitate this transition safely and effectively for Australians. We see our responsibility and role in industry is to achieve emissions reductions not only in our own footprint, but also the footprint of our customers.

Our commitment is outlined in our Net Zero Ambition and in our ESG Targets.

Over the course of 2024, we have made good progress in our own emissions, delivering mains replacement activities and operational improvements which have lowered our scope 1 emissions. We have also completed a materiality assessment on our scope 3 emissions as the first step before tracking and reporting commences.

In addition, we are advancing the renewable and carbon-neutral gas sector, with a view to facilitating decarbonisation for all our customers. Key projects in 2024 include:

- Increasing the renewable gas blend from Hydrogen Park South Australia (HyP SA) from up to 5% to up to 10%, providing this renewable gas blend to approximately 4,000 homes, businesses, and schools
- Breaking ground on our Hydrogen Park Murray Valley (HyP Murray Valley) project which plans to generate GreenPower Renewable Gas Guarantee of Origin certificates (pending GreenPower accreditation) for sale to industry
- Providing up to a 10% renewable gas blend to customers on our Gladstone network through the Hydrogen Park Gladstone project (HyP Gladstone)
- Grant funding approved by the West Australian Government to develop Carbon Capture and Storage (CCS) infrastructure in the Pilbara.

We also understand our obligation to report under the Australian Sustainability Reporting Standards (ASRS). We have made good progress in our ASRS compliance journey, conducting a gap assessment and commencing drafting of our ASRS-compliant reports, with an implementation plan to close out remaining items in 2025.

We look forward to updating you on our progress and thank you for your support as we work towards achieving our climate goals.

About AGIG

We are Australian Gas Infrastructure Group (AGIG), one of Australia's largest gas infrastructure businesses and a key partner for our customers; delivering the infrastructure needed to support the energy transition today and in the future.

Across every Australian mainland state and the Northern Territory, our infrastructure delivers gas to homes, businesses and communities, and transports and stores gas that underpins the Australian economy for power generation, mining and manufacturing. We do this safely, reliably and in a cost-efficient manner for our customers.

Our business is actively participating in the energy transition by delivering the natural gas needed today and advancing solutions for the future.

Our Net Zero Ambition and emissions reduction targets outline our ongoing dedication to a sustainable energy future. We know that to deliver our net zero targets in a timely, affordable and reliable way for all customers, a diverse range of energy supply is needed. We will continue to work with customers and stakeholders to deliver and develop the energy infrastructure solutions essential to lowering emissions – including through natural gas, renewable gas and carbon capture and storage solutions.

More information on our business can be found in our ESG report.

Dampier Bunbury Pipeline

DBP owns and operates Western Australia's principal gas transmission system the Dampier to Bunbury Natural Gas Pipeline. The Australian Gas Infrastructure Developments Group (AGID) operates unregulated transmission pipelines, gas processing, storage and small quantities of native gas production in Western Australia and the Northern Territory.

Multinet Gas Networks

MGN owns and operates gas distribution infrastructure in Victoria.

Australian Gas Networks

AGN owns gas infrastructure (distribution and transmission pipelines) in Victoria, South Australia, Queensland, New South Wales and the Northern Territory. It also owns and operates two renewable hydrogen production facilities, Hydrogen Park South Australia and Hydrogen Park Gladstone, with a third facility, Hydrogen Park Murray Valley, under construction in Victoria.

Our Vision

To deliver infrastructure essential to a sustainable energy future

Our Strategic Pillars

Customer Focussed
- Public Safety
- Customer Experience
- Cost Efficient

A Leading Employer
- Health and Safety
- Employee Experience
- Skills Development

Operational Excellence
- Profitable Growth
- Benchmark Performance
- Reliability

Sustainable Communities
- Enabling Net Zero
- Environmentally Focussed
- Socially Responsible

Our Values

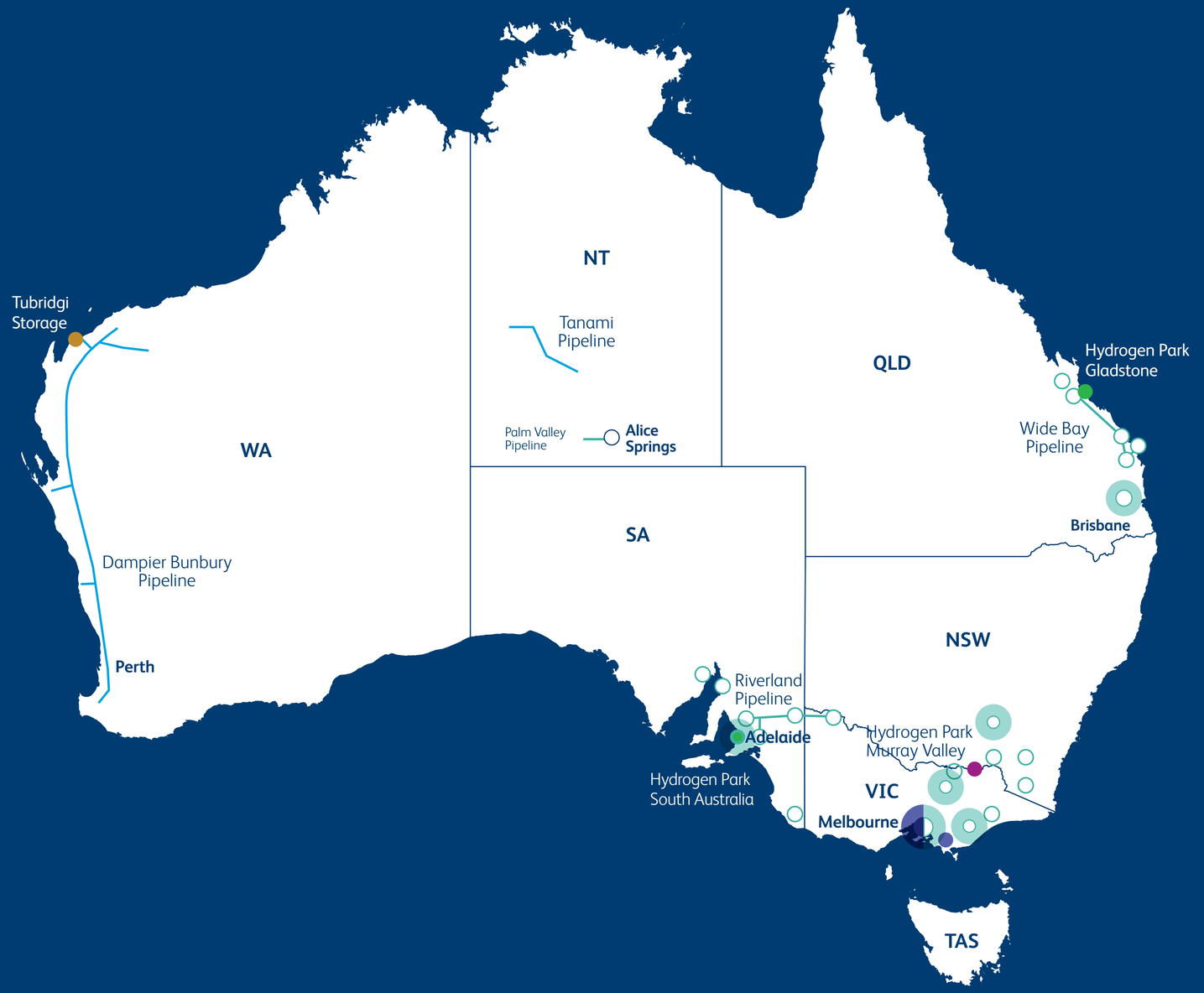
We build **Trust**

We are **Accountable**

We **Care**

We are **One Team**

Our Business



Legend

- AGN Distribution Networks
- MGN Distribution Networks
- DBP Transmission Pipelines
- Gas Storage
- Operational Hydrogen Facility
- Hydrogen Facility Under Construction
- AGN Transmission Pipelines

Assets in the dotted box are Australian Gas Infrastructure Holdings Assets.

Our Strategic Approach

Dampier Facilities, Burrup Peninsula Western Australia

Our Net Zero Ambition outlines our strategic approach to climate change by reducing our own emissions and supporting our customers and supply chain on their emissions journey.

Our Strategic Approach to Climate Change

Addressing the causes and mitigating the effects of climate change is one of the more important and difficult challenges of our time. AGIG accepts the science of climate change as articulated by the Intergovernmental Panel on Climate Change (IPCC) and the need to rapidly decarbonise our society with the aim of limiting global temperature increases to 1.5°C above pre-industrial levels.

The primary way AGIG can help to address climate change is through emissions management. Our Net Zero Ambition articulates our intent in relation to emissions reductions from our own activities and how we can assist our customers to decarbonise.

Our Emissions Strategy – a sub-component of our ESG Strategy – outlines how we will achieve our emissions reduction targets.

Our Emissions

AGIG's emissions are grouped as direct and indirect categories. Our direct emissions (scope 1) include those from our facilities that are reported to the Clean Energy Regulator (CER). Our indirect emissions include metered electricity emissions (scope 2) used in our operations and our upstream and downstream supply chain emissions (scope 3) emissions.

Emissions from the product we deliver are not our scope 3 emissions, but we remain focused on delivering and enabling renewable and carbon-neutral gas projects to help our customers achieve emissions reductions.

Scope 1

Direct
Emissions from facilities under our control

- Facilities emitting more than 30,000 t CO_2-e report annually to the CER
- Emissions are calculated using CER approved methods
- Some facilities captured by the Safeguard Mechanism and required to reduce emissions

Scope 2

Indirect
Metered Emissions

- Reported to the CER
- Calculated from metered use af energy
- Immaterial ~1% of total scope 1 and 2

Scope 3

Indirect
Estimated Emissions

- Materiality assessment completed
- Material scope 3 reported from 2025
- Considering targets

Figure 1: AGIG Emissions

Other considerations:

Emissions from the product we deliver are not our scope 3 emissions but remain a focus.

Renewable gases are not currently considered in emissions reporting.

2024 Highlights

Key highlights for 2024 include understanding our scope 3 emissions, reducing our scope 1 and 2 emissions and progressing the renewable gas industry.

Increase in renewable gas blend

Renewable gas blend from HyP SA increased from up to 5% to up to 10% renewable hydrogen, delivered to approximately 4,000 homes, businesses and schools on our existing gas network

Online in 2025

Broke ground at HyP Murray Valley, our third renewable hydrogen production project

Emissions reduction

Scope 1 and 2 emissions have fallen by 18% since 2020

First production

First production at HyP Gladstone, blending up to 10% renewable hydrogen, delivered to approximately 700 homes, businesses and industry via our existing gas network in Gladstone, Queensland

Materiality assessment complete

Completed scope 3 Materiality Assessment

Further information on this process is available at our metrics and targets section

AGIG's Material Scope 3 Categories are:

1. Purchased Goods and Services
2. Capital Goods
3. Fuel and Energy Related Activities
4. Upstream Transportation and Distribution
5. Waste Generated in Operations
6. Business Travel
7. Employee Commuting

Net Zero Ambition

Our Net Zero Ambition is:

- To achieve net zero emissions in our own operations
- To enable net zero emissions for our customers

Our unmatched portfolio of Australian gas assets – diverse in customer base, location, and size – positions us to adapt and evolve with customer-driven pathways to reach net zero across the country.

Founded on the commitment to meet customer needs throughout the transition, we will continue to deliver natural gas to customers who rely on it while advancing renewable and carbon-neutral energy for those who choose to make the switch.

To achieve net zero emissions in our own operations, we aim to reduce our scope 1 and 2 emissions by 30% from 2020 levels by 2030. We are then targeting net-zero emissions across all our operations by 2050.

Whilst emissions from the use of gas delivered by AGIG infrastructure is not classified as scope 1, 2 or 3 emissions for AGIG, our Net Zero Ambition emphasises going beyond our direct responsibilities to support our customers in their efforts to reduce emissions.

That's why by 2030 we aim to facilitate customer access to renewable or carbon-neutral gases, at volumes equal to 10% of the gas delivered through the distribution network. Our aspiration is for 100% renewable and carbon-neutral gas in our distribution networks by 2050.

AGIG is already investing in projects that demonstrate the pathway to a low-carbon future. We are building renewable gas production facilities and preparing new and existing assets, for future fuel and carbon transport and storage.

We are also working closely with existing and emerging gas suppliers, including those providing hydrogen, biomethane and CCS at scale, to deliver these options to customers via our networks. By connecting with these suppliers, we aim to integrate renewable and carbon-neutral gases seamlessly into our infrastructure, ensuring that customers have access to cleaner energy choices.

We measure and report on progress toward our Ambition through a multifaceted approach that focuses on key enablers, recognising that success requires coordinated action across areas both within and beyond our control. This includes shaping the right regulatory framework to support our objectives, advocating for policy settings that unlock the potential for renewable and carbon-neutral gas, and delivering projects that demonstrate these solutions are both achievable and desirable.

Engagement with our customers and stakeholders remains central to understanding their needs and ensuring alignment with broader societal expectations as we strive for net zero together.

While we actively drive many of these enablers, we also acknowledge that some – such as market conditions and policy developments – are outside our direct influence. Our journey is in close collaboration with customers, stakeholders, and policymakers, reinforcing our shared commitment to a net zero Australia by 2050.

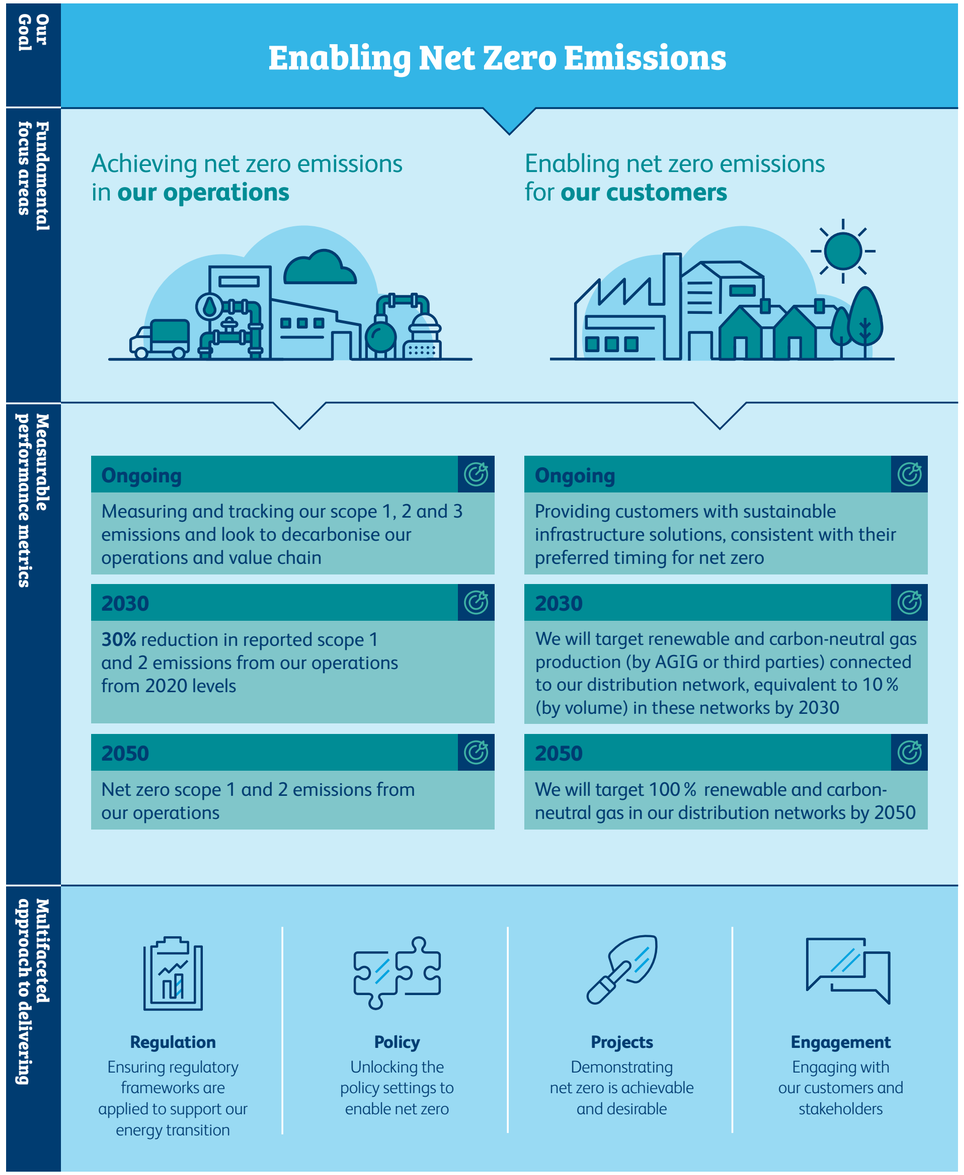


Figure 2: Our Net Zero Ambition

Our Emissions Strategy

In 2023 we enhanced the governance processes relevant to emissions management by implementing our formal Emissions Strategy.

Our Emissions Strategy is both inwards and outwards focused, outlining emissions management from our own footprint, and also how we can contribution to emissions reductions for our customers.

Emissions Strategy

Governance

- Knowledge Sharing and Upskilling
- Emission Governance
- Meeting Stakeholder's Expectations

Financial Sustainability

- Internal Carbon Price
- Carbon Markets Approach

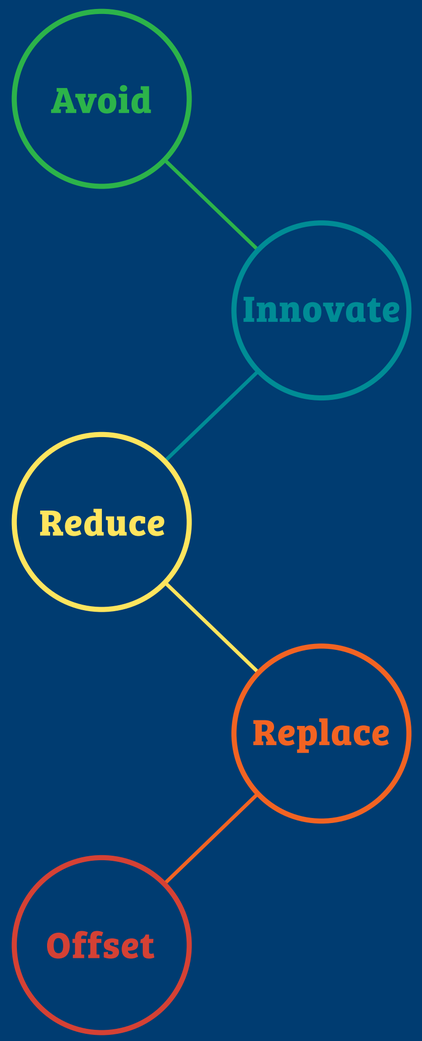
Emissions Management

- Emissions Monitoring
- Emissions Forecasting
- Safeguard Mechanism Credit Forecasting

The Strategy informs the pathway on how we will achieve our emissions reduction trajectory, and we have used this to determine and focus on key emission reduction projects.

Figure 3

Emissions Reduction Pathway



We will focus on preventing emissions where possible. We will reduce or eliminate activities that result in high greenhouse gas emissions, such as through improvements in operational practices or infrastructure upgrades.

Innovation plays a key role in discovering new ways to cut emissions. By collaborating with industry partners and exploring emerging technologies, we can identify new solutions that increase efficiency and lower the carbon footprint. This could include innovations in energy generation, fuel use, or capturing methane emissions that would otherwise be released.

We will prioritise reducing existing emissions by enhancing existing systems. This could involve improving the efficiency of our assets, or implementing energy-saving measures that reduce the overall carbon output of our business activities.

Through replacement, we can substitute older, higher-emission infrastructure with more sustainable alternatives. For instance, replacing outdated pipeline mains that leak methane with new, more efficient materials or technologies, directly reducing emissions in the process.

While we will aim to eliminate or reduce emissions as much as possible, some emissions may be unavoidable. In these cases, we will look to offset their remaining emissions by investing in projects that remove or reduce carbon elsewhere. This could involve purchasing carbon credits or creating our own carbon offset projects to neutralize the last portion of our emissions.

Figure 4

Our Emissions Reduction Pathway

Since 2005, AGIG has delivered scope 1 emissions reductions of approximately 40%. This reduction is in line with Federal Government interim emissions targets of a 43% reduction on 2005 levels by 2035.

Emissions reductions to date have been largely driven by operational activities such as mains replacement and operational efficiencies.

Through similar activities, we expect to continue to deliver emissions reductions to meet our own AGIG 2030 interim emissions target, as well as the Federal Government 2035 target. Meeting our interim emissions target is discussed further in the Metrics and Targets section.

Our ability to deliver emissions reduction beyond 2030 is impacted by a range of considerations including policy and regulatory developments and the recognition of renewable gases in emissions frameworks.

Scope 1

Distribution
- Mains replacement
- Correct classification

Transmission
- Operational activities

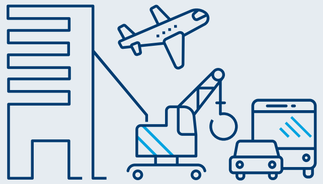
Future
- Renewable gas recognition
- Better measurement
- Sharing learnings

Scope 2

Electricity
- Contracting

Heating and Cooling
- Opportunities to use waste heat streams

Scope 3



- Materiality assessment
- Business travel
- Commuting
- Contractor selection
- Supply chain

Other

- Renewable and carbon neutral gas
- Carbon capture and storage
- Natural gas replacing higher emission alternatives

Targets
AGIG: 30% reduction on 2020 levels by 2030
AGIG, Federal and State: Net zero by at least 2050

Targets
AGIG: Considering targets from 2026+

Targets
AGIG: 100% renewable and carbon-neutral gas in distribution networks by 2050

Figure 5: Delivering Emissions Reductions

Scope 1 and 2 Emissions Reductions

We have a demonstrated history of providing emissions reductions through operational improvements and projects, where our ongoing mains replacement work and renewable investments have achieved real reductions over time.

With our current pipeline of projects, we are on track to achieve our 2030 target to reduce scope 1 and 2 emissions as reported to the CER across the business by 30% against our 2020 baseline. We take this commitment seriously, and this year, we completed an independent review on our 2005 baseline to ensure we understand our emissions reduction as compared to Federal interim targets.

Our ability to pursue an emissions reduction pathway beyond our 2030 target is impacted by a range of considerations including policy developments and the technical feasibility of strategies to support our emissions reductions.

AGIG contributes to the development of public policies in the energy infrastructure industry that advance solutions to effectively address the needs of our customers and communities, as we contribute to meeting Australia's emissions reduction targets.

Beyond 2030, our emissions reduction strategy will be shaped by policy in energy infrastructure as we look to address the interconnected issues of energy reliability, affordability and climate action. Given the uncertainty around target-setting beyond 2030, clear regulation is needed to guide the energy transition. We will articulate our pathway to 2050 with more clarity as policies for the transition become clearer.

We have reduced our emissions by ~40% since 2005.

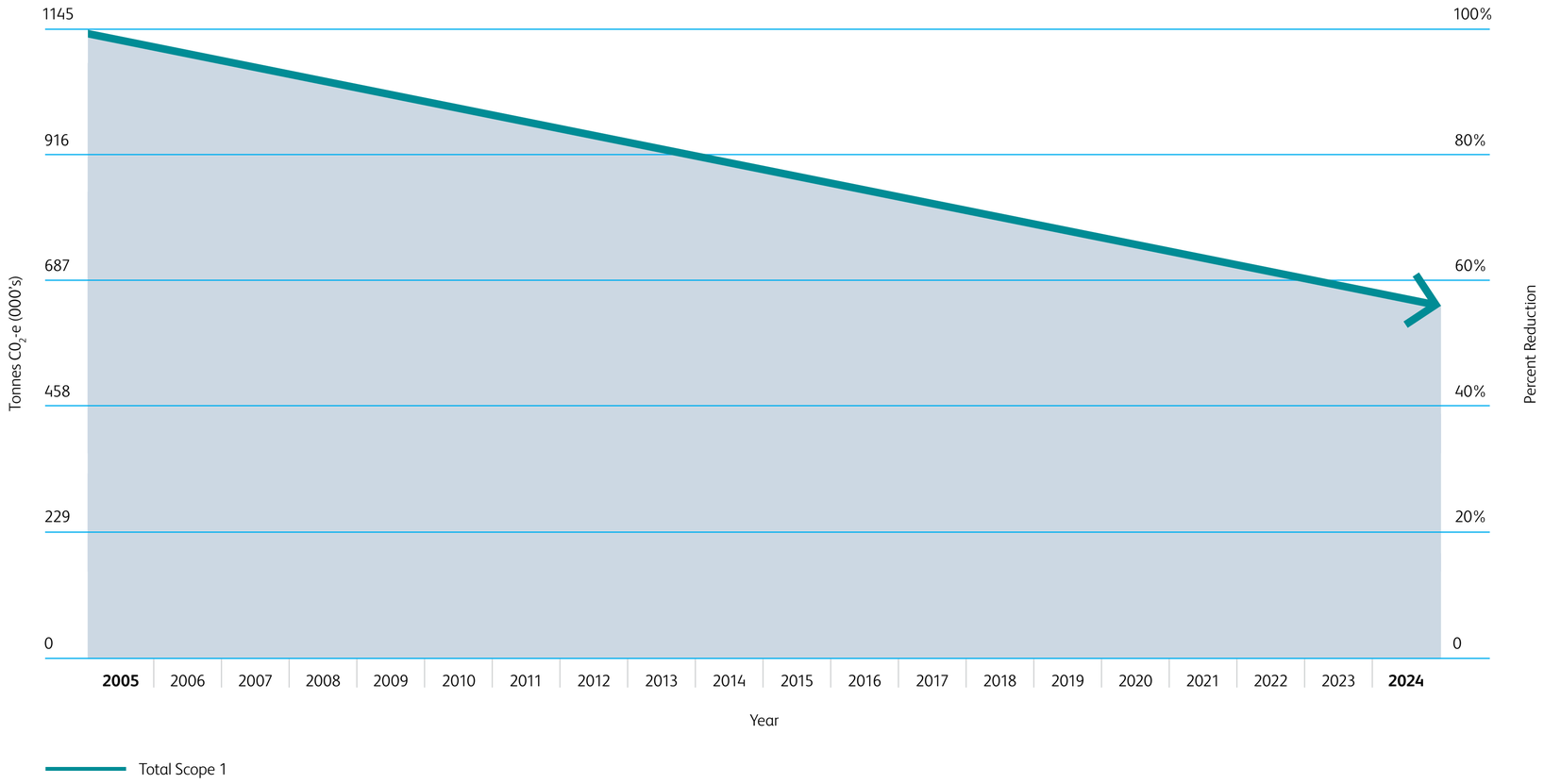


Figure 6: Indicative Emissions Reductions

This diagram is for illustrative purposes only. Ernst & Young were engaged to undertake a limited assurance engagement over the emissions defined for the year ended financial year 2005.

Our Value Chain Reduction Pathway

Our Net Zero Ambition emphasises going beyond our direct responsibilities to support our customers in their efforts to reduce emissions by facilitating access to lower carbon energy such as renewable and carbon neutral gases.

We have a number of projects planned across Australia to facilitate emissions reductions for our customers. This year, we advanced a number of these projects:

- In March we increased our renewable gas blend from HyP SA from up to 5% to up to 10%, delivered this renewable gas blend to approximately 4,000 homes, businesses, and schools.
- HyP Gladstone came online in November, blending up to 10% renewable hydrogen to our Gladstone gas distribution network which supplies around 700 homes, business and industrial customers.
- Ground was broken at our forthcoming HyP Murray Valley facility, which will produce renewable hydrogen, supporting decarbonisation of a local industrial facility through the proposed generation of renewable gas certificates.
- In November we were granted $15 million by the Western Australian Government to develop a transmission pipeline for a CCS hub in the Pilbara region.
- We partnered with MasterChef Australia to provide carbon-neutral biomethane for cooking challenges and carbon-neutral hydrogen for a barbecue challenge.

The locations of our Hydrogen Park projects support our vision to ensure renewable and carbon-neutral gas is available across Australia – not just in metro areas, but also in some of Australia's major regional centres of employment, growth and opportunity.

AGIG is committed to maintaining strong governance frameworks, as the foundation to effective management, a positive corporate environment, sustainable business development and creating shareholder value.

Onslow coastline, Western Australia

Climate Governance

Board and Sub-Committee Oversight

We believe good governance is essential to strong sustainability performance and is a shared responsibility across our Boards, Committees and all levels of management.

Our governance processes, policies and practices enable us to integrate ESG principles into the foundation of how we operate, impact the environment and communities, and engage our people.

AGIG is made up of a group of Australian incorporated entities that are managed by a single Executive Leadership Team (ELT) reporting to separate Boards of Directors.

The Boards are supported by Sub-Committees comprising ESG Committees, Audit Committees, Remuneration Committees and Risk and Compliance Committees that make key recommendations on business decisions.

A tiered governance system has been developed to oversee and manage our approach to ESG Strategy and Targets. This involves our Boards, ELT, senior management and subject matter experts from across the business and outlines oversight and frequency of meetings for Boards and Committees. This system is outlined in Figure 7 and Table 1 below.

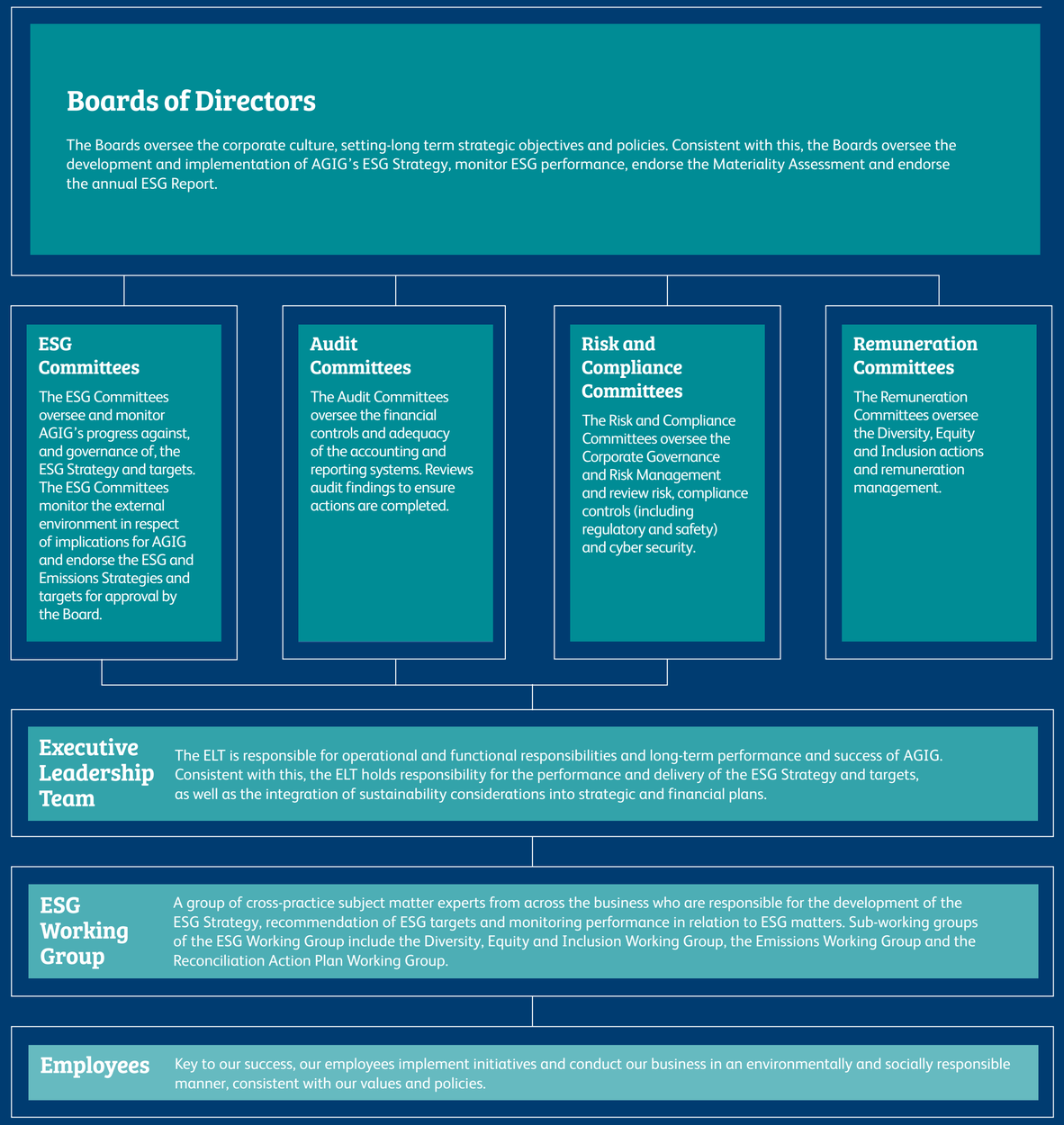


Figure 7: AGIG Governance Structure, Highlighting Embedded ESG Governance

Governing Oversight for Sustainability

Committee	Role in oversight	Frequency of meetings and review
Boards	The AGIG Boards of Directors are responsible for corporate governance and strategic planning, including monitoring our sustainability and climate performance. The Boards work with the ELT and senior management to manage risk, optimise business performance and maintain high standards of ethical behaviour and legal compliance. The Boards hold responsibility for incorporating relevant sustainability and ESG matters (encompassing emissions strategy and climate targets) into the company's vision and values, governance, strategy, decision-making processes, risk management, and accountability reporting.	The Boards meet quarterly to monitor and endorse the following (as required): • New targets (as an outcome of our annual Materiality Assessment) as recommended by the ESG Committee • The full year ESG Report as recommended by the ESG Committees • Progress towards achieving ESG targets • Business-wide climate-related risks and opportunities
Sub-Committees	The ESG Committees of the Boards are comprised of directors and shareholder representatives and are attended by the ELT and key management. The Committees are responsible for supporting the Boards in fulfilling their duties and responsibilities. This involves overseeing the ESG Strategy, and maintaining the effectiveness of, policies procedures and objectives which underpin this Strategy. Additionally, the Committees endorse ESG targets for Board endorsement, and hold responsibility for receiving and assessing assurance reports. The Committees report to the Boards on progress and any recommended updates to our approach. The Committees are informed periodically by an internal dashboard which tracks and reports progress against our sustainability commitments and targets.	The ESG Committees meet quarterly, and review matters and provide recommendations to Boards in relation to ESG and climate-related risks and opportunities. Annually, the Committees recommend to the Boards: • New targets (as an outcome of our annual Materiality Assessment) • Endorsement of the full year ESG Report Quarterly, the Committees review the: • Progress to targets • Climate-related risk and opportunities • Emerging focus areas

Table 1: Governing Oversight for Sustainability

Board and Sub-Committees meet quarterly

Management Oversight and ESG Working Group

The ELT is responsible for managing the performance and successful execution of AGIG's ESG Strategy and Targets.

Achieving our ESG Strategy and Targets involves the implementation of emission reduction projects, progress is provided to ELT at quarterly intervals. The ELT report progress on ESG strategy and targets quarterly to the Boards and the ESG Committees.

The ESG Working Group, chaired by the Head of Strategy and Sustainability, consists of a group of cross-practice subject matter experts from across the business. The Working Group is responsible for the development of the ESG Strategy, recommendation of ESG Targets and monitoring of performance in relation to ESG matters, including materiality assessments of current and new ESG targets, the publication of the annual ESG report and tracking progress towards achieving our ESG targets and allocating the necessary resources for its effective implementation. Working Group meetings are held quarterly (as a minimum).

The ESG Working Group has established two smaller sub-working groups, which are responsible for managing the implementation of the Emissions Strategy and the Reconciliation Action Plan (RAP) and provide the ESG Working Group with regular updates on the respective workstreams.

The Sustainability Team consists of three full-time staff members reporting to the Head of Strategy and Sustainability (under the Executive General Manager Customer and Strategy). The Sustainability Team are responsible for the day-to-day delivery of the ESG Strategy.

Risk Management

AGIG regularly assesses risk, including the potential impact on our assets, our people and our communities, as part of our wider risk management processes and policies.

Gas Meter room at Caulfield Village, Victoria

AGIG's Climate Risk Management forms part of our Corporate Risk and is managed within our Corporate Governance structure, further information can be found in the Governance Section.

Risk Management Processes and Policies

An Annual Risk Management Programme is incorporated in AGIG's Corporate Risk Management Framework which specifies timing of the updates to the ELT, the ESG Committees, and Boards. Six monthly management reviews are conducted with ELT, an update of these reviews is provided to the Committees and Boards.

Our risk management approach is based on the Committee of Sponsoring Organisations of the Treadway Commission Enterprise Risk Management (ERM) framework and is also aligned to AS/NZS ISO 31000 Risk Management – Principles and Guidelines, AS 2885 Pipelines-Gas and Liquid Petroleum; and AS/NZS 4645 Gas Distribution Network Management. This approach allows us to manage risks proactively to achieve strategic and operational goals by integrating risk management into our governance, strategy, and objective-setting process.

All risks are classified using a third-party provided Governance, Risk and Compliance system. The system provides action-oriented insights to enable data-driven decisions across AGIG and assists in monitoring performance across the risk lifecycle. This provides visibility across all levels including the Boards and management; and enhances risk culture and ownership. Currently, the risk system is exclusively focused on identifying risks and does not account for opportunities. In 2025 we are looking at ways to integrate opportunities into our risk system.

AGIG's Assurance and Risk team provides reports to the ELT for review and tracking AGIG's performance to material risks, these are provided to Boards.

Climate Scenario Analysis

We are continuing to evolve how we view climate change and understand that scenario analysis provides us with the opportunity to assess the potential likelihood of and magnitude of climate change related risks.

AGIG assets and operations are exposed to both the physical and transitional risks of climate change[1]. In 2023, with guidance from a specialised consulting firm, we undertook comprehensive Climate Scenario Analysis, considering two temperature scenarios, to outline physical risks; and considering four temperature scenarios to articulate our transitional risk.

This analysis found that our assets are resilient and reliable in delivering energy under this stress testing of material physical climate risks, whilst transitional risks related to the shift to renewable energy. Further detail on both our physical and transitional climate risks are provided in this report.

This work was broadly socialised across our business – including engagement activities and dedicated input from our employees and exploration and explanation sessions from our Senior and Executive Leaders.

In 2024 we began integrating the physical and transitional risks into our Corporate Risk Register an aligning with our risk matrix, and this integration will continue over the next 12 months. Work has also commenced on understanding the materiality these risks may have on our current or future financial position. This includes the forecast future expenditure of mains replacement and construction of renewable gas facilities.

Physical Climate Approach and Outcomes

Physical risks relate to the physical impacts a changing climate may have on our business. AGIG's asset footprint includes remote and urbanised areas of Australia. To understand the physical climate risk exposure to our business, we used a standard modelling approach with publicly defined scenarios. The approach is summarised below:

- A future climate projection model was used to identify areas of our asset base at risk of impact from climate change and the type of severe weather that could impact our assets and operations
- A base climate model was developed[2] and
- Qualitive check of outcomes were undertaken

The outcomes of this scenario analysis are presented in Figures 8 and 9.

This exercise illustrated the resilience of our gas infrastructure to the physical impact of extreme weather, primarily based on the inherent protection of the majority of our assets being located underground.

The primary physical impact brought about by extreme weather would be to employees working on our assets. This risk is already managed through our severe weather policies, which outline how we respond to these events and include actions to manage personnel rosters, and safely access remote stations in the event of cyclones, storms, bushfires and dust storms.

See pages 18 and 19 for modelling outcomes.

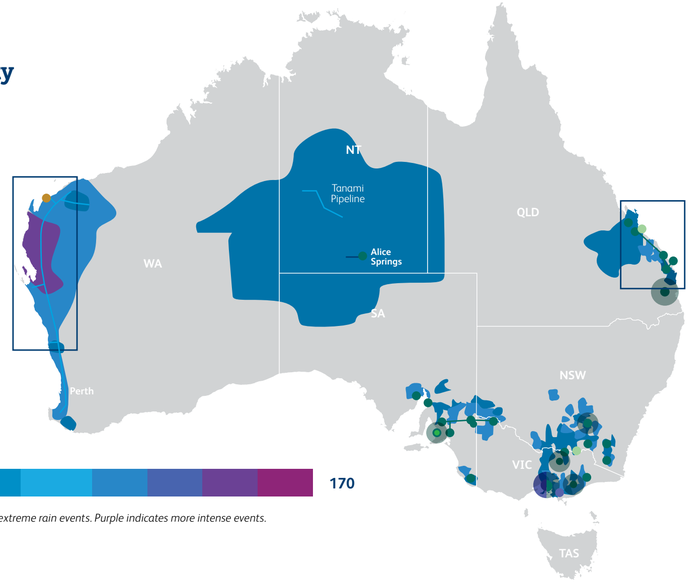
[1] We note that the science of Climate Change is continually evolving, and we will continue to explore and assess the effects of Climate Change on our assets as models change and improve. The conclusions reached here are necessarily qualified by the capabilities of the model.

[2] Climate model development included: Intergovernmental Panel on Climate Change (IPCC) to analyse climate-change, it's impacts and options to mitigate climate change. These were the Shared Socio-economic Pathways (SSPs) and the Representative Concentration Pathways (RCPs). The IPCC SSP pathway scenario consists of two emissions levels, medium and high (SSP2).

Physical Climate Outcomes

Extreme Rain Intensity

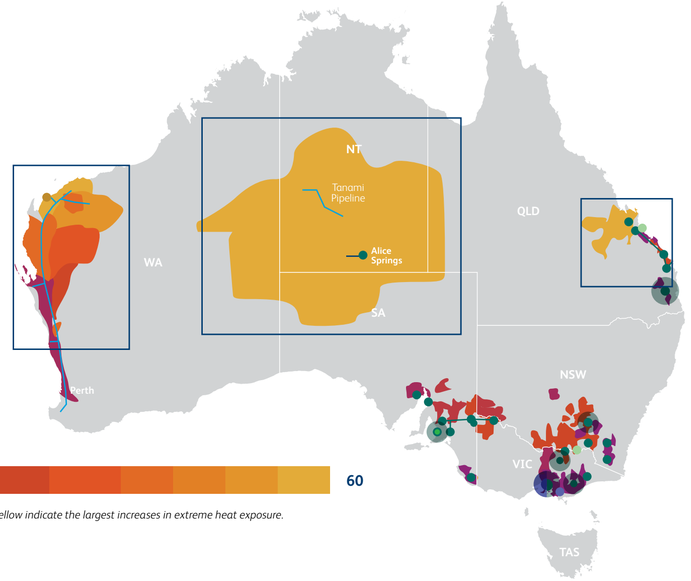
Outcome 1 - Extreme Rain Intensity and AGIG's assets that could be impacted. Potential impacts may include: delays in attending remote areas (for our occupied stations or to repair infrastructure where required) due to road closures and flooding.



Future change to maximum intensity of extreme rain events. Purple indicates more intense events.

Extreme Heat

Outcome 2 - 2030 Extreme Heat, additional days per year over 35°C and potential impact to AGIG's assets. Potential impacts may include: reduced working hours for staff in these areas due to additional breaks required under AGIG's Severe Weather Policy.



Additional days per year over 35°C. Yellow indicate the largest increases in extreme heat exposure.

Figure 8: Physical Climate Outcome Scenarios 1-2.

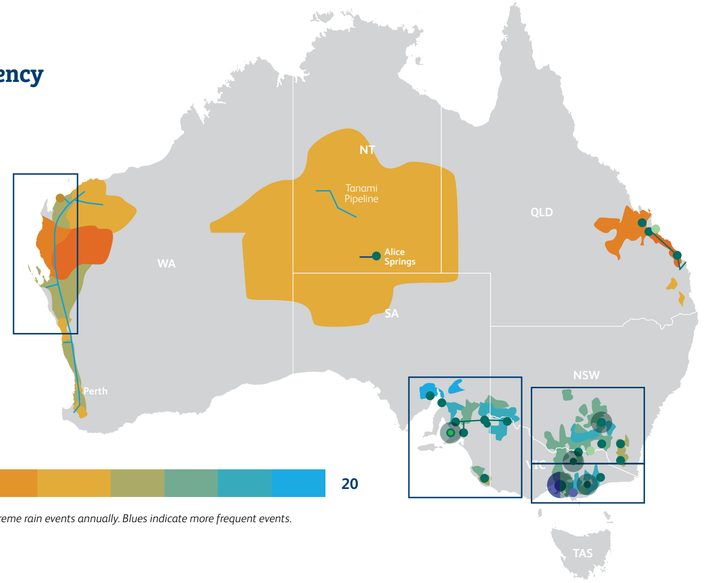
LEGEND

- AGN Distribution Networks
- MGN Distribution Networks
- DBP Transmission Pipelines
- Gas Storage
- Operational Hydrogen Facility
- Hydrogen Facility Under Development
- AGN Transmission Pipelines

Physical Climate Outcomes

Extreme Rain Frequency

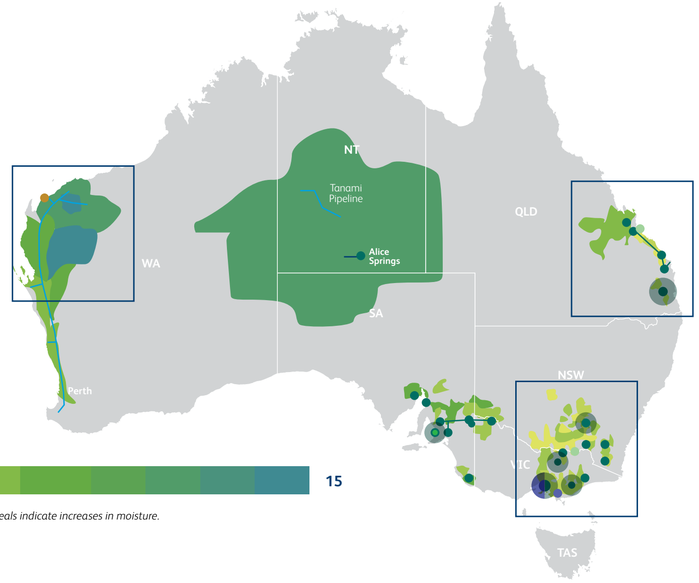
Outcome 3 - 2030
Extreme Rain Frequency. Similar potential impacts to AGIG as outlined in Figure 1.



Future change in the frequency of extreme rain events annually. Blues indicate more frequent events.

2030 Soil Moisture

Outcome 4 - 2030
Soil Moisture. Potential impacts to AGIG assets may include: water in pipes and delays in attending remote areas due to road closures.



Future change in top 1m soil moisture. Teals indicate increases in moisture.

Figure 9: Physical Climate Outcome Scenarios 3-4.

LEGEND

- AGN Distribution Networks
- MGN Distribution Networks
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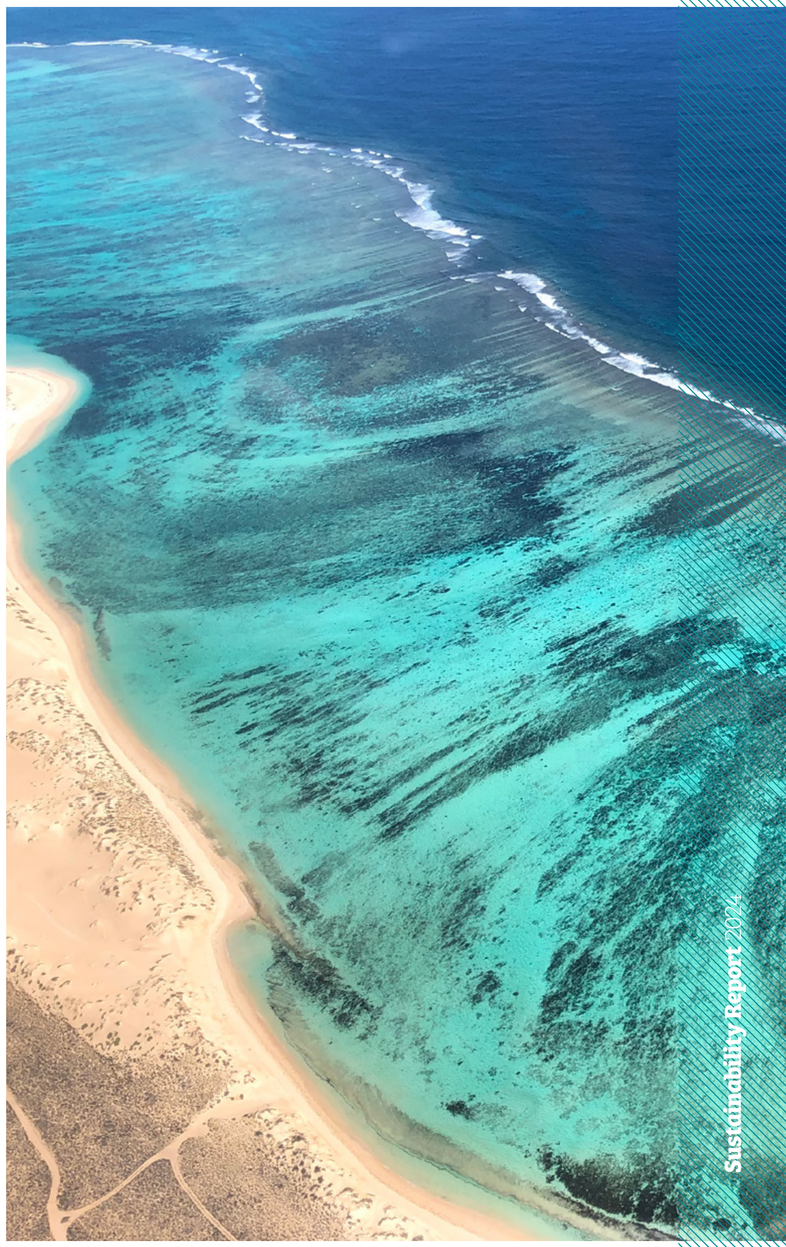
- Hydrogen Facility Under Development
- AGN Transmission Pipelines



Transitional Climate Approach and Outcomes

Transitional risks relate to the transition of the economy and businesses to a lower-carbon future. For AGIG this is specifically the transition to renewable energy. To understand the transition risk we used a standard modelling approach with publicly defined scenarios. The approach is summarised below:

- Four future transition scenarios with different assumed levels of climate ambition and technology adoption, were used to identify risks to the organisation as Australia moves to a renewable energy future
- With the transition projection as a base, scenarios were developed in five-year increments to focus on the 2030 and 2050 time horizons[3]

Our operations and value chain resilience was tested against a range of downscaled scenarios, supplemented by Australian Energy Market Operator (AEMO) scenarios. The work highlighted risks associated with the transition as well as the market opportunity that our resilient infrastructure can play in delivering low carbon energy in a rapidly evolving world.

Figure 10 shows the range of scenarios, including a 1.5 degree world, used to test our market resilience.

The work highlighted the increased pressure for the business to reduce emissions associated with the gas we transport, and that Government policy is highly impactful as we transition to net zero emissions. Our Net Zero Ambition seeks to navigate the transitional risk faced by the business.

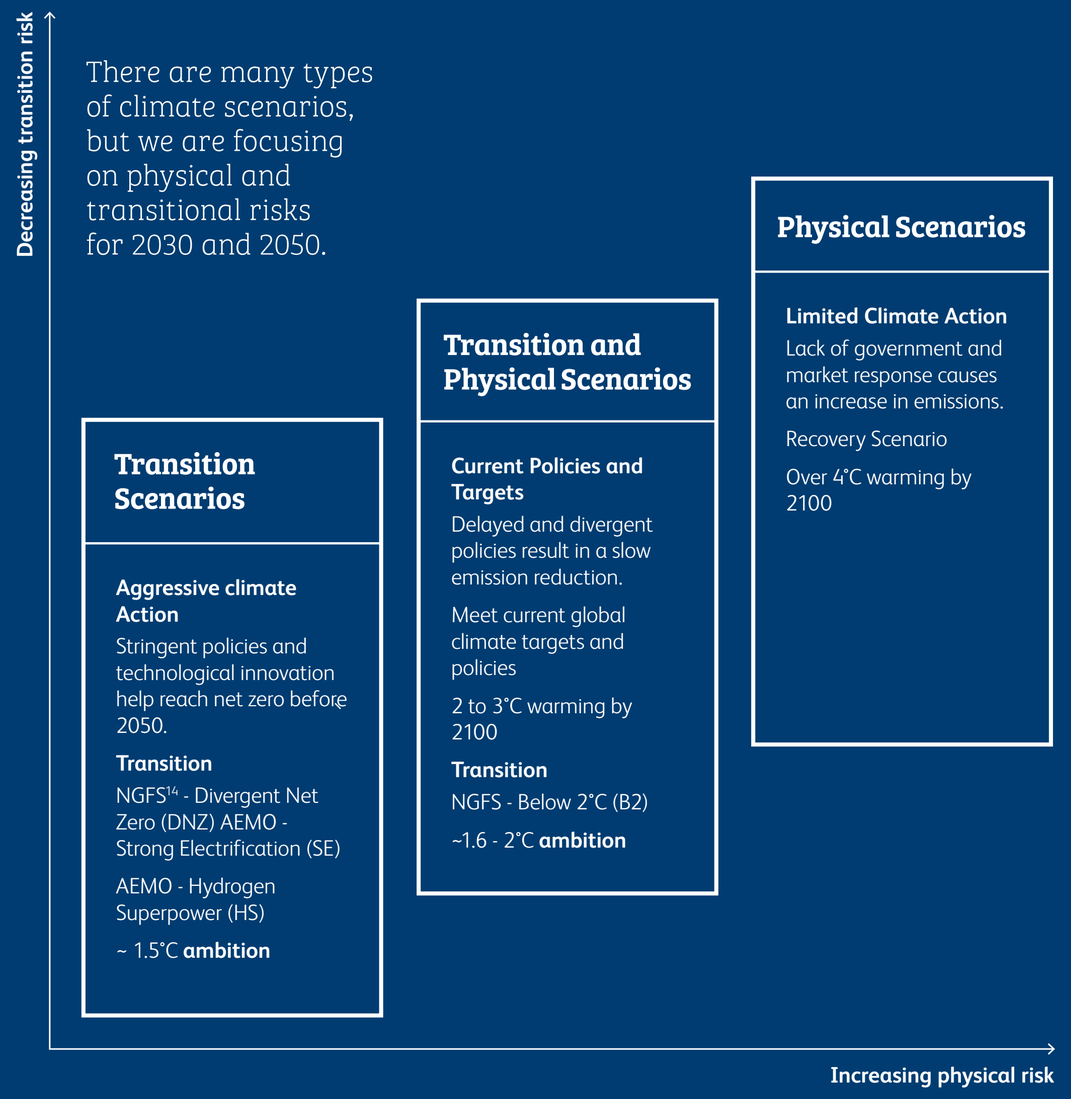


Figure 10: Transition Climate Approach

[3] Utilised scenarios from The Central Banks and Supervisors Network (for Greening the Financial System (climate ambition) and the Australian Energy Market Operator Multi-Sector Energy Modelling 2023 (technology adoptions).

We have set six emissions related targets and we remain on track to deliver against these.

Ashburton River causeway, Western Australia. Access route for AGIG through to Tubridgi Gas Storage facility.

Metrics and Targets

Targets and Performance

Scope 1 and 2 emissions for AGIG entities that fall under the National Greenhouse and Energy Reporting (NGER) scheme are reported to the CER on an Australian Financial Year (FY) basis.

In addition to this legislated reporting, AGIG proactively manages and reports emissions through our ESG processes, which includes development of, and reporting against, emissions reduction targets relating not only to our own activities but also to facilitating decarbonisation for our customers.

Our Reported Emissions

Greenhouse gas data is reported to the CER in line with NGER Scheme using the Technical Guidelines developed by the Australian Government Department of Climate Change, the Environment and Water.

Data is reported for the AGIG facilities captured by the NGER legislation. As outlined earlier (Strategic Approach to Climate Change, Figure 3), the majority of our emissions are scope 1 and relate to emissions from operations including compressor use on our transmission pipeline and fugitive emissions from our distribution networks. Our emissions are calculated emissions based on approved methodologies under the NGER legislation.

In 2024, AGIG recorded a 14% reduction in reported scope 1 and 2 emissions from 2023, equivalent to 695,908 tonnes CO_2 -e. Key drivers included:

- Transmission compressor efficiency improvements, reducing fuel use and emissions
- Distribution mains replacement, replacing old cast iron mains with polyethylene piping, reducing leaks and therefore emissions
- Re-classifying our assets to ensure accurate emissions factors are being utilised

Australian Gas Networks

Emissions	FY23	FY24	Percentage Change
Scope 1	326,995	252,446	-23%
Scope 2	370	307	-17%

Multinet Gas Networks

Emissions	FY23	FY24	Percentage Change
Scope 1	182,383	169,759	-7%
Scope 2	1,610	1,371	-15%

Dampier Bunbury Pipeline

Emissions	FY23	FY24	Percentage Change
Scope 1	267,179	250,025	-8%
Scope 2	1,258	1,552	+23%

Table 2: AGIG Entity scope 1 and 2 Emissions as Reported to the CER under the NGER Scheme (tCO_2-e)

Our Emissions Targets

As outlined in our ESG report, we report under the United Nations Sustainable Development Goals (SDGs) and have aligned with goals that are most relevant to our business, prioritising areas where we can make the most difference. SDGs relevant to our decarbonisation journey include:

- 07 Affordable and Clean Energy
- 13 Climate Action

We have set six emissions related targets within relevant United Nations SDGs. These targets relate not only the decarbonisation journey for our operations ad assets, but also how we can support our customers and supply chain in their emissions reductions journey.

We remain on track to deliver our decarbonisation-related targets.

Our Targets	Our Progress
SDG 7 Affordable and Clean Energy We aim to reduce our scope 1 and 2 emissions from across all AGIG assets by 30% by end-2030 (from a financial year 2020 baseline).	In 2024, we have reduced emissions by 18% when compared to 2020. Further information is available provided under the 'Progress to our Interim Emission Reduction Target' section following.
SDG 7 Affordable and Clean Energy We will undertake a materiality assessment on our scope 3 emissions to enable us to set a reporting target by end-2024.	Target achieved. In 2024, we completed a materiality assessment on our scope 3 emissions. Further information is available below under the 'Scope 3 Emissions' section following.
SDG 13 Climate Action We will target renewable and carbon-neutral gas production (by AGIG or third parties) connected to our distribution network, equivalent to 10% (by volume) in these networks by 2030.	Our Net Zero Ambition outlines that we have a multifaceted approach to delivering this target, including: • Regulation: Ensuring regulatory frameworks are applied to support our energy transition • Policy: Unlocking the policy settings to enable net zero • Projects: Demonstrating net zero is achievable and desirable • Engagement: Engaging with our customers and stakeholders Further information on our renewable and carbon-neutral gas projects is provided in the 'Our Value Chain Reduction Pathway' section following.
SDG 13 Climate Action We will target 100% renewable and carbon-neutral gas in our distribution networks by 2050.	The delivery of 10% renewable gas in distribution networks (above) is a key enabler of this target. This target was developed, in line with our Net Zero Ambition to reduce the carbon intensity of the gas we transport by replacing natural gas with renewable gas. Our progress to this target will be measured on an absolute basis.
SDG 13 Climate Action We will target net zero emissions from our transmission and midstream assets by 2050 at the latest.	Our work in delivering our Interim Emissions Targets is a key enabler of this target. This target was developed with the ambition to achieve net zero for our operational emissions by 2050. This is challenging as a large amount of our emissions will need policy support and technology breakthroughs. Our progress to this target will be measured on an absolute basis.
SDG 13 Climate Action We will adopt the recommendations on climate-related financial disclosures by end-2024.	Target achieved. This 2024 Sustainability Report outlines the climate-related financial disclosures in line with disbanded Taskforce on Climate-related Financial Disclosures (TCFD) requirements. The Sustainability Report will continue to evolve in line with Australian Climate Reporting Legislation.

Table 3: Performance Against Targets

Progress to our Interim Emission Reduction Target

Scope 1 and 2 emissions have fallen by 18% since 2020 compared to our 2020 baseline.

We remain on track to meet our interim emissions target of a 30% reduction by 2030 on 2020 levels through our current operational projects and response to legislative requirements. This includes through:

- Mains replacement on our distribution networks
- Transmission pipeline reconfiguration
- Gas Engine Alternators (GEA) and Closed-Circuit Vapour Turbines (CCVT) replacement

Under the Safeguard legislation we are required to meet a Baseline that reduces year on year. Our assured Safeguard emissions intensity factors are below the current industry average.

Scope 1 and 2 emissions

18%

since 2020

Progress to emissions reductions since 2020 (tCO_2-e)

2024	695,908
2023	779,995
2022	761,688
2021	843,422
2020	841,350

The 2020 baseline was developed to capture the evolving emissions methods up through Financial Year 2023, to provide a fair starting point for comparison.

Figure 11: Our Emission Reductions

Case Study

Emissions Reduction at Dampier Bunbury Pipeline

Our DBP pipeline has an emissions reduction plan which will be implemented and completed over the following five years (2023-2027). The planned decarbonisation activities include pipeline reconfiguration, the replacement of a GEA and the replacement of CCVT.

The pipeline reconfiguration project optimises pipeline compression; allowing multi-directional flow of natural gas whilst meeting increased throughput demands resulting in a reduction in the number of compressors required along the pipeline. It is estimated that compression requirements will be reduced by up to 35-to-45%, with these reductions being realised in 2026.

During the next five years we will also replace an existing GEA with an accurately sized and more efficient unit. This replacement will result in reduced emissions as less gas will be required to run the alternators. In the years following, we aim to replace an additional six GEAs.

We are also planning to replace six CCVTs along the pipeline with solar and batteries to further reduce their net emissions. After the initial five-year period a further thirteen CCVTs may be replaced.

The GEA and CCVT initiatives are estimated to reduce emissions created during electricity generation activities by an overall 15% to 25%.

Scope 3 Emissions

In 2024, we successfully completed a materiality assessment on our scope 3 emissions, which highlighted seven categories as being materially significant to AGIG. Work was conducted in line with the Greenhouse Gas Protocol methodology to define our operational boundary for reporting and calculate emissions.

Completion of the materiality assessment satisfied one of our 2024 ESG Targets, and focus now shifts to reporting and tracking our scope 3 emissions from 2025, as well as assessing the need to set a measurable scope 3 target by end-2027.

We will begin reporting emissions associated with these categories from 2025 (in line with our replacement target).

Category	Description
Purchased Goods and Services (Category 1)	Emissions arising from production of the goods and services we purchase
Capital Goods (Category 2)	Emissions from the production of larger or longer-term assets that we purchase and use to run our services – such as our pipeline infrastructure
Fuel and Energy Related Activities (Category 3)	Emissions from the production, transportation, and distribution of fuels and energy we purchase and consume
Upstream Transportation and Distribution (Category 4)	Emissions from the transportation and distribution of gas from production sites to our distribution and transmission network
Waste Generated in Operations (Category 5)	Emissions from the disposal and treatment of the waste we produce (for example, emissions from the trash we send to landfill)
Business Travel (Category 6)	Emissions from employee travel for business, mostly sourced from domestic flights
Employee Commuting (Category 7)	Emissions from our employees commuting to and from work each day (by car, public transport or other means of transport)

Table 4: Material Scope 3 Emission Categories

Our Value Chain Reduction Pathway

Our targets emphasise going beyond our direct responsibilities to support our customers in their efforts to reduce emissions by facilitating access to lower carbon energy such as renewable and carbon neutral gases.

Our Net Zero Ambition outlines that we have a multifaceted approach to delivering this ambition. Key highlights under each enabler for 2024 include:

Regulation

- Progress toward establishing the regulatory framework for certifying renewable and low-emission gases, including announcing Mars Petcare as the first business in Australia to secure Renewable Gas Guarantee of Origin certificates proposed to be allocated to production at HyP Murray Valley under GreenPower's Renewable Gas Certification scheme (pending GreenPower accreditation).
- Contributed to the development of the Australian Pipelines and Gas Association's Code of Practice for Renewable Gas Connections.

Policy

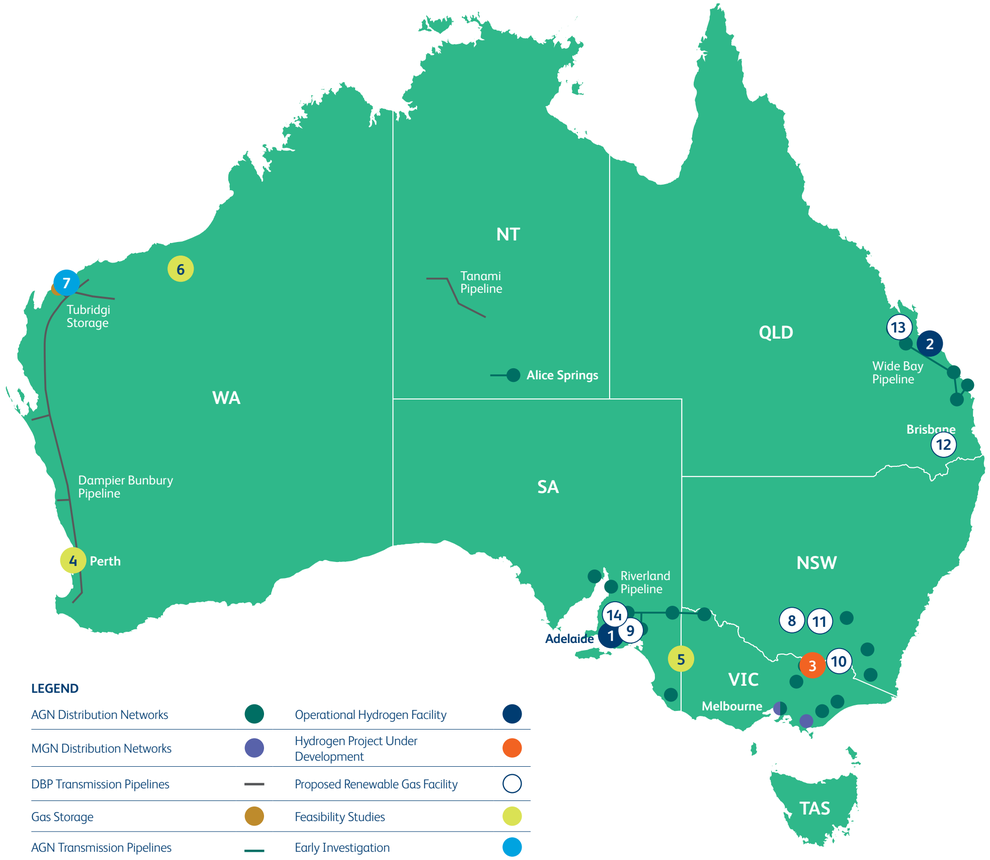
- 30 submissions to various government-led processes, highlighting how existing energy infrastructure can play a role in meeting carbon reduction goals and the necessity for clear policy frameworks to ensure delivery.
- The release of the Federal Governments Future Made in Australia policy, related Budget items and the 2024 Future Gas Strategy reaffirmed the necessity of natural gas in Australia's energy mix, albeit with an evolving role including renewable gases and the integration of CCS technologies.

Projects

- Sought to facilitate third party renewable and carbon-neutral gas connection to our networks through:
  - Publishing an Interconnection Policy outlining the process for renewable gas projects looking to connect to our networks.
  - Publishing a detailed study outlining the high potential for biomethane supply proximal to our networks.
- Invested in our own renewable and carbon-neutral gas projects including:
  - HyP SA blending by volume increased from up to 5% to up to 10% renewable hydrogen, supplied to around 4,000 homes businesses and schools on the existing gas network.
  - Ground broken at HyP Murray Valley a 10MW renewable hydrogen production facility in Victoria.
  - Production commenced at HyP Gladstone, supplying up to a 10% renewable hydrogen blend to around 700 homes, business and industry on our existing gas network.
  - Being awarded grant funding from the Western Australian Government to develop a transmission pipeline for CCS in the Pilbara region.
  - Progressed development of various other renewable and carbon-neutral gas projects, with details of our most advanced projects provided in the Low Carbon Gas Projects section of this Report.

Engagement

- Present on the future of gas at over 36 external conferences, with participation in more than 100 events, workshops, seminars and roundtables.
- Conducted more than 50 tours of HyP SA, with over 730 visitors to site.
- Conducted 40 tours of HyHome, with over 460 visitors to site.
- Trialled 400 digital meters at selected households in the HyP SA blended gas zone.
- Introduced a 100% hydrogen powered Toyota Mirai to the Melbourne pool car fleet.
- Partnered with MasterChef Australia to provide carbon-neutral biomethane for cooking challenges and carbon-neutral hydrogen for one of the barbecue challenges.



Hydrogen Park South Australia (1)

HyP SA is an Australian-first project producing renewable hydrogen through a 1.25MW electrolyser.

Beginning production in 2021, the facility now supplies up to a 10% renewable hydrogen blended gas to almost 4,000 homes, businesses and schools on the existing gas network in Adelaide. It also supplies 100% renewable hydrogen to industry and a bus trial via tube and trailer.

HyP SA was supported by grant funding from the South Australian Government.

Hydrogen Park Gladstone (2)

HyP Gladstone produces renewable hydrogen through a 0.175MW electrolyser, delivering Australia's first whole of gas network blending project.

Beginning production in November 2024, the facility supplies up to a 10% renewable hydrogen blend to the whole of Gladstone, around 700 homes, businesses and industry on the existing gas network.

HyP Gladstone is supported by grant funding from the Queensland Government.

Hydrogen Park Murray Valley (3)

HyP Murray Valley broke ground in 2024, with first production expected in 2025.

The facility will produce renewable hydrogen through a 10MW electrolyser.

WA Feasibility Study (4)

Completed in 2021, this study determined how the Dampier Bunbury Pipeline can introduce hydrogen into its mix. As a result of this study, there is now a clear pathway for declaring a pipeline section as suitable for use with hydrogen/natural gas blends. This study was supported by the Western Australian Government.

Australian Hydrogen Centre (5)

A joint industry research centre undertaking feasibility studies in South Australia and Victoria, for extending from 10% hydrogen blends in the gas network to a 100% conversion. The Australian Hydrogen Centre also shares learnings from the HyP SA project.

Reports were published in 2022 and 2023.

The Australian Hydrogen Centre was supported by Commonwealth, South Australian and Victorian Governments.

Pilbara Carbon Capture and Storage (6)

Investigating the potential for an onshore carbon capture and storage infrastructure to unlock decarbonisation of industry in the Pilbara region.

The Pilbara CCS study is supported by grant funding from the Western Australian Government.

Tubridgi Carbon Capture and Storage (7)

Investigating the potential for CCS in the Tubridgi area.

Proposed Hydrogen Park Wagga Wagga (8)

HyP Wagga Wagga is a proposed 10MW renewable hydrogen production facility in the Wagga Wagga Special Activation Precinct, in regional New South Wales.

Proposed Hydrogen Park Adelaide (9)

HyP Adelaide is a proposed 60MW renewable hydrogen production facility in Adelaide.

Proposed Regional Victorian Bioenergy Hub (10)

The Regional Victorian Bioenergy Hub is a proposed project to generate biomethane from biogas, blending into the regional Victorian network. Early feasibility studies have commenced.

Proposed Wagga Wagga Bioenergy Hub (11)

The Wagga Wagga Bioenergy Hub is a proposed project to generate biomethane from biogas, blending into the Wagga Wagga gas network. Feasibility studies have commenced.

Proposed Ipswich Bioenergy Hub (12)

The Ipswich Bioenergy Hub is a proposed project to upgrade landfill gas to biomethane, blending into Ipswich gas network.

Proposed Regional Queensland Bioenergy Hub (13)

The Regional Queensland Bioenergy Hub is a proposed project to convert agricultural residues to biomethane, blending into the local gas infrastructure.

Proposed Adelaide Bioenergy Plant (14)

The Adelaide Bioenergy Plant is a proposed project to convert commercial and industrial waste to biomethane, blending into the local gas network.

We are committed to working with industry, governments and research organisations to share knowledge to accelerate emissions reductions.

Worsley Lateral pipeline, stemming off the main Dampier to Bunbury Natural Gas Pipeline

Other Commitments

Other Commitments

In addition to our own emissions targets, AGIG complies with legislative requirements and is committed to working with governments, industry, research organisations and other stakeholders to share knowledge, with a view to accelerating emissions reductions whilst maintaining secure, reliable and cost-efficient energy supply.

Current focus areas include preparation for the Australian Sustainability Reporting Standards – which commence on 1 January 2025 – and being an active participant in the global Methane Guiding Principles (MGP) program.

We also report under the Global Reporting Initiative (GRI) Standards. The GRI Standards allow for comparability by external stakeholders across organisations from the same industry.

We will continue to actively monitor the external environment to identify opportunities for meaningful collaboration relating to delivering emissions reductions and on the future of gas.

Australian Sustainability Reporting Standards (ASRS)

AGIG will be required to report on mandatory content in the ASRS in 2025. The ASRS is designed to increase transparency and consistency around climate reporting disclosures for Australian businesses.

Our ESG target to "Adopt the recommendations on climate-related financial disclosures" specifically relates to ensuring the business is focussed on meeting these disclosure requirements. Under this target, in 2022 we delivered partial compliance to the TCFD framework and in 2024, a gap assessment comparing TCFD to ASRS requirements was completed. The gap assessment identified a strong existing base for future reporting and highlighted where we will require more specificity and detail, particularly for the risks and opportunities across our individual businesses. We are actively working to close out the gaps identified and will be in a good position to report against the ASRS and Treasury Bill requirements in the 2025 report.

Methane Guiding Principles

In 2023, AGIG become a signatory to the Methane Guiding Principles (MGP) partnership.

The MGP partnership is a global multi-stakeholder partnership that promotes a best practice approach for reducing methane emissions in the natural gas supply chain. The five guiding principles of the partnership are:

- Continually reduce methane emissions
- Advance strong performance across the gas supply chain
- Improve accuracy of methane emissions data
- Advocate sound policy and regulations on methane emissions
- Increase transparency

Through our membership, AGIG has committed to progressing the five guiding principles, and also shares learnings with Australian and international counterparts with a view to accelerating the reduction of methane emissions.

We report annually on our progress, with our report published on the MGP website.

METHANE GUIDING PRINCIPLES

methaneguidingprinciples.org

GRI Standards

AGIG began voluntary reporting under the GRI standards with partial disclosure under the general and gas and oil industry sector standards in our 2022 ESG Report.

We remain committed to reporting under the GRI standards and this year with the publication of our inaugural Sustainability Report we have updated further disclosure standards. Our GRI disclosures can be found in our 2024 ESG Data Book.

The Way Ahead

AGIG has a clear vision to deliver infrastructure essential to a sustainable energy future.

A key component of our vision is to manage our own emissions and to support our customers to lower their emissions; our Net Zero Ambition outlines our targets and approach for achieving this.

In 2025, we remain focussed on delivering our Net Zero Ambition. Our efforts will be focussed on:

- Delivering our climate-related financial disclosures
- Assessing and delivering operational improvements in our networks and pipelines with a view to reducing emissions
- Providing customers with sustainable infrastructure solutions including facilitating renewable and/or carbon-neutral gas projects including, but not limited to:
  - Constructing our HyP Murray Valley facility
  - Progressing plans for CCS infrastructure
  - Facilitating development further renewable and carbon-neutral gas projects including by third parties
- Continued engagement with stakeholders on the future of gas and the related policy and regulatory settings required to deliver
- Considering scope 3 reduction targets across specific components of our value chain

Australian Gas Infrastructure Group

Dampier Bunbury Pipeline

Multinet Gas Networks

Australian Gas Networks