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20 August 2025

ASX ANNOUNCEMENT

APA Group (ASX: APA)
also for release to APA Infrastructure Limited (ASX: AP2)

APA RELEASES 2025 CLIMATE TRANSITION PLAN

APA Group (ASX:APA) today announces the release of its 2025 Climate Transition Plan (CTP), building on progress made since APA's inaugural CTP released in 2022 and highlighting portfolio resilience to physical climate and transition risks.

The refreshed CTP captures the considerable progress made over the last three years and reconfirms APA's commitment to its 2030 gas infrastructure and methane emissions reduction targets along with its power generation emissions intensity goal.

Key highlights since 2022 CTP

- Delivered 6.5% gross emissions reduction and 13.3% net reduction (including offsets) in gas infrastructure emissions (relative to our FY21 base year).
- Delivered 11.6% reduction in emissions intensity for power generation infrastructure through investments in renewable energy generation (relative to our FY21 base year).
- Enhanced approach to methane measurement and disclosure, including direct measurement reporting on three of our gas infrastructure assets in the 2025 Climate Report.
- Extensive engagement with securityholders on climate and transparent annual disclosures and reporting of progress.

Key highlights of APA's 2025 CTP

- Reconfirmed commitment to:
    - 30% reduction in operational gas infrastructure emissions by 2030 (FY21 base year)
    - 30% reduction in methane emissions by 2030 (FY21 base year)
    - 35% reduction in power generation infrastructure emissions intensity by 2030 (FY21 base year).
- Committed to Scope 3 medium-term goals and long-term ambition.
- Expanded role in Australia's energy transition, including through supporting customers' decarbonisation plans.
- Integrated lower emissions options in new infrastructure.
- Continued focus on enhancing resilience of our business to climate-related transition and physical risks.

CEO comments

APA CEO and Managing Director, Adam Watson, said:

"We have made strong progress over the last three years delivering on the foundational commitments in our 2022 CTP. With our approach to climate now embedded across our business, our 2025 CTP is integrated with our strategy and the important role our business will continue to play in Australia's energy transition.

"Ongoing investment in gas transmission, storage and associated infrastructure, and gas-powered generation infrastructure, will support energy security, help power Australian industry and provide the firming capacity needed to support renewables as coal-fired power stations retire.

"We recognise that this necessary investment will likely result in emissions growth for APA, however, the economy-wide emissions reduction this is expected to deliver must be prioritised.

"Our ongoing work in power generation in remote regions will also support decarbonisation in key industries within our economy, as we deliver reliable, affordable and lower emissions energy to our customers and communities.

"This comprehensive CTP will ensure we continue to decarbonise our operations, while further embedding climate action and risk management into the business and strengthening our role in Australia's energy transition."

APA's 2025 CTP introduces new metrics to track relevant aspects of Australia's energy transition and discloses how APA is contributing to broader decarbonisation of the economy. It reflects consideration of lessons learned from its 2022 CTP, feedback from securityholders, a review of emissions reduction pathways, transition risk and opportunities analysis, and assessment of the external business context.

This includes consideration of the critical role APA's gas transmission and storage assets (including associated facilities) will play in system-wide decarbonisation, the need to balance structural abatement and offsets as markets, supply chains, our business and technology evolves and the coverage of APA's major assets by the Australian Government's Safeguard Mechanism.

-ENDS-

Authorised for release by Amanda Cheney
Company Secretary
APA Group Limited

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About APA Group (APA)

APA is a leading Australian Securities Exchange (ASX) listed energy infrastructure business. We own and/or manage and operate a diverse, $27 billion portfolio of gas, electricity, solar and wind assets. Consistent with our purpose to strengthen communities through responsible energy, we deliver approximately half of the nation's gas usage and connect Victoria with South Australia, Tasmania with Victoria and New South Wales with Queensland through our investments in electricity transmission assets. We also own and operate renewable power generation assets in Australia, with wind and solar projects across the country. APA Infrastructure Limited is a wholly owned subsidiary of APA Infrastructure Trust and is the borrowing entity of APA Group. For more information visit APA's website, apa.com.au

Climate Transition Plan
2025

25 Years of securing Australia's energy future

APA

Acknowledgement of Country

At APA, we acknowledge the Traditional Owners and Custodians of the lands on which we live and work throughout Australia.

We acknowledge their connections to land, sea and community. We pay our respects to their Elders past and present, and commit to ensuring APA operates in a fair and ethical manner that respects First Nations Peoples' rights and interests.

Entity details

Business name: APA Group

Ownership and legal form: APA Group comprises two registered investment schemes, APA Infrastructure Trust (ARSN 091 678 778) and APA Investment Trust (ARSN 115 585 441) and their controlled entities. APA Group Limited (ACN 091 344 704) is the responsible entity of APA Infrastructure Trust and APA Investment Trust.

Head office: Level 25, 580 George Street, Sydney NSW 2000

Contact us: If you have any questions or comments relating to this Climate Transition Plan, please email sustainability@apa.com.au

About this plan

Important notice

This plan has been prepared for APA stakeholders and outlines APA's plans to address climate change-related matters relevant to our business, including risks and opportunities. It has not been prepared as financial or investment advice or to provide any guidance in relation to the future performance of APA.

Disclosure approach

APA's disclosure approach aims to align with the recommendations of the Financial Stability Board (FSB) Taskforce on Climate-related Financial Disclosures (TCFD), which address strategy, risk management, governance and metrics and targets. The Sustainability Data Book TCFD section provides a full index of APA's responses to the TCFD disclosure recommendations within the APA FY25 Annual Report, 2025 CTP, FY25 Sustainability Data Book and other APA disclosures.

We also considered the Australian Accounting Standards Board S2 Climate-related Disclosures (AASB S2) to enhance our disclosure practices this year, in preparation for our mandatory reporting commencing in FY26.

Organisational boundary

Unless noted otherwise, the organisational boundary for all emissions calculations, targets and goals relates to assets under APA's operational control, as defined by the Greenhouse Gas (GHG) Protocol [1].

FY21 is used throughout the document as a base year for all emissions data, targets and goals, except where noted otherwise.

The position statements, policies and governance arrangements referenced in this plan apply to APA Group Limited and its subsidiaries and controlled entities.

Forward-looking statements

This plan contains certain forward-looking information and statements of opinion. Forward-looking statements may include statements regarding APA's climate transition plans and strategies, the impact of climate change and other sustainability issues for APA, energy transition scenarios, actions of third parties, and external enablers such as technology development and commercialisation, policy support, market support, and energy and offsets availability.

The forward-looking statements in this plan are based on management's current expectations and reflect judgements, assumptions, estimates and other information available as at the date of this plan and/or the date of APA's planning processes or scenario analysis processes. Readers are cautioned not to place undue reliance on such statements, particularly in light of the inherent uncertainty in possible policy, the potential for changes to strategy or portfolio, and the long-term horizon that this plan discusses. There are also inherent limitations with scenario analysis and it is difficult to predict which, if any, of the scenarios might eventuate. Scenarios do not constitute definitive outcomes or probabilities, and scenario analysis relies on assumptions that may or may not be, or prove to be, correct and may or may not eventuate. Scenarios may also be impacted by additional factors to the assumptions disclosed.

No representation or warranty is made regarding the accuracy, completeness or reliability of the forward-looking statements or opinions contained in this plan, or the assumptions on which either is based. All such information is, by its nature, subject to significant uncertainties outside the control of APA, and actual results, circumstances and developments may differ materially from those expressed or implied in this plan. Except as required by applicable laws or regulations, APA does not undertake to publicly update or review any forward-looking statements, whether as a result of new information or future events. To the maximum extent permitted by law, APA and its officers do not accept any liability for any loss arising from the use of the information contained in this plan.

[1] The organisational boundary for all targets and goals relates to assets under APA's operational control, as defined by the Greenhouse Gas (GHG) Protocol. The following assets are not within APA's operational control for emissions reporting purposes: Victorian Transmission System (maintenance excepted), Gruyere Power Station, Wallumbilla Gladstone Pipeline, SEA Gas Pipeline and Mortlake Pipeline, North Brown Hill Wind Farm and Australian Gas Networks.

Overview

Navigating our Climate Transition Plan and our related reports

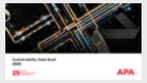
Our Climate Policy

Our Climate Policy sets out our position and commitments to inform our approach to addressing the global challenge of climate change and the transition to a net zero economy, ensuring that our activities are aligned with APA's purpose and strategy.

APA Annual Reporting Suite

The APA Climate Transition Plan should be read in conjunction with the latest APA annual reporting suite, which includes the Annual Report, including the Climate Report, the Sustainability Data Book, and the Greenhouse Gas Emissions and Energy Calculation Methodology. The Reporting Suite is available from apa.com.au/investors.

The Climate Report (contained within the 2025 Annual Report) outlines APA's progress against its 2022 Climate Transition Plan to address climate-related matters, including risks and opportunities. The Greenhouse Gas Emissions and Energy Calculation Methodology details how we calculate our reported Scope 1, Scope 2, Scope 3 and end-user emissions inventories and our alignment with the GHG Protocol Corporate Accounting and Reporting Standard and its supporting, and integrated, calculation guides.

Reporting suite map	 **Annual Report (including Climate Report)**	 **Corporate Governance Statement**	 **Investor Presentation**	 **Sustainability Data Book**	 **Greenhouse Gas Emissions and Energy Calculation Methodology**
Strategy	•		•		
Financial performance	•		•		
Operational performance	•		•	•	
Governance	•	•			
Risk	•	•			
Customers and partners	•				
People and communities	•	•		•	
Environment	•			•	
Climate	•			•	•
Securityholder information	•	•			

[1] IFRS Foundation, Disclosing information about an entity's climate-related transition, including information about transition plans, in accordance with IFRS S2, June 2025.

Our Climate Transition Plan

APA's Climate Transition Plan (CTP) is aligned to APA's overall strategy and describes our climate-related targets, goals, ambitions and actions in support of Australia's energy transition and our pathway to achieve net zero operational emissions by 2050. Our CTP sets out how APA addresses climate-related risks and opportunities to protect the resilience of our business.

This 2025 CTP represents a refresh of our inaugural CTP published in August 2022. We disclose progress against our CTP on an annual basis.

In FY23 and FY24, we reported progress within our annual Climate Reports and published updates to our Greenhouse Gas Emissions and Energy Calculation Methodology, and Climate Data Book.

In FY25, our Climate Report is integrated into the Annual Report, and our climate data is integrated within the Sustainability Data Book. Our Greenhouse Gas Emissions and Energy Calculation Methodology has been updated.

How to navigate this CTP

- Navigation bar - Navigate the CTP by clicking the menu at the top of every page.
- Page references - Clickable page cross-references are used to take you to related pages in this CTP.
- Additional information - More detailed technical information, including a Glossary of terms used, is provided.
- Links to our other reports - The CTP includes clickable links to other APA reports, which provide additional information.

Alignment to TCFD recommendations and consideration of other disclosure frameworks

APA's disclosure approach aims to align with recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which address strategy, risk management, governance and metrics and targets. Refer to APA's FY25 Sustainability Data Book for a full index of APA's response/reference to the TCFD disclosure recommendations, including the TCFD supplementary guidance for non-financial groups.

We have also considered the Australian Accounting Standards Board S2 Climate-related Disclosures (AASB S2) to inform and enhance our disclosure practices this year, in preparation for our mandatory reporting commencing in FY26.

When developing this CTP, we considered the voluntary UK Transition Plan Taskforce (TPT) Disclosure Framework and the guidance on transition plan disclosures issued by the IFRS Foundation in June 2025,[1] which builds on the guidance developed by the TPT.

Message from the Chairman and Managing Director

We are pleased to present APA's 2025 Climate Transition Plan (CTP), which builds on the considerable progress made since the release of our inaugural CTP in 2022. This CTP reconfirms our commitment to meeting our 2030 gas infrastructure and methane emissions reduction targets, and our power generation intensity goal, while continuing to pursue opportunities in Australia's transition to a net zero economy.

APA's strategy – *to be the partner of choice in delivering infrastructure solutions for the energy transition* - and this CTP work hand in hand.

APA's strategy is focused on growing and running a portfolio of infrastructure across four primary asset classes where we have a competitive advantage – gas transmission and storage including associated infrastructure, contracted power generation, electricity transmission and future energy – to support the delivery of reliable, affordable and lower emissions energy to our customers and communities.

In turn, our refreshed CTP reflects this focus and our pursuit of opportunities within these asset classes that are essential to Australia's energy transition, and will contribute to the decarbonisation of the economy.

As Australia's energy transition has evolved, the nation's governments', industry's and communities' understanding of the critical role of gas has matured. The Australian Government's Future Gas Strategy makes it clear that, "*natural gas is needed through to 2050 and beyond*", – to power industry, keep the lights on, and back up renewable energy.[1]

The Australian Energy Market Operator's (AEMO's) 2025 Gas Statement of Opportunities also acknowledged this and made it clear the importance of unlocking new domestic gas supply and further investment in gas transmission and storage infrastructure in the decades ahead.[2]

Investment in gas supply and infrastructure is essential for powering the Australian industries needed to produce the materials to build our homes and the fertiliser to grow our food. This investment will also be essential for the gas power generation (GPG) necessary to back up Australia's renewable energy sources as coal-fired power stations retire.

We recognise that this necessary investment in gas transmission and storage including associated infrastructure, and GPG infrastructure for the energy transition will likely result in emissions growth for APA. APA may also seek to make enabling investments, which may impact on its emissions growth. However, the economy-wide emissions reduction this is expected to deliver must be prioritised.

In this CTP, we introduce new metrics to track relevant aspects of Australia's energy transition and disclose how we are contributing to broader decarbonisation of the economy (refer p 15). We expect, over time, these types of metrics will evolve to provide further context for companies that are providing essential services for the energy transition.

A record of delivering against our CTP

Our 2022 CTP included a number of foundational commitments, which have been progressed with the oversight of APA's Board and management team. In delivering against these commitments, we have learned a lot, matured our approach and adapted to the changing context in which we are working.

Among notable achievements, we have:

- established a climate program at APA with oversighting governance and reporting, and invested in organisational capability, technical studies and projects
- delivered a 6.5% gross emissions reduction and 13.3% net reduction (including offsets) in gas infrastructure emissions (relative to our FY21 base year). Without new growth projects, this would have been a 22.3% reduction
- delivered an 11.6% decrease in emissions intensity for power generation infrastructure through investments in renewable energy generation (relative to our FY21 base year)
- completed direct methane measurement on five assets and adopted an enhanced methane reporting method to show progress against our methane target, with enhanced methane reporting on three assets
- expanded our Pilbara operation through a strategic acquisition and commenced developing our 1 GW + renewables pipeline to support our mining customers' energy and decarbonisation plans
- developed Scope 3 goals, which have been included in our 2025 CTP.

Along the way, we have held ourselves to account, providing extensive annual disclosures, transparently reporting our progress, challenges, and risks and opportunities. We have also continued to enhance our disclosures in response to ongoing dialogue with our securityholders.

We also recognise there have been challenges in progressing aspects of the 2022 CTP. The lack of suitable vehicles and infrastructure in the Australian electric vehicle market means we will not continue with our goal to achieve 100% Zero Direct Emissions Vehicle fleet by 2030. Additionally, detailed work to assess the feasibility of compressor electrification highlighted the significant cost and complexity associated with this abatement option. Worked has paused on both of these and we will continue to monitor the opportunities as the transition evolves.

A detailed list of what we have delivered can be found on p 9.

Our approach to developing our 2025 CTP

In framing our 2025 CTP, the Board and management team considered the lessons learned from our first CTP, the changed external and internal context, and feedback from our extensive engagement with our securityholders to understand their expectations. Based on these inputs, the following guiding principles have shaped this CTP:

- The transport of gas through APA's assets and its use in GPG is critical to system-wide decarbonisation.
- Where technically and economically feasible APA will work to reduce emissions from our existing assets.
- We will strive for an appropriate balance between structural abatement and offsets as markets, supply chains and technologies evolve. In doing so, our emissions reduction pathway will not be linear as we implement projects in an economical way and align with government sectoral emissions reduction pathways. Opportunities for structural abatement may also be limited with respect to certain projects or investments, in which case offsetting would play an enhanced role in addressing emissions.
- We recognise APA's major assets are now covered by the Australian Government Safeguard Mechanism, influencing the pace of their decarbonisation and providing regulated offsetting arrangements.
- APA will prioritise methane measurement, abatement and disclosure and we will advocate for the uplifting of government reporting methodologies.
- The Australian carbon offsets market has matured such that a long-term carbon price can be applied to investment decisions for carbon abatement projects.
- APA will incorporate low emission technologies into the design of new infrastructure where it is economically and technically viable.

In applying these principles, we will take key decisions that are financially viable and contribute to APA's strategy, while continuing to work to decarbonise our operations.

Risks and opportunities

Comprehensive analysis of risks and opportunities for APA informed the development of our refreshed CTP, with key findings reinforcing the resilience of APA's portfolio as follows:

- Scenario analysis and financial resilience testing concluded that APA's portfolio is resilient under a range of scenarios and on balance there is more opportunity than risk under the most aggressive scenario (p 34-35).
- Portfolio-level physical climate risk assessments were conducted and, with risk mitigations, residual risks were deemed to be low to moderate across the asset portfolio classes (p 36-37).

We will continue to embed climate risks and opportunities into our risk management processes as we prepare for mandatory climate-related disclosures in FY26.

Looking ahead

Over the past three years, we have made considerable strides, delivering structural abatement initiatives and embedding climate action into our business. Through data uplifts and technical, operational and commercial studies and projects, we have built a detailed understanding of APA's emissions and established the foundations on which both APA's and our customers' climate ambitions will be realised.

We will continue to invest in our climate plans, and have refreshed our FY23-FY30 forecast of costs to implement gas infrastructure emissions reduction to be around $280 million.

Looking forward, we remain committed to the 2030 gas infrastructure and methane emission reduction targets, and the power generation intensity goal that we set out in 2022, and we have a deliverable plan in place that allows us to continue our progress. At the same time, we will continue to play our essential role in supporting our customers to decarbonise and in doing so contribute to Australia's decarbonisation ambitions.

We look forward to updating you on our progress, challenges, risks and opportunities in delivering against this refreshed plan.

Adam Watson
Chief Executive Officer and Managing Director

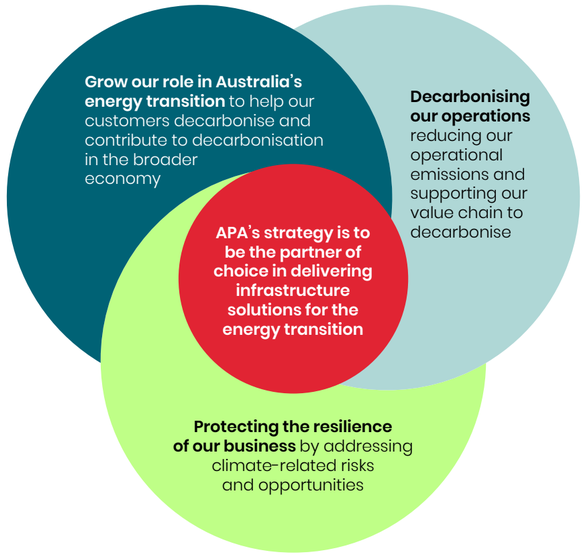
Michael Fraser
Chairman

[1] Australian Government Future Gas Strategy, May 2024.
[2] Australian Energy Market Operator, 2025, Gas Statement of Opportunities, March 2025.

Our refreshed CTP in summary

Our refreshed CTP reflects APA's sharpened focus on our role in Australia's energy transition and responds to the evolving regulatory, policy and operating environment in which this transition is occurring.

Aligned with our strategy, we are committed to playing our part in the transition to a lower emissions and climate-resilient Australian economy. Central to this is sustainably delivering reliable and affordable energy with lower emissions for our customers, while at the same time continuing to decarbonise our operations. We will keep engaging with and listening to the feedback of our securityholders and will remain financially disciplined in how we allocate capital to emissions reduction projects.



Growing our role in the energy transition

APA's customer-driven strategy focuses on four primary asset classes where we have a competitive advantage — gas transmission and storage including associated infrastructure, contracted power generation, electricity transmission and future energy. Each will play an important role in Australia's energy security and transition to a lower carbon economy. In this plan, we introduce metrics that track aspects of Australia's energy transition based primarily on publicly available data to help contextualise APA's role in the energy transition.

Within contracted power generation, gas-fired power generation (GPG) will play a critical role in supporting Australia's transition to renewable energy by providing flexible, reliable backup during renewable droughts or peak demand periods.[1] [2] [3] APA's gas transmission and storage infrastructure will be critical in getting gas to where it is needed, including for the flexible gas generation that underpins the renewables build-out. Our proposed gas infrastructure growth projects will provide the increased north-to-south gas transport capacity and new southern market storage needed on Australia's east coast to address critical energy shortages for industrial and household sectors and help meet future flexible gas needs.[4] For more information on the impact of growth on this CTP refer to p 13.

Electrification to displace diesel use represents an important decarbonisation pathway for the mining sector. APA is supporting decarbonisation in regions such as the Pilbara in Western Australia and North West Minerals Province in Queensland by delivering bundled energy solutions comprising renewables, supported by battery storage and GPG. We have identified a pipeline of potential renewables, firming and transmission projects in the Pilbara, with further opportunities in the Mount Isa and Kalgoorlie mining regions.

Electricity transmission is a key enabler of Australia's transition to renewables. With a portfolio of high-voltage electricity transmission assets, APA is well placed to support the build-out of new electricity transmission.

We pursue electricity transmission projects that connect with our existing and growth assets, and which support our ability to meet customer needs. In December 2024, APA was awarded priority project status to deliver electricity transmission in two of four priority corridors identified for the development of new common-use electricity transmission infrastructure in the Pilbara region in Western Australia.

APA has explored a range of future fuels and technologies such as hydrogen, biomethane and CO_2 transport. While the timeframes for a commercially viable hydrogen sector that offers an affordable alternative to natural gas have become less certain, we will continue to invest in the delivery of future energy solutions for our customers through utilising a variety of innovative technologies and approaches.

Protecting the resilience of our business

As an energy infrastructure business, climate-related risks and opportunities are considered within APA's strategy. Our strategy aims to manage transition risks and opportunities for existing assets and business activities, while pursuing related growth opportunities in our four priority asset classes.

In FY25, we undertook a transition risk and opportunity assessment comprising qualitative analysis across APA's portfolio of majority-owned assets, and quantitative financial resilience modelling on key gas infrastructure assets.[5] Financial resilience testing was undertaken to assess our business strategy's resilience in a rapidly evolving regulatory, market and environmental landscape. APA's tested portfolio was concluded to be resilient under a range of scenarios, including an accelerated decarbonisation scenario in which global temperature increases are limited to 1.5°C.

Given the geographic spread of APA's operations across Australia, our business is exposed to physical climate risks from extreme weather events and the incremental impacts of climate change.

We have mitigation controls in place to address current and foreseeable physical climate risks as evidenced by detailed physical climate risk assessments for a number of our assets (refer p 36). We will continue to monitor and update our risk mitigation strategies to maintain resilience to ensure the safety and reliability of our operations. Our enterprise risk procedures support the re-evaluation of site-specific risks should risks increase or operations be impacted.

Continuing to decarbonise our operations

We remain committed to our operational (Scope 1 and Scope 2) emission targets and goals for 2030 (FY21 base year):

- 30% operational emissions reduction target for gas infrastructure
- 30% operational methane emissions reduction target
- 35% reduction in operational emissions intensity goal for power generation.

We will also continue to procure 100% renewable electricity by surrendering large-scale generation certificates (LGCs).

Our modelling indicates a path to achieving our 2030 gas infrastructure operational emissions reduction target, even with the planned growth we forecast is required to meet customer and market needs.[6] Integrating lower emission options for new infrastructure, reducing compressor station emissions, and mitigating methane emissions remain areas of focus for APA. In working towards our target, we will prioritise structural abatement in preference to the surrender of carbon offsets, including those offsets used to address regulatory obligations under the Safeguard Mechanism.

The ratio of abatement to offsets is dependent on the adaptive process of reducing operational emissions and addressing compliance requirements. It may also be impacted by growth projects and enabling

[1] Australian Energy Market Operator, 2024 Integrated System Plan for the National Electricity Market, A roadmap for the energy transition, June 2024.
[2] Climate Change Authority, 2024, Sector Pathways Review.
[3] Australian Energy Market Operator, 2025, Gas Statement of Opportunities, March 2025.
[4] Growth in north-south capacity and storage will be subject to customer demand and final investment decisions.
[5] Our quantitative financial resilience modelling addressed approximately 85% of our East Coast Gas, 64% of our West Coast Gas and 59% of our thermal power generation assets by book value.
[6] Planned growth refers primarily to the East Coast Grid Expansion, the Sturt Plateau Pipeline and the Brigalow Pipeline and inorganic growth opportunities (such as acquired assets) are not captured in our modelling.

investments (for more information on the impact of growth on this CTP refer to p 13).

We will continue the delivery of our portfolio of methane emission abatement initiatives, and enhanced methane measurement approach to improve data accuracy. We will also continue to advocate for changes to regulatory reporting methodologies to enable reporting of our progress towards our 2030 methane target based on our enhanced methane reporting method.

Progress towards our 2030 power generation emissions intensity goal will continue to be delivered through operational efficiencies within our power generation assets and our investments in renewables to meet customer demand. Opportunities to deliver critical contracted GPG to support Australia's energy transition may impact the pace at which we progress towards this goal. We recognise the crucial role this GPG will play in firming Australia's renewable generation build-out and contributing to decarbonisation by customers and within the broader economy, even as APA's absolute power generation emissions may grow. Our current modelled forecasts indicate there remains a pathway to achieving our 2030 operational power generation emissions intensity goal.

The refresh of our CTP has been informed by root and branch analysis, including consideration of government policy guiding Australia's decarbonisation pathways, our customers' decarbonisation plans, maturing carbon markets, industry benchmarking, securityholder expectations and shifts in our operating environment.

While our headline 2030 commitments for operational emissions remain the same, we have refined our plan by:

- Adjusting our approach to annual gas infrastructure emissions reductions previously based on a straight-line trajectory to enable greater focus on structural abatement. We expect a stepped emissions trajectory as we progress our abatement projects and surrender offsets to meet our obligations under the Safeguard Mechanism, using voluntary offsets with respect to a gap to target remaining at 2030.
- Realigning our power generation and electricity transmission infrastructure 2040 net zero operational emissions goal with the Climate Change Authority's sector pathway net zero by 2050 scenario, released in 2024, for the electricity and energy sector. Our long-term goal is for our total operational emissions to be net zero by 2050, which provides a simplified portfolio approach and aligns more closely with the federal and the relevant state-based net zero goals and associated regulatory requirements.
- Retiring our 100% zero direct emission fleet 2030 goal given extended timelines for the availability of suitable vehicles and infrastructure in Australia. We will continue to review vehicles at the end of lease for the most efficient abatement options, with vehicle emission reductions addressed under our overall targets and goals.
- Revising our carbon pricing to long-term pricing based on independent market analysis, reflecting the maturing carbon markets in Australia.

In our first CTP, we did not set specific short-term targets, instead making the decision to focus on interim FY30 targets and goals. Over the last three years, we have made solid progress delivering on our 100% renewable electricity procurement commitment and achieving emission reductions across all our asset classes. Annual structural abatement Executive Leadership Team KPIs are set and linked to executive Short-Term Incentives (STI).

Our targets and goals for our refreshed CTP include our ongoing operational (Scope 1 and Scope 2) emission reduction targets and goals for 2030 (covering 93% of our emissions[1]), our net zero 2050 goal for our total operational portfolio, and our new Scope 3 interim goals and long-term ambition (Table 1). We will continue to reflect on our targets and goals as we progress our decarbonisation plans, remaining adaptive to shifts in government policy, securityholder expectations, energy and carbon markets, and technological developments.

Setting our Scope 3 goals and ambition

Acknowledging our commitment to develop a Scope 3 goal, we have defined a long-term ambition and medium-term goals, and set out actions towards these goals. We will engage and work with our customers, suppliers and the operators of the assets we own to advance towards these goals.

In the short term, we will continue to surrender voluntary offsets based on our total business travel emissions and address Scope 2 and Scope 3 emissions associated with electricity by procuring 100% renewable electricity through the surrender of LGCs.

Scope 3 emissions comprised about 24% of our total emissions in FY25 with around 97% of Scope 3 emissions from fuel and energy-related activities, investments and purchased goods and services (including capital goods).

Our Scope 3 categories with medium-term goals (i.e. Categories 1, 2 and 15) cover about 60% of our total Scope 3 emissions across both upstream and downstream emissions. Our actions to achieve these goals are focused on exerting influence within our value chain, including both upstream and downstream. Our position as a stakeholder and owner of key assets in the value chain gives us confidence that our efforts to influence will lead to positive impact. However, due to the nature of our Scope 3 emissions, achievement of our goals remains dependent on the decisions and actions of third parties, as well as other risks and contingencies (refer to the Scope 3 emissions and goals section of this report).

Table 1. Our emissions reduction targets, goals and ambition[1]

2030		
Scope 1 and Scope 2		
Gas Infrastructure (target): 30% emissions reduction from a FY21 base year	Methane (target): 30% reduction from a FY21 base year	Power Generation (goal): 35% reduction in emissions intensity from a FY21 base year
Scope 3		
Category 1 and 2 (goal): APA will engage with our suppliers covering at least 50% of Category 1 and 2 by spend, to support these suppliers to set a net zero goal[2,3]	Category 15 (goal): 20% reduction in gas infrastructure emissions from a FY21 base year[4]	
2050		
Scope 1 and Scope 2 (goal): Net zero operational emissions		
Scope 3: As part of our role in the energy transition, we are working towards a Scope 3 net zero ambition		

[1] Refer to the Glossary for how we define targets, goals and ambition.
[2] Category 1 and 2 relates to purchased goods and services, including capital goods.
[3] Net zero goal or equivalent covering operational emissions.
[4] Category 15 relates to our investments, with this goal specifically addressing emissions from gas infrastructure we own but do not operate.

Our focus areas

As we move forward, our efforts and resources will be directed to focus areas where we can have the most impact and/or influence.

Expanding our role in Australia's energy transition

- Expand our gas transmission and storage to help address gas supply shortfalls and support new flexible GPG
- Support our customers' decarbonisation plans through our contracted power generation solutions
- Deliver electricity transmission to connect customers to firmed renewables

Decarbonising our operational emissions

- Reduce our compressor stations emissions
- Maintain our Scope 2 emissions at zero from grid electricity consumption
- Continue our enhanced methane measurement approach and abatement projects
- Continue to optimise the efficiency of our power generation
- Integrate lower emissions options in new infrastructure

Supporting our value chain to decarbonise

- Engage with our suppliers by 2030 to support them to set a net zero goal
- Work with the operators of our owned investments to support their delivery of gas infrastructure emissions reductions

Enhancing business resilience

- Continue to integrate transition risk and opportunities assessment processes into business planning
- Enhance physical risk assessment processes within asset management
- Further assess climate-related risks and opportunities in our value chain

[1] The balance of emissions which are not covered relate to line losses from existing electricity transmission infrastructure. These emissions are largely determined by the rate of electricity grid decarbonisation, not by direct APA intervention.

Our Climate Transition Plan at a glance

Our strategy integrates our Climate Transition Plan

Our role in Australia's energy transition

We will **RUN** and **GROW** a portfolio across our selected asset classes working with our customers to decarbonise their operations and support the delivery of our CTP

Our primary asset classes

Gas transmission and storage
(including associated infrastructure)

Our role
Connecting new gas supply to demand and providing additional capacity

East and west coast gas transmission and storage

Contracted power generation

Our role
Decarbonising remote grids
Essential, reliable, affordable firming for renewables

- Remote grids
- Gas power generation
- Renewables

Electricity transmission

Our role
Connecting our customers to firmed renewable energy

- East Pilbara Transmission Network
- Electricity interconnectors

Future energy

Our role
Supporting asset resilience
Investing in future energy research and solutions

Hydrogen, biomethane, CO_2 pipelines and carbon capture and storage

SCOPE 1 + 2
Decarbonising our operations

Our long-term goal is to achieve Net Zero Operational Emissions by 2050

2030 Target
30% reduction in operational methane emissions by 2030 (FY21 base year)

2030 Target
30% reduction in operational gas infrastructure emissions by 2030 (FY21 base year)

2030 Goal
35% reduction in power generation infrastructure emissions intensity by 2030 (FY21 base year)

Focus areas

- Compressor optimisation and electrification
- Methane emissions abatement
- 100% Renewable electricity procurement
- Renewables + storage
- Gas power generation
- Asset optimisation
- Invest in nature-based and other offsetting solutions

Investing in our net zero goal

Continuing to invest while remaining financially disciplined

$280M
investment in gas infrastructure for emissions reduction
(FY23-FY30)

$1.3B
investment in growth capital for power generation
(FY23-FY28)

SCOPE 3
Supporting supply chain decarbonisation

As part of our role in the energy transition, we are working towards a Scope 3 net zero ambition

2030 Goals

50% engagement
Engage with our suppliers covering at least 50% of Category 1 and 2 by spend, to support these suppliers to set a net zero goal

20% reduction
20% reduction in gas infrastructure emissions from a FY21 base year

Actions in place

100% renewable electricity procurement

100% of our business travel emissions addressed by surrendering offsets

CTP foundations

Enhancing business resilience
through integration of transition and physical risk and opportunities assessment processes into business planning

Climate policy
advocacy and active value chain and stakeholder engagement

Governance
through Board oversight and climate-linked executive remuneration

Supporting a just transition
through delivering on our sustainability roadmap

Applying our internal carbon price
when assessing emissions abatement actions

Our journey

Over the past three years, we have embedded decarbonisation plans into our organisation to support the integrated delivery of our 2022 CTP commitments.

During this time, much has changed in relation to how the Australian energy transition is taking place and APA's operating context.

In response, we have adapted.

We will continue to listen to the feedback of our securityholders, engage with our stakeholders, and maintain this flexibility as the energy transition progresses.

Delivering on our commitments

Within our first CTP, we made a number of foundational commitments. We have tracked our progress since 2022 and have addressed all commitments due to be delivered by the end of FY25 (refer p 9).

We also made progress towards our 2030 targets and goals through understanding and acting on our operational emissions. We delivered emissions reductions, while also growing our operations to support the needs of our customers and energy users more broadly.

To inform the development of our Scope 3 goals, we identified emissions reduction opportunities and engaged with our customers, suppliers and the operators of our assets.

We have uplifted our sustainability governance, introduced climate KPIs and incentives, built up internal capability and resourcing, delivered targeted technical studies, improved our emissions data and commenced comprehensive reporting.

This included technology investments and capability uplift related to enhanced methane measurement and our new emissions data reporting platform to support our climate-related disclosures.

Through our climate risk assessments, we have enhanced our understanding of the exposure and resilience of our assets to physical and transition risks and identified opportunities. These opportunities include addressable markets related to GPG to support increases in the share of renewables and the build-out of electricity transmission that connects with our existing and growth assets such as in the Pilbara.

Insights gained

Specific insights in the following areas have helped to shape progress towards targets and goals over the past three years:

- our understanding of methane sources and abatement options by applying enhanced methane measurement techniques and undertaking detailed engineering studies for abatement initiatives
- adaptive processes to achieving abatement, working through a portfolio of options as technology develops and as we contribute to industry experience
- lead times to embed abatement projects within operational and maintenance planning, with a focus on the safety and reliability of our assets and the resourcing required
- abatement costs and commercial challenges related to compressor electrification
- evolving carbon pricing as a result of regulatory changes and maturing carbon markets and their influence on marginal abatement costs
- commercial and technical considerations and tradeoffs to ensure ongoing provision of reliable and affordable energy for our customers
- the potential application of future energy and related technologies.

Evolving our role in a changing context

There have been shifts in our external operating environment and strategic context, and changes to APA's position within the Australian market due to strategic acquisitions, as well as growing opportunities for power generation and gas transmission, storage and associated infrastructure. In some cases enabling investments may also be considered.

Government policy and changing energy market dynamics have seen further recognition of the critical role of gas in Australia's energy transition, including the necessary role that GPG will play.[1,2]

Sustained declines in production from southern gas basins are placing increased importance on the development of new Australian basins such as the Beetaloo to support the energy transition.[3] Timeframes for the development of a commercially viable hydrogen sector that provides an affordable alternative to natural gas across industry have become less certain and renewable deployment has faced headwinds.[4]

Within this context, APA has expanded its role in Australia's energy transition through organic growth and strategic acquisitions. These targeted investments will help to deliver reliable, affordable and lower emissions energy during and beyond the Australian energy transition to support our customers' energy needs and decarbonisation plans.

Securityholder expectations related to climate are changing with increasing emphasis on fiscal discipline and value creation, along with impactful climate action.

Australia's climate policy framework has also matured with the introduction of Safeguard Mechanism reforms and requirements for mandatory climate-related financial disclosures.

Continuing the momentum

Lessons learned and shifts in APA's role, operating context and securityholder expectations have helped shape our approach to our 2025 Climate Transition Plan.

Our refreshed plan positions us to maintain the momentum while remaining adaptive to changes in our operating environment. Much has changed over the past three years, and we anticipate further change over the next three years as the energy transition progresses.

We will continue to engage with and listen to the feedback of our securityholders, and will engage further with our customers and suppliers, and with government and communities.

[1] Australian Energy Market Operator, 2024 Integrated System Plan for the National Electricity Market, A roadmap for the energy transition, June 2024.
[2] Climate Change Authority, 2024, Sector Pathways Review.
[3] Australian Energy Market Operator, 2025, Gas Statement of Opportunities, March 2025.
[4] International Energy Agency, 2024, Renewables 2024, Analysis and forecast to 2030, October 2024.

Delivery on our 2022 CTP commitments

Gas infrastructure

We said we would:

- reduce our operational emissions by 30% by 2030 (FY21 base year) (2030 target).

We have:

- achieved a 6.5% gross emissions reduction and a 13.3% net reduction (including offsets)[1]
- achieved an underlying 22.3% emissions reduction, which excludes growth and includes non-reportable methane abatement and offsets[1]
- implemented compressor fuel gas optimisation models to achieve fuel gas reductions and associated emissions reductions
- procured 100% renewable electricity through surrendering LGCs
- completed compressor electrification assessments, with a final decision taken not to proceed with Wallumbilla compressor electrification due to it being very commercially challenging
- established a pipeline of abatement opportunities
- commissioned an electric drive compressor station as part of the Kurri Kurri Lateral Pipeline Project.

Further information on our gas infrastructure progress.

Methane

We said we would:

- reduce our operational methane emissions by at least 30% by 2030 (FY21 base year) (2030 target).

We have:

- achieved a 3.9% reduction compared to FY21, including 'non-reportable methane abatement'[2]
- completed direct measurements on five assets and adopted an enhanced methane reporting method with enhanced methane reporting on three assets
- delivered methane emissions abatement initiatives.

Further information on our methane progress.

Scope 3

We said we would:

- establish a Scope 3 goal.

We have:

- established medium-term goals and a long-term ambition
- identified pathways to our medium-term goals
- completed detailed assessments of levers with a focus on where we have control and influence to encourage emissions reduction in our value chain
- commissioned the Western Outer Ring Main project resulting in compressor fuel gas savings
- addressed our business travel emissions by surrendering offsets
- procured 100% renewable electricity through surrendering LGCs.

Further information on our Scope 3 goals.

Power generation

We said we would:

- reduce our operational emissions intensity by 35% by 2030 (FY21 base year) (2030 goal), with customer-focused investment in renewables.

We have:

- achieved a 11.6% decrease in operational emissions intensity in FY25
- constructed and commissioned Dugald River Solar Farm at Mount Isa and the Port Hedland Solar and Battery Project in Western Australia
- implemented power generation optimisation initiatives
- expanded our Pilbara operations through a strategic acquisition and commenced developing our 1 GW+ renewables pipeline to support our mining customers' energy and decarbonisation plans.

Further information on our power generation progress.

Electricity transmission

We said we would:

- enable renewables through transmission development, reduce emissions we can control and apply best practice to manage line losses.

We have:

- expanded our operating transmission lines with the acquisition of Pilbara Energy
- uplifted our approach to emissions measurement
- developed a best-practice line loss management guideline for new infrastructure.

Investing in our progress towards net zero

We said we would: provision for abatement in our financial plans, apply an internal carbon price and invest in renewable energy and electricity transmission.

We have:

- invested in renewable energy, battery storage and electricity transmission
- expended $44 million over FY23-FY25 to decarbonise our gas infrastructure operations, and integrated operational and capital expenditure into our financial planning processes
- prioritised structural abatement by applying an internal carbon price.

Offset criteria

We said we would: apply responsible criteria when offsets are required. We have:

- developed and applied offset criteria to guide our investments in offset projects, and annually disclosed details of our offsets.

Data and disclosure uplift

We said we would: continue to enhance our data and disclosures. We have:

- uplifted our emissions data assurance and management, including a new emissions data platform to support climate-related disclosures
- enhanced disclosures in line with security-holder feedback and to prepare for AASB S2.

Future energy and technologies

We said we would:

- pursue projects that can facilitate lower emissions fuels transport in existing infrastructure and create new production of lower emissions fuels; and consider CO_2 transport infrastructure.

We have:

- invested $14.08 million in future energy research and projects over FY20-FY25
- completed a feasibility study for the Parmelia Gas Pipeline conversion to hydrogen project in Western Australia
- investigated how parts of APA's network could support connecting hard-to-abate industries with existing or planned CO_2 storage facilities
- signed a Memorandum of Understanding with Santos to explore developing CO_2 pipelines for Santos' Moomba Carbon Capture and Storage facility.

Securityholder engagement

We said we would:

- continue to engage with and listen to our securityholders to inform our climate plans.

We have:

- engaged extensively with securityholders holding 325 meetings with securityholders over FY22-FY25.

Climate risk and resilience

We said we would:

- use scenario analysis to assess physical climate and transition risks and actively monitor for opportunities.

We have:

- completed physical climate risk screening across our majority-owned assets, with detailed assessments on priority assets
- completed transition risk and opportunity analysis across our portfolio of assets, including detailed resilience testing for six priority assets.

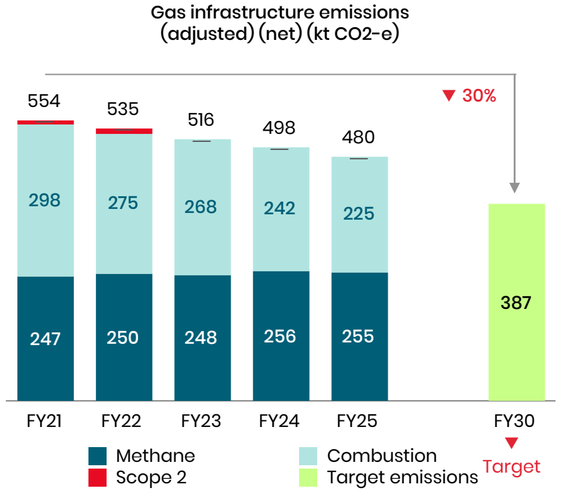
[1] Offsets include carbon offsets surrendered to address regulatory obligations under the Safeguard Mechanism and voluntary offsets based on our business travel emissions (refer to the APA FY25 Sustainability Data Book for related disclosures).
[2] Methane abatement not reported under National Greenhouse and Energy Reporting methods.

Our emissions performance[1]

We have delivered reductions in our operational emissions while growing our operations to address customer needs and support Australia's energy transition.

Gas infrastructure emissions

Our gas infrastructure Scope 1 emissions sources are principally due to natural gas combustion from compressors and gas engine alternators that operate our pipelines, and methane emissions from the operation of our gas infrastructure assets. Diesel use represents a minor combustion source.



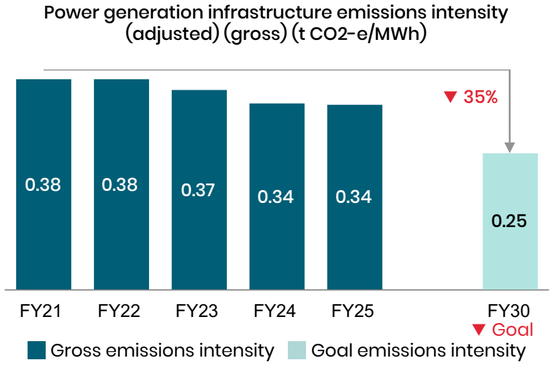
Our abatement initiatives target reductions in fuel gas combustion and methane emissions. We address our Scope 2 emissions from grid electricity consumption by procuring 100% renewable electricity, with details of the LGCs surrendered for this purpose disclosed.

Across APA's gas infrastructure assets, gross emissions were 6.5% lower than in FY21. Including the surrender of offsets, we achieved a net emissions reduction of 13.3% relative to FY21. These reductions and the graph are based on figures reportable under the National Greenhouse and Energy Reporting (NGER) scheme, applying the Scope 2 market method approach and the surrender of offsets. Abatement was achieved through operating our compressor networks more efficiently and procuring 100% renewable electricity. We are unable to report emissions reductions from valve and compressor seal upgrades under the NGER scheme. With this 'non-reportable methane abatement', we estimate a net emissions reduction of 16.5% relative to FY21.

Our growth projects since FY21 have included the East Coast Gas Grid Stage 2, the Northern Goldfields Interconnect and the Kurri Kurri Lateral Pipeline. Excluding emissions from these growth projects, and taking non-reportable methane abatement into account, our net emissions would have reduced by 22.3% from FY21 levels. For more information on the impact of growth on this CTP refer to p 13.

Power generation emissions intensity

Our power generation emissions intensity depends on the amount of electricity we generate and the mix of thermal and renewable generation. Integrating renewable generation with GPG reduces the amount of time gas generation operates. This reduces the emissions intensity of our power generation.

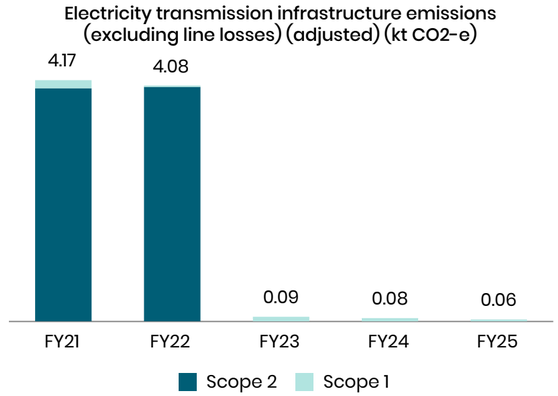


Progress towards our 2030 emissions intensity goal for power generation is being delivered through operational efficiencies at gas-fired power generators and through our investments in renewables to meet customer demand. This includes our build-out of renewables as part of remote-grid bundled energy solutions. Reductions in our power generation emissions intensity over the period are due to:

- commissioning of Port Hedland Solar and Battery Project, and the Dugald River Solar Farm
- lower emissions intensity on Newman Power Station (relative to FY21) by implementing high-efficiency gas reciprocating engines and commissioning of our Chichester solar farm
- Daandine Power Station being under care and maintenance
- the implementation of optimisation projects at Diamantina Power Station (DPS).

Electricity transmission

Emissions are mainly due to the loss of electricity due to its transmission over distance. APA's ability to mitigate such line loss emissions from the infrastructure we operate is limited as they are largely a function of the prevailing power generation mix in the grid and the associated emissions intensity. We address Scope 2 emissions for grid electricity consumed by procuring 100% renewable electricity through surrendering LGCs.

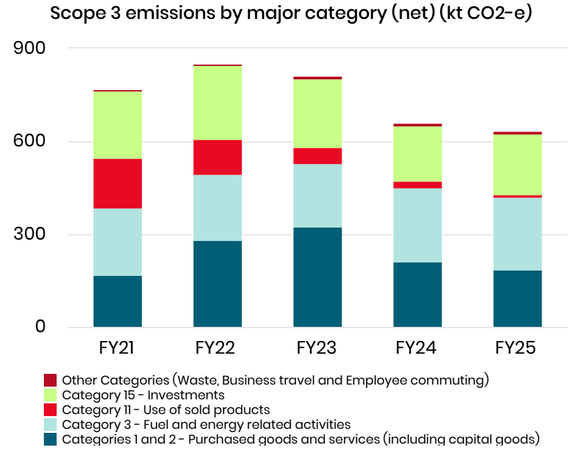


Other minor sources of emissions are Scope 1 emissions due to sulphur hexafluoride leakage and diesel use. We have enhanced the measurement of sulphur hexafluoride emissions. Regular maintenance ensures that the electricity transmission lines we operate remain in good condition, thereby controlling leakage currents.

Scope 3 emissions

Scope 3 emissions make up about a quarter of APA's total gross emissions. These emissions are calculated based on the GHG Protocol Scope 3 Accounting and Reporting Standard. An operational control organisational boundary is applied, which means that assets we own but do not operate are included as a Scope 3 emission source.

Our largest sources of Scope 3 emissions are fuel- and energy-related activities, investments and purchased goods and services (including capital goods). Together, these categories contributed around 97% of our Scope 3 emissions in FY25. Overall, our gross Scope 3 emissions were around 17.5% lower in FY25 compared to FY21. Over FY24 and FY25, we surrendered Australian Carbon Credit Units and Verified Carbon Units on a voluntary basis based on our total business travel emissions.



Refer to the APA FY25 Annual report for more information on our emissions performance and progress in FY25.

[1] Based on FY25 data. Offsets include a combination of voluntary and regulated carbon credits (refer to the APA FY25 Sustainability Data Book for related disclosures).

Engaging with our securityholders

We proactively engage with our securityholders on climate. When refreshing our CTP, we engaged to understand their perspectives, discussing the changing context and how we can continue to enhance our disclosures.

During this engagement, topics discussed included APA's role in Australia's energy transition, our decarbonisation strategy, pathways and progress towards our operational emission targets and goals, and the development of our Scope 3 ambition.

We discussed the role of gas in the energy transition and evolving regulatory landscapes, including mandatory climate-related financial disclosures and other reporting developments.

Insights and feedback from our securityholders have informed the development of this 2025 CTP with key topics summarised in Table 2.

During our engagement, we also received widespread positive feedback on the progress we have made in enhancing our disclosures, particularly in the areas of methane emissions and actions, Scope 3 emissions, carbon pricing, offsets and physical climate risk assessments.

The refresh of our CTP was also informed by our engagement with a range of stakeholders including government and key stakeholders within our value chain (refer p 41).

We will hold a non-binding securityholder vote on this 2025 Climate Transition Plan at our 2025 Annual Meeting.

Table 2. Summary of the feedback received from our securityholders and our response

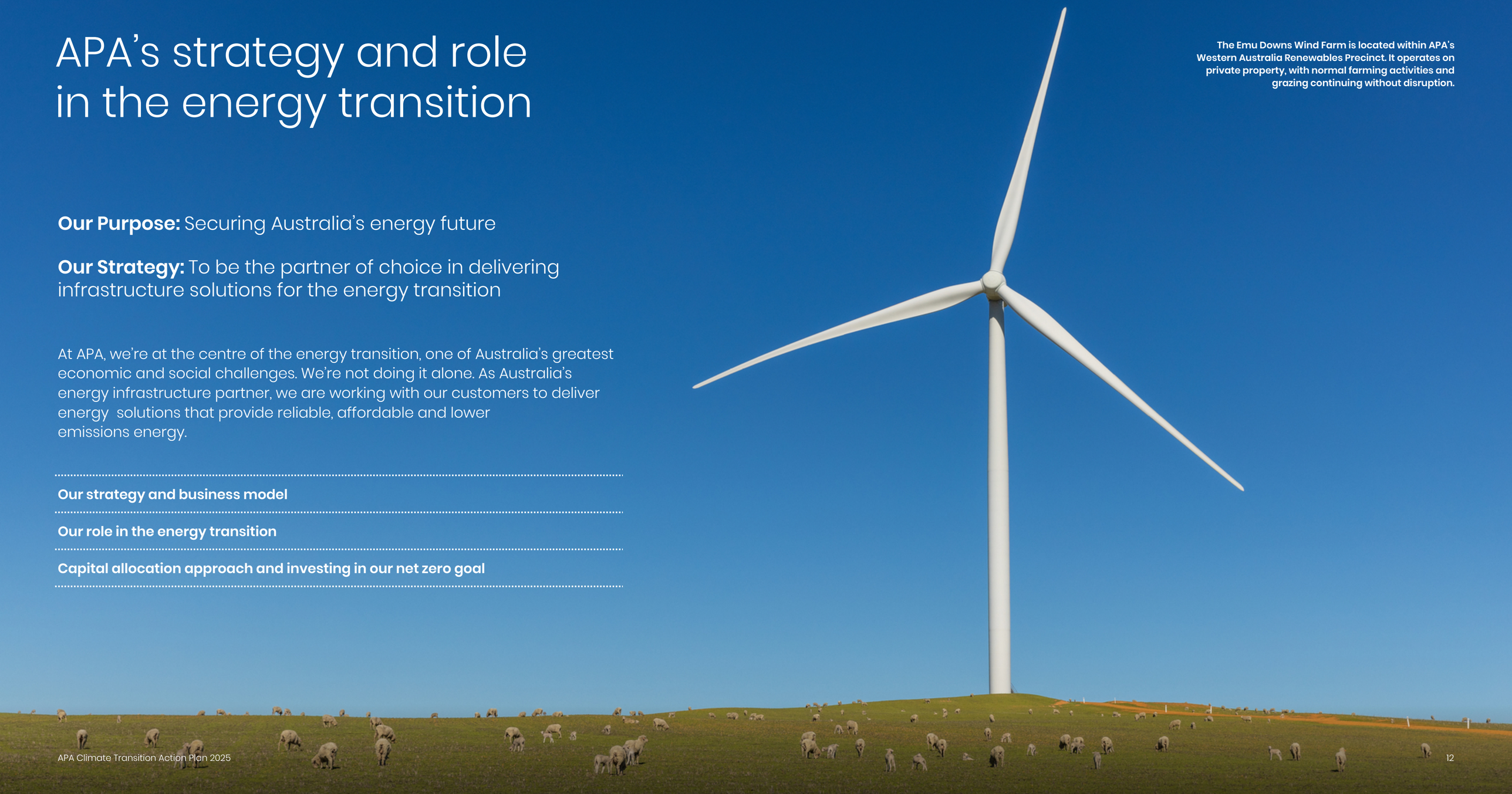
Securityholder feedback topic	Areas where we received feedback from some securityholders	How we considered feedback when developing the 2025 CTP	Related report section(s)
Capital allocation and strategy	Further enhancements can be made to disclosures in relation to capital allocation alignment with the transition and alignment of CTP with strategy.	Further information provided about how APA's strategy and capital allocation considers climate-related transition risks and opportunities. Further metrics will be aligned with mandatory climate-related financial reporting in FY26.	APA's strategy and role in the energy transition; and Governance
Carbon price	Current carbon pricing disclosures are thorough with the opportunity to be enhanced through disclosure of a long-term carbon price.	A long-term carbon price has been developed and is disclosed.	Internal carbon pricing
Offsets	Positive feedback on leading approach to disclosure of offsets. General consensus that there is a legitimate role for offsets in meeting short-term and longer-term targets.	Benchmarked APA disclosures on offsets and noted current disclosures remain comparable with a market-leading approach. We continue to acquire offsets by applying APA's Offset Criteria to guide our procurement and investment in carbon offsets when required.	Our approach to offsets (this report). APA Offset Criteria within the APA FY25 Annual Report.
Value chain emissions	Scope 3 goals should consider the most material categories and cover upstream and downstream emissions. APA's disclosure of end-user emissions is good practice. Climate risks should also consider the value chain.	Our Scope 3 goals focus on material categories and cover upstream and downstream emissions. Material risks in the value chain have been identified.	Scope 3 emissions and goal , and Our broader value chain
Pathways to net zero	Some securityholders noted APA's alignment with a below 2°C Paris Agreement scenario, recognising that country-level plans have evolved, including to address challenges with hard-to-abate sectors. A small number of securityholders have internal policies with portfolio alignment with 1.5°C. International investors seeking further disclosure of regional context.	Our 2030 operational emission targets and goals established in 2022 were informed by benchmarking and assessed to be comparable to the rate of global emissions reductions aligned with the Paris Agreement goal to limit warming to well below 2°C. Aspects of the regional context relevant to APA's strategy and transition plan are disclosed through the report.	Operational greenhouse gas emissions, Transition plan dependencies and impacts
Power generation goals	Some preference for an absolute Scope 1 and 2 goal. If not possible, disclose more about challenges and what would enable an absolute target to be adopted. Explain rationale for any shifting of goals. Enhance disclosure of decarbonisation pathways.	We have realigned our goals so that our long-term goal for our total operational (Scope 1 and Scope 2) emissions, is to be net zero by 2050. Shifts in our goals consider risks and opportunities as disclosed in the report. We have enhanced our decarbonisation pathway disclosures by setting out initiatives being implemented to achieve our 2030 targets and addressing pathways post 2030.	Our refreshed Climate Transition Plan in summary, Our approach to operational emissions , Pathways for gas infrastructure to 2030, Pathways for power generation to 2030 , Net zero pathways for our operational emissions
Gas infrastructure	Widespread expectations that emissions reduction will be stepped and not straight line. Where decisions taken not to pursue large abatement levers before 2030, disclose the reasons and alternatives. Provide more information about the outlook to 2030, including how APA plans to address emissions from organic growth. Provide further detail on post-2030 abatement projects.	Reasons for not progressing with Wallumbilla compressor electrification (a potentially large abatement lever identified in our 2022 CTP) in the short term are addressed with disclosure of alternative abatement planned to achieve our 2030 targets. Emissions associated with announced growth projects are explicitly addressed. Post-2030 decarbonisation pathway enablers being monitored by APA to support progress towards our 2050 net zero goal are addressed. We disclose a change to our approach to annual gas infrastructure emissions reductions previously based on a straight-line trajectory to enable greater transparency on structural abatement. This will result in stepped emissions reductions.	Pathways for gas infrastructure, Pathways for power generation, Our approach to reducing our operational emissions
Methane	Support continued focus on addressing and disclosing methane emissions with securityholders noting qualitative disclosure currently strong. Support our approach to enhanced disclosure of methane emissions and experience with OGMP 2.0 and advocacy.	We will continue to focus on methane emissions measurement and mitigation. This will include work to implement enhanced methane measurements, build our pipeline of methane mitigation initiatives and advocate for sound policy and regulations on methane emissions. APA has developed an enhanced methane reporting method based on international frameworks, including OGMP 2.0 and US EPA part 21.	Our approach to methane emissions management, Methane mitigation and measurement
Risk	Recognition of APA's strong physical climate risk disclosures to date. Further enhancements could include asset-specific physical climate risks and mitigation efforts. Some securityholders are keen to understand portfolio performance within refreshed climate resilience work.	Our physical climate risk disclosure includes additional detail on physical climate risk levels and risk mitigation and management. An updated transition risk and opportunity assessment has been undertaken and confirms APA's portfolio is resilient in the short, medium and long term under a range of transition scenarios.	Physical climate-related risks and adaptation, Transition risk and resilience
Governance	Securityholders maintain their focus on governance, including Board skills matrix and remuneration. One securityholder is seeking climate to be included in long-term incentives in addition to current short-term incentives, which meets most securityholders' expectations.	We address our climate governance, including Board skills, and performance-linked executive remuneration. APA has climate included in short-term incentives. A review of options to include climate in long-term incentives concluded that annual incentives linked to Climate Transition Plan delivery is the most appropriate option for APA at this time due to the importance of focusing executives on the successful delivery of the annual CTP priorities. This approach is consistent with the approach adopted by the majority of large Australian listed entities.	Board oversight and reporting, Executive remuneration linked to climate-related performance
Enabling emissions	While noting there is no standard for disclosure of emissions reductions beyond a company's Scope 1, 2 and 3 emissions, some securityholders see value in explaining that some companies involved in the energy transition will experience a growth in emissions to help enable emissions reductions elsewhere in the economy.	We have identified metrics to contextualise APA's role in the energy transition and help track emissions reductions in the broader economy that we help to enable (to the extent currently possible). We continue to monitor industry disclosure practices in this area.	Emissions reduction we help to enable
Transparency, disclosure	Consistent positive feedback on uplifts to voluntary disclosures and in preparation for AASB S2. In addition, one securityholder group is seeking an annual vote on climate.	We continue to uplift our climate-related disclosures in preparation for mandatory reporting under Australian Sustainability Reporting Standards from FY26. We will hold a non-binding securityholder vote on this 2025 Climate Transition Plan at our 2025 Annual Meeting.	Engaging our securityholders section

APA's strategy and role in the energy transition

Our Purpose: Securing Australia's energy future

Our Strategy: To be the partner of choice in delivering infrastructure solutions for the energy transition

At APA, we're at the centre of the energy transition, one of Australia's greatest economic and social challenges. We're not doing it alone. As Australia's energy infrastructure partner, we are working with our customers to deliver energy solutions that provide reliable, affordable and lower emissions energy.



The Emu Downs Wind Farm is located within APA's Western Australia Renewables Precinct. It operates on private property, with normal farming activities and grazing continuing without disruption.

Our strategy and business model

Our corporate strategy

Our strategy is customer-driven and our solutions primarily target four asset classes that are essential to Australia's energy transition and where we have a competitive advantage. We are protecting the resilience of our business by considering climate-related risks and opportunities.

APA's role in Australia's energy transition will evolve and grow through investments across each of these asset classes and is informed by assessments of our climate-related transition risks and opportunities. This is central to this refreshed CTP.

With Australia's energy transition core to our business, we consider climate-related risks and opportunities to protect the resilience of our business as we grow and run our portfolio of assets. An effective energy transition requires an ambitious but pragmatic approach to delivering reliable, affordable and lower emissions energy.

APA's strategy supports Australia's decarbonisation pathways, which are necessary to meet its country-specific commitments under the Paris Agreement (Figure 1). Key to this is the retirement of coal-fired power generation and introduction of renewable generation, firmed with a combination of short- and long-duration energy storage and GPG capacity.

APA is well-positioned in Australia to play a significant role in developing and deploying energy solutions for our customers during the transition.

Our natural gas assets are strategically integrated in both the east and west coast gas markets. Climate-related transition risks to our gas assets have been assessed to be negligible over the short, medium and long term under climate scenarios addressing global temperature increases ranging from 1.5°C to >2.5°C (refer p 34-35).

Our gas assets are a critical part of the future energy mix, including for the transportation of gas to the firming capacity essential to support the expansion of the renewable energy generation. APA intends to continue investing in core gas infrastructure assets including associated infrastructure to support both our customers and Australia's energy transition.

Successful execution of our strategy and creating value for our securityholders will continue to be underpinned by understanding our customers, anticipating their needs, partnering with them and delivering energy solutions that they value.

Delivering on our strategy

Our three delivery pillars — Our People, Operational Excellence and Creating Value — support the execution of our strategy. Our CTP is embedded within our value creation model, which shows how APA creates value for its people, customers, communities, investors and other stakeholders.

We have incorporated climate into Our People and Operational Excellence delivery pillars, recognising the opportunities to be gained from building capability and culture, and developing and operating our infrastructure more efficiently and with lower emissions. We have also improved our operational planning to include abatement projects and are using the knowledge gained to reduce emissions from new infrastructure projects.

Climate-related performance is part of our executive remuneration structure, with relevant KPIs included in the executive short-term incentive (STI) plan.

Our business model

Our business model enables value creation through developing, owning, investing, managing and operating energy infrastructure assets.

Operating our assets productively and developing an attractive pipeline of near- and long-term growth opportunities is central to how we create value and futureproof our assets for future energies.

For more information on our business model and value creation model refer to the APA FY25 Annual Report.

Growth opportunities for gas infrastructure

APA is committed to growing our portfolio of assets to support our customers and play a role in Australia's energy transition. While this refreshed CTP takes into account organic growth, it is not possible to capture or account for all possible future states or growth opportunities.

Pursuing certain opportunities, for example acquiring a new asset or making enabling investments, would impact our emissions profile and impact on our pathways for achieving our emissions reduction targets. It may also require a higher level of reliance on offsets than is currently reflected in this CTP. In those circumstances, APA would have regard to our established targets and goals in making any relevant decisions, and continue to apply our mitigation hierarchy and offset criteria with respect to addressing any associated emissions impacts.

For more information on how climate and emissions reductions are considered in capital allocation, refer to p 18.

Our role in the energy transition

APA is positioning its portfolio of assets and operations to create value today and in a decarbonised future.

APA has the scale and capability to be the leading provider of bundled energy infrastructure solutions for the remote regions of Australia. We support our remote customers' energy transition and decarbonisation efforts through our ability to develop and operate bundled solutions spanning renewables, natural gas and battery firming, and electricity transmission. We have an extensive pipeline of wind, solar, gas and electricity transmission projects in the Pilbara region, and we continue to invest in remote energy solutions in Queensland and Western Australia.

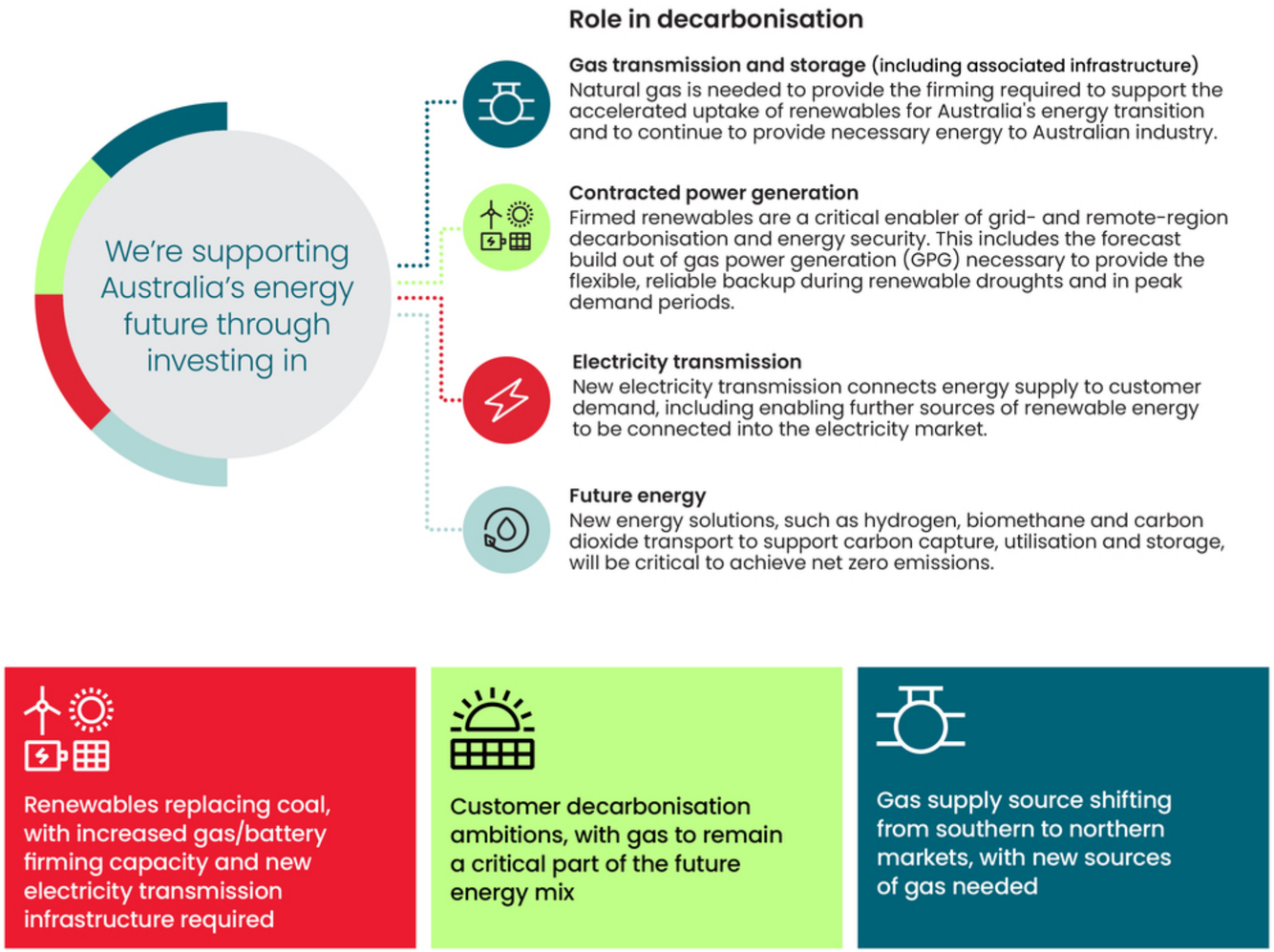
Electricity transmission is a critical enabler for facilitating higher renewable energy penetration in the electricity market. We are well-positioned to support the build-out of new electricity transmission to support our mining and industrial customers in remote areas such as the Pilbara.

We will continue to pursue electricity transmission projects that connect with our existing and growth assets, and which support our ability to meet customer needs.

Our gas transmission and storage infrastructure assets have an important role to play in supporting new gas supply to address forecast market shortfalls and support new GPG needed for Australia's energy transition.

Building on our extensive portfolio of assets and expertise across natural gas, electricity and renewables, we are also investing in future energy and technologies to support APA, customer and national pathways to net zero. Through these initiatives, we have advanced studies regarding how our infrastructure can support future hydrogen transportation and have investigated how biomethane and CO_2 from carbon capture and storage can support decarbonisation.

Figure 1. APA's customer-focused strategy delivers energy solutions that target asset classes that are essential to Australia's energy transition and where we have a competitive advantage



Emissions reductions we help to enable

We aim to track emissions reductions we help to enable by supporting our customers to decarbonise and by contributing to decarbonisation in the broader economy

When developing this refreshed CTP, we investigated a range of methods and metrics that may be used to quantify and track APA's contribution to emissions reduction beyond our Scope 1, Scope 2 and Scope 3 emissions. Methods and metrics addressing Scope 4 emissions were not found to be sufficiently mature to enable us to report on APA's contribution to decarbonisation in the broader economy.

As an interim approach, we make reference to metrics that track the energy transition and our customers' emissions reductions based on publicly available data, to help contextualise APA's role and reflect trends we are contributing to. We will continue to monitor advances in Scope 4 accounting and how companies are leveraging such advances to report their impacts.

Decarbonising the National Electricity Market

As coal power stations retire, GPG will play an essential role in supporting Australia's transition to renewable energy by providing flexible, reliable backup electricity generation during renewable droughts or peak demand periods. This will reduce the emissions intensity of the grid and contribute to economy-wide decarbonisation as sectors electrify.

GPG can also provide essential system security services, which helps to support the grid's transitions to higher levels of variable renewable energy.

We will track the year-on-year greenhouse gas emissions intensity of the National Electricity Market (NEM) (Figure 2a) and the change in the energy generation mix supporting reductions, with a focus on trends in coal, variable renewable energy and gas generation (Figure 2b).

AEMO 2024 Integrated System Plan (ISP) Step Change forecasts indicate further reductions in grid emissions intensity to around 0.1 t CO_2-e/MWh by 2032 (Figure 2a).[1] This trend is largely supported by the forecast growth in variable renewable energy generation, firmed with storage, and backed up by the growth in flexible GPG (Figure 2b).

We will track actual and forecast changes in flexible GPG dispatchable capacity and total GPG gas consumption in the NEM (Figure 2c). The AEMO 2024 ISP Step Change scenario forecasts flexible GPG dispatchable capacity will double by 2044, when compared to 2024.[1] The AEMO 2025 Gas Statement of Opportunities (GSOO) forecasts a long-term increase in gas consumption for GPG.[2]

APA's East Coast Gas Grid Expansion will play a critical role in supporting the flexible GPG needed in the National Electricity Market and addressing supply shortfalls in southern markets. We will track and report trends and forecasts in the aggregated capacity of our East Coast Gas Grid (Figure 2d).[3] We forecast around a 1,000 TJ/d increase in aggregated capacity by 2030 as we deliver incremental expansions of our East Coast Gas Grid to meet customer demand.

Displacing diesel in the Pilbara and enabling emission reductions through future energy

We identified further metrics to help track how APA is enabling emissions reductions in the Pilbara and through our future energy projects, and will seek to report on these when related data is publicly available (Table 3). Information on our future energy projects is provided on page 17, along with details of how our current bundled energy solutions are supporting our mining customers in the Pilbara, and elsewhere, as they decarbonise their operations.

Figure 2. Metrics to track energy mix and emissions trends in the NEM and APA's East Coast Gas Grid capacity

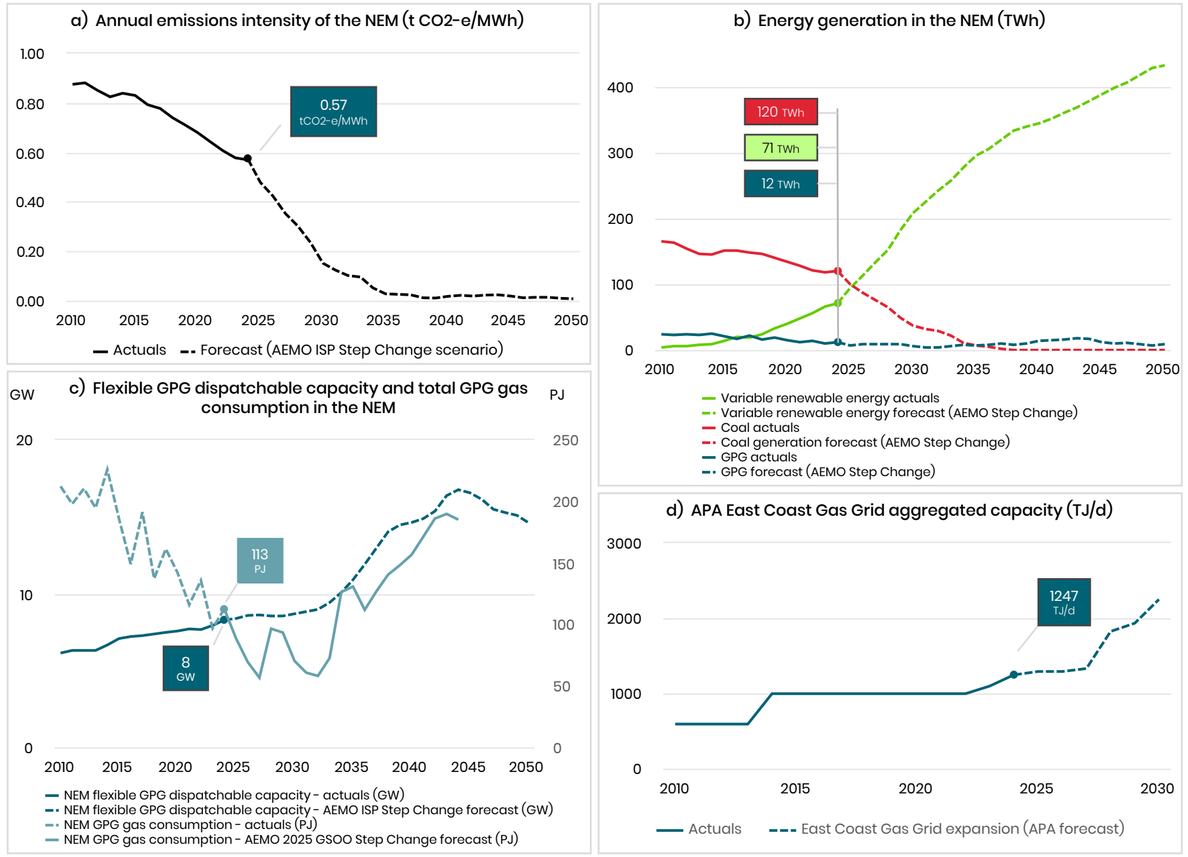


Table 3. Potential future metrics to track how APA is helping to enable emissions reductions in the Pilbara and through our future energy projects

	Potential metrics
Pilbara diesel displacement	• Electricity becoming more renewable • Emissions reduced from electrification • Emissions reduced from energy efficiency
Future energy	• Total CO_2, transported / captured / sequestered • Emissions reductions from renewable gas

[1] Australian Energy Market Operator, 2024 Integrated System Plan for the National Electricity Market, A roadmap for the energy transition, June 2024.
[2] Australian Energy Market Operator, 2025 Gas Statement of Opportunities, March 2025.
[3] Aggregate capacity is the sum of the individual pipeline capacities of SWQP, MSP and VNI.

Secure, reliable and affordable energy

GPG is forecast to play a critical role in supporting Australia's energy transition by providing flexible, reliable backup generation during renewable droughts or peak demand periods.

GPG is expected to remain critical for power system reliability and security out to 2050 and beyond, with this role forecast to trend towards more flexible generation as the share of renewable energy increases (refer to p 15). According to the AEMO 2024 ISP, renewable energy connected with transmission and distribution, firmed with storage, and backed up by GPG is the lowest-cost way to supply electricity to homes and businesses through Australia's transition to a net zero economy.[1] The AEMO ISP notes that investment is urgently needed with new generation, storage and firming to be in place before coal power stations retire and to meet Australia's growing demand for electricity.

The National Electricity Market is forecast to need 15 GW of GPG, including around 13 GW of additional GPG capacity, to ensure the grid remains resilient under a range of power system scenarios and extreme weather events (AEMO 2024 ISP p 69). Despite this, GPG is not forecast to run frequently with a typical gas generator potentially generating only 5% of its annual potential.

The AEMO 2025 GSOO forecasts a long-term increase in gas consumption for GPG, with growing peak day gas volatility in winter (Figure 2c on p 15).[2] The Climate Change Authority 2024 Sectoral Pathways Review similarly indicates natural gas will be required for some time within the electricity and energy sector for firming and backup supply, with ~15 TWh of additional GPG forecast to be required between 2025 and 2035.[3]

In this context, APA has identified emerging growth opportunities to deliver contracted GPG to play an expanded role in a lower emissions energy system in Australia. We are also preparing for the transition to a more strategic and flexible role for gas generation as an increasing share of renewable energy is enabled.

Gas transmission and storage to meet customer needs and supply shortfalls

We expect there to be an ongoing and expanded role for gas transmission and storage infrastructure within the energy transition. This is informed by the Australian Government's Future Gas Strategy, AEMO's 2025 forecasts and supported by our climate-related transition risk and opportunity assessment (refer p 34). Despite a degree of uncertainty related to the scale of gas consumption needed through the energy transition, all scenarios in AEMO's 2025 GSOO identify the need for new gas supply investments to maintain supply adequacy for domestic use and export. Domestic uses include the ongoing role of natural gas to firm renewables and to power essential Australian industries that rely on gas for high-grade heat.

Connecting gas supply to markets

APA plays a critical role in gas transportation across the country, working with our customers to develop the gas transmission infrastructure to deliver gas where it is needed. This includes supporting the gas transmission needed to move gas from northern gas supply to address shortages in southern markets.

Forecast additional power generation needed for Australia's energy transition

GPG

13 GW

of additional GPG capacity is needed in the National Electricity Market through to 2050 to replace retiring generation (AEMO 2024 ISP Step Change scenario)

~15 TWh

of additional GPG generation forecast to be required between 2025 and 2035 within the CCA 2024 Sector Pathways Review (Below 2°C scenario)

We aim to deliver incremental expansions of our East Coast Gas Grid to meet customer demand while delivering strong returns for our securityholders. Through our Five-year East Coast Gas Grid Expansion Plan, we plan to deliver around a 24% increase in north-to-south gas transport capacity and new southern markets storage to help ensure lower-cost and lower emissions domestic gas is available to meet east coast gas demand and support the delivery of new GPG.[2,4] The new Pipeline Expansion Scenario within AEMO's 2025 GSOO shows APA's East Coast Gas Grid Expansion plan (stages 1-4) as deferring forecast gas shortfalls until 2034.

Northern supply options include new supply from fields in the Surat and Bowen Basins and from new basins such as the Beetaloo Basin. The Beetaloo Basin is forecast to be able to deliver lower-cost, lower emissions gas compared to imports and certain other domestic supply sources, and ample capability to efficiently service domestic east coast gas demand.[5] This could potentially be delivered through a new pipeline transporting gas from the Beetaloo Basin to Ballera, through the yet to be designed North Eastern Australian Pipeline (NEAP). However, if the NEAP was to be developed, it is not anticipated it would be completed and operational until after 2030. The potential exists for the Beetaloo Basin to also supply gas, in excess of domestic requirements, to LNG export markets.

In the immediate term, APA will build, own and operate the Sturt Plateau Pipeline (SPP) in the Beetaloo Basin to connect the Shenandoah South Pilot Project operated by Tamboran Resources to APA's Amadeus Gas Pipeline in the Northern Territory. SPP is the first of a number of potential pipeline projects that APA intends to collaborate on with customers to transport gas from the Beetaloo Basin. An estimated ~60% of the Northern Territory's gas supply from 2026 is forecast to come from Tamboran Resources' first pilot gas development.[6] APA continues to work with our customers in relation to core gas infrastructure including associated infrastructure in the Beetaloo Basin to enable delivery of this important gas supply to the Australian markets including the Northern Territory in the immediate term.

The timing and details of further stages of infrastructure development within the Beetaloo Basin will be subject to customer gas production development, approvals processes and market and commercial considerations.

We continue to consider ways to address market needs through our existing gas infrastructure. We address potential emissions from gas infrastructure growth for expected stages of development within our emissions forecasts to 2030 (p 23, 46), and explore potential longer-term net zero pathways (p 27). Options to minimise emissions from new infrastructure are considered within our project planning (p 21) and as part of our investment process (p 13).

Gas infrastructure to support GPG and gas supply

APA continues to develop gas transmission and storage infrastructure to support the additional GPG required to enable the transition of Australia's energy systems. This includes storage pipelines able to store gas when demand is low and release it quickly when needed, such as to support intermittent GPG integrated with renewables. APA also continues to consider enabling investments which would support this development, with a view to reinforcing its strategy across gas transmission and storage.

In FY25, we delivered the Kurri Kurri Lateral Pipeline and gas storage pipeline to supply gas to the New South Wales Hunter Power Project being delivered by Snowy Hydro Limited. By providing dispatchable energy, this project will support the security and stability of the National Electricity Market as the share of renewables increase. The firming GPG provided is forecast to facilitate 1,500–2,000 MW of renewables capacity and avoid about 5.8 Mt of CO_2 emissions per year.[7] Our proposed Brigalow Pipeline Project will similarly supply consistent gas flow to the proposed Brigalow Peaking Power Plant in Kogan, so contributing to Queensland's energy security and reliability as renewables scale up. Our Dandenong LNG storage facility continues to be a crucial asset helping to mitigate disruptions in supply and demand and securing the Victorian Transmission System. The security it provides is key to ensuring the safe and reliable supply of gas in Victoria.

[1] Australian Energy Market Operator, 2024 Integrated System Plan for the National Electricity Market, A roadmap for the energy transition, June 2024.
[2] Australian Energy Market Operator, 2025 Gas Statement of Opportunities, March 2025.
[3] Climate Change Authority, 2024, Sector Pathways Review.
[4] APA Group media release, APA's East Coast Gas Expansion Plan, 24 February 2025.
[5] Australian Energy Producers, 2023, Senate Standing Committee on Environment and Communications Middle Arm Sustainable Development Precinct submissions, 31 October 2023. [Accessed 2 May 2025].
[6] APA Group media release, APA signs project agreements for the development of the Sturt Plateau Pipeline in the Northern Territory, 17 December 2024.
[7] Hunter Power Project - Snowy Hydro [Accessed 2 May 2025].

Supporting our regional customers

APA is well-placed to support decarbonisation in remote regions through our bundled energy solutions.

Some of the largest miners in Australia have committed to cutting their emissions through electrification of their plant and equipment to reduce diesel fuel use.

Our focus is providing reliable, affordable and lower emissions energy solutions that help our customers meet their decarbonisation objectives. We aim to deliver this through bundled energy solutions – that is, renewables supported by battery storage, firming GPG, and gas and electricity transmission.

Our mining customers require the supply of uninterrupted reliable power, even during periods of 'renewables drought' when solar and wind generation drops off. Long-duration energy storage solutions, such as pumped hydro or compressed air storage, are currently not cost-effective options for regions such as the Pilbara. GPG and gas transmission and storage infrastructure will therefore continue to play an important role in firming electricity supply.

North West Power System (NWPS), Queensland

APA has a diverse energy portfolio in the NWPS, an electricity generation and transmission network centred in the Mount Isa region of Queensland, which services surrounding mining operations as well as residents and businesses in Mount Isa and Cloncurry.

Due to its isolation, the NWPS is not currently connected to the National Electricity Market (NEM). The region relies on a local distribution network with centralised GPG and onsite generation for remote mining sites.

APA owns and operates the Diamantina Power Station Complex with gas supplied to the region via our Carpentaria Gas Pipeline. In 2024, we commissioned our 88 MW Dugald River Solar Farm to produce about 12% of the electricity requirements of the NWPS.

Our Pilbara operations in Western Australia

APA's Pilbara energy assets provide a significant growth platform over the long term as our customers in the resources sector continue to grow and decarbonise. Our strategically located assets and development sites include solar, wind, GPG, battery storage and electricity and gas transmission infrastructure (Figure 3).

The decarbonisation of the Pilbara region is critical to Western Australia achieving its net zero ambitions by 2050.[1] The region accounts for about 40% of the state's emissions and around 20% of emissions nationally from facilities covered under the Federal Government's Safeguard Mechanism.[2] The Western Australian Government's Pilbara Energy Transition Plan aims to accelerate a rapid, orderly and equitable transition to renewable energy in the region.[3]

Government forecasts indicate a fivefold increase in electricity demand in the Pilbara by 2050 with 3,400 km of new electricity transmission and 50 GW of new renewable generation and storage needed by 2050.[4 5] About two thirds of forecast electricity demand in the Pilbara in 2050 will be due to the transition away from diesel fuel.[6]

With a 1 GW+ development pipeline of solar, wind and battery storage projects in the Pilbara region, APA is well-positioned to contribute to the regional decarbonisation effort. Having constructed the Port Hedland Solar and Battery Energy Storage System, we are working to deliver other renewable energy solutions to supply lower emissions intensity electricity to our mining customers.

Aligned with our customer-focused approach, we will continue to develop the priority electricity transmission infrastructure needed for the region. In December 2024, the Western Australian Government announced that APA was awarded priority project status to deliver electricity transmission in two of four priority corridors identified for the development of new common-use electricity transmission infrastructure in the Pilbara region. These corridors will play a pivotal role in supporting decarbonisation across the Pilbara.

The Hamersley Range Corridor when completed will connect APA's Port Hedland and Newman Power Stations. This corridor will link the Boodarie Strategic Industrial Area and Port Hedland with the eastern edge of the Hamersley Range, where the majority of the state's iron ore mining is located. The Burrup (Murujuga) Corridor links the Maitland Strategic Industrial Areas, with Karratha and the Burrup Strategic Industrial Area.[7]

APA will continue to deliver innovative energy solutions to meet our customers' requirements and working with First Nations stakeholders. Ensuring reliable, affordable and lower emissions energy will remain a focus for the Pilbara region over the energy transition.

Supporting our customers' future energy needs

APA is contributing to efforts to unlock the innovation and capabilities needed to establish a lower-carbon gas industry in Australia.

Over the last three years, we have explored a range of potential future energy solutions of interest to our customers that have the potential to support the transition to a lower emissions economy. We have focused on supporting customer decarbonisation and research into how to integrate future energy, such as hydrogen, biomethane, and CO_2 from carbon capture and storage (CCS), into our existing and future infrastructure.

Our pursuit of projects that facilitate lower emissions fuels and CO_2 to be transported in existing and related new infrastructure ensures we leverage climate-related transition opportunities and contribute to the resilience of our gas infrastructure assets.

APA will continue to explore and implement innovative solutions that support our customers' future energy needs and decarbonisation plans.

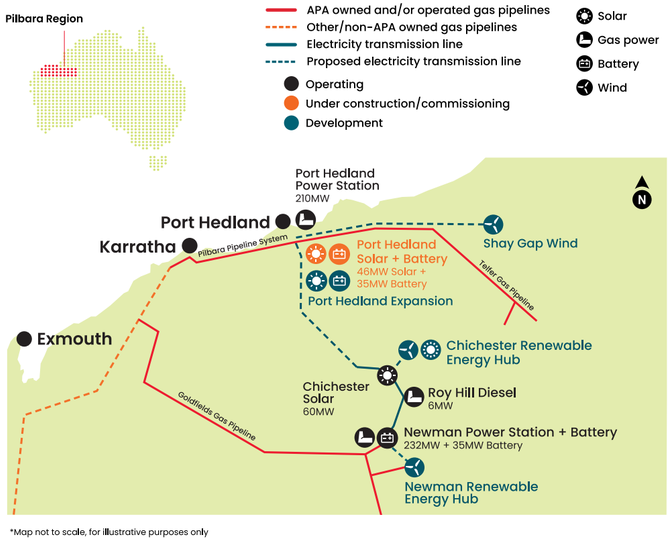
Figure 3. APA's energy infrastructure and 1 GW+ development pipeline in the Pilbara

Contracted renewables
60 MW operating solar, **35 MW operating battery** and **~1 GW+ development pipeline** of wind, solar and battery storage[1,2,3]

Gas-power generation
442 MW operating gas generation with an additional **60 MW development pipeline**[1,2]

Electricity transmission
>200 km operating transmission lines with an additional **>600 km development pipeline**[1,2]

Gas transmission
APA's gas transmission assets include the **216 km Pilbara Energy Pipeline** and the **1,378 km Goldfields Gas Pipeline** which connects the Pilbara and Kalgoorlie and includes a 47km lateral to Newman Power station. APA also manages the 443km Tefler Gas Pipeline)



*Map not to scale, for illustrative purposes only

[1] Government of Western Australia, The role of industry in the Pilbara Energy Transition, accessed 22 April 2025.
[2] Government of Western Australia, The role of industry in the Pilbara Energy Transition, accessed 22 April 2025.
[3] Government of Western Australia, Pilbara Energy Transition Plan, accessed 22 April 2025.
[4] Government of Western Australia, Pilbara Electricity Modelling Report – Stakeholder Summary, December 2023.
[5] Government of Western Australia, Sectoral emissions reduction strategy for Western Australia, Pathways and priority actions for the state's transition to net zero emissions, December 2023.
[6] As cited with the APA FY24 Climate Report, p 50-51.
[7] Designated Priority Projects will receive a state government recommendation to be considered for concessional financing under the Australian Government's Rewiring the Nation program, administered by the Clean Energy Finance Corporation.

Capital allocation approach and investing in our net zero goal

APA will continue to balance infrastructure delivery to support Australia's energy transition and our customers' decarbonisation plans with the decarbonisation of our own operations.

We will also continue to invest in delivering our CTP commitments, while remaining financially disciplined in how we allocate capital to growth and emission reduction projects, in line with our securityholders expectations.

Considering climate within our capital allocation framework

Climate-related criteria are considered within APA's growth investment processes for both inorganic and organic growth capital. The approvals process involves our Investment Committee with decision-making as required by the APA Board.

Prospective major capital investment opportunities are screened against APA's strategy, risk appetite, climate transition plan and execution, and operational capabilities. This process is supported by applying climate-related investment guidance criteria and associated due diligence checks.

The risk assessments for investment opportunities include the consideration of our CTP commitments and climate-related physical and transition risks and opportunities. When evaluating investment opportunities, where relevant, we assess carbon-related costs. Where relevant, we also assess options to minimise emissions associated with investment opportunities.

Investing to progress to our targets and goals

APA's investment in renewable energy and battery storage supports progress towards our emissions intensity goal for power generation as well as supporting our customers' decarbonisation plans. Progress towards our power generation goals will continue to be predominantly investment-led, funded by growth capital. Expenditure will be announced at the time of Final Investment Decision on each individual project. We forecast a cumulative investment of $1.3 billion over FY23-FY28 in growth capital for power generation, with around $340 million expended over FY23-FY25.

Decarbonisation activities outlined in this 2025 CTP are costed and addressed within our budget planning.

In our 2022 CTP, the cost of our gas infrastructure emissions reduction initiatives was estimated at approximately $150 to $170 million over the period FY23–FY30 with expected outlays for compressor electrification, methane abatement and the acquisition and surrender of offsets and LGCs. This did not include operational and capital costs associated with enhanced methane measurement, and subsequent increases in capital costs for the Wallumbilla compressor electrification initiative.

We are providing a revised investment forecast in this refreshed 2025 CTP informed by:

- our updated pathways analysis to achieving our 2030 operational gas infrastructure and methane targets
- comprehensive assessments of the costs and benefits associated with our abatement initiatives and enhanced methane measurement work
- inclusion of corporate and offset project delivery and investment costs.

Our revised cumulative cost to implement gas infrastructure emissions reduction initiatives over the FY23-FY30 period is forecast to be around $280 million, including around $44 million expended over FY23-FY25. Forecast costs for future years to FY30 are subject to further work to refine the costs estimates for other opportunities, such as those in pre-concept project development stages (refer p 21).

This revised investment forecast includes capital and operating expenditure for:

- gas infrastructure abatement initiatives
- continuing to investigate other opportunities to expand our emissions reduction pipeline
- enhanced methane measurement
- purchase of LGCs to address our 100% renewable electricity procurement commitment
- the development of offset projects
- acquisition of carbon credits to address residual obligations under the Safeguard Mechanism
- acquisition of voluntary offsets based on our total business travel emissions
- program management costs.

Our internal carbon price is applied to emission avoidance and reduction projects as well as projects and decisions where relevant.

Internal carbon pricing approach

The Safeguard Mechanism has established the ACCU price as the carbon investment signal across the industrial sector. This has supported increased maturity in the ACCU market through a clear demand signal. We have updated our carbon pricing approach to align with the ACCU price and have removed our abatement premium.

APA has adopted an internal carbon price based on published market forecasts of ACCU prices available to FY35,[1] with longer-term prices assumed to grow at 2% above inflation, based on the rate of growth referenced for the Safeguard Mechanism cost containment measure.[2]

This carbon price forecast will be updated periodically to reflect updated independent market analysis and in response to any regulatory changes.

In addition to using internal carbon pricing forecasts within cost-benefit analysis for abatement initiatives, we assess the extent to which such initiatives help support progress towards our emissions reduction targets and goals. We currently also consider and apply carbon-related costs when assessing investment opportunities, where required and relevant.

APA's internal carbon price

We apply our internal carbon price when assessing abatement initiatives and options to minimise emissions associated with new infrastructure.

Internal Carbon Price, AUD real per t CO_2-e				
FY25	FY30	FY35	FY40	FY50
41	65	98	108	132

[1] Market-leading, independent ACCU price forecast as at June 2025.
[2] Under the Safeguard Mechanism cost containment measure, Safeguard facilities that exceed their baseline may be eligible to buy ACCUs from the Clean Energy Regulator. The price is set at $75 in 2023-4 and indexed in future financial years by the Consumer Price Index (CPI) plus 2% each year; Managing excess emissions | Clean Energy Regulator.

Operational greenhouse gas emissions

Diamantina Power Station is a modern, high-efficiency gas-fired power station, providing reliable, on-demand electricity to the Mount Isa region in Queensland. It is part of the North West Power System that services the needs of community and industrial customers.

Scope 1 and Scope 2 emissions from our operated assets

We remain committed to our existing headline 2030 targets and goals. Our modelling shows a path to achieving our gas infrastructure 2030 target and power generation 2030 goal, despite challenges and our planned growth to support Australia's energy transition.

Enhanced methane emissions measurement and mitigation remains an important focus area, as we continue to implement direct methane measurements, build our pipeline of methane mitigation initiatives and advocate for sound policy and regulations on methane emissions.

Pathways to achieve our net zero by 2050 operational emissions goal are less certain and will depend on technological advances, improved commercial viability and supportive policy, regulatory and market settings.

Our approach to reducing our operational emissions

APA prioritises emissions avoidance and reduction as levers to achieve structural abatement, in line with our emissions mitigation hierarchy. We consider new and emerging technologies, and our net zero plans are aligned with our strategy, capital allocation and decision-making processes.

Prioritising structural abatement

We expect to meet our 2030 gas infrastructure and methane targets based on our emission forecasts, which consider announced growth projects, portfolio changes and emissions avoidance and abatement opportunities.

We will continue to prioritise structural abatement in preference to the surrender of carbon offsets, with the final proportion of abatement to be achieved being dependent on our ability to execute projects at a reasonable cost (Figure 4). Opportunities for structural abatement may be limited with respect to certain projects or investments, in which case offsetting would play an enhanced role in addressing emissions. Our internal carbon price guides decision-making on whether there are reasonable grounds to pursue specific emissions avoidance and reduction opportunities.

Our gross emissions reduction trajectory will take a stepped rather than a linear path given the nature of structural abatement initiatives. We also intend to only surrender offsets to meet our obligations under the Safeguard Mechanism from FY25 onwards. In this context, and to support enhanced alignment of expenditure on structural abatement, we will retire our linear emissions trajectory for our gas infrastructure, which necessitated the annual surrender of voluntary offsets. This enables the prioritisation of investment in direct initiatives that achieve structural abatement.

We forecast that we will achieve our 2030 gas infrastructure target through our structural abatement initiatives and the surrender of offsets primarily to address our obligations under the Safeguard Mechanism. Offsets beyond those required under the Safeguard Mechanism will be surrendered with respect to a gap to our 2030 target remaining at 2030.

Vehicle emissions account for less than 0.25% of APA's total Scope 1 emissions. The deployment of electric vehicles in Australia, and availability of a suitable charging network in the areas we operate in, has not occurred at the pace we had originally envisaged. We have assessed the likely availability in Australia of suitable mid-sized pick-up and commercial electric vehicles. This assessment has identified that suitable vehicles will be unavailable by 2027. Given our fleet contract period, this would not support the transition of our fleet within the envisaged timeframe. We are therefore retiring our 100% zero direct emission vehicle fleet 2030 goal. We will continue to monitor the commercial electric vehicles market and review available vehicles at the end of lease. Vehicle emissions will be addressed under our overall targets and goals.

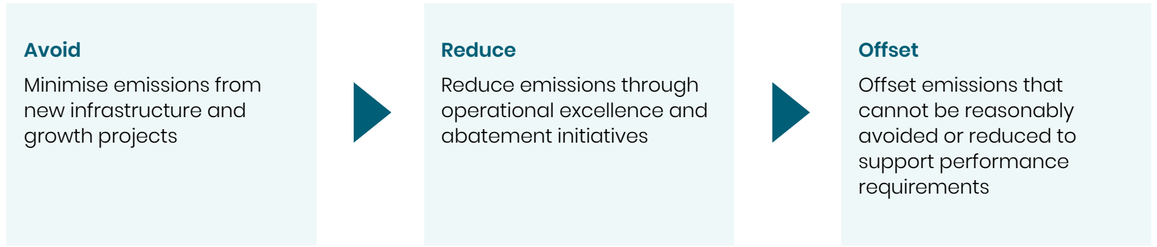
Compliance with regulatory frameworks

Continued compliance with regulatory frameworks such as Australia's Safeguard Mechanism supports alignment with Australia's Nationally Determined Contribution, which in turn supports progress towards the objectives of the Paris Agreement.

APA's Goldfields Gas Pipeline, South West Queensland Pipeline and Newman Power Station were covered by the Australian Government Safeguard Mechanism in FY24 and have been subject to declining facility baselines under the scheme. Our Diamantina and Port Hedland Power Stations are also covered under the Safeguard Mechanism by a sectoral baseline. The scheme sets the pace of emissions reductions for covered facilities with a declining baseline requiring Australian Credit Carbon Units (ACCUs) or Safeguard Mechanism Credits (SMCs) to be surrendered for any above-baseline emissions from these facilities.

Consistent with our CTP, and where it is reasonable to do so, we are prioritising emissions avoidance and reduction to meet Safeguard Mechanism baselines. Where abatement is not 'reasonable' (e.g. where abatement is technically or commercially challenging), we use offsets that meet our clearly defined Offset Criteria.

Figure 4. APA's emissions mitigation hierarchy



Our approach under the Paris Agreement

Our 2030 targets and goals for operational emissions were established in 2022, informed by benchmarking, and with the rate of emissions reduction assessed to be comparable to the rate of reduction to global emissions aligned with the Paris Agreement goal to limit warming to well below 2°C. Our approach to target- and goal-setting was guided by reviewing and considering approaches and scenarios within widely referenced reports, including the Intergovernmental Panel on Climate Change Sixth Assessment Report, the International Energy Agency Net Zero by 2050 Roadmap and Science Based Target initiative (SBTi) guidance. Refer to our 2022 Climate Transition Plan page 25 for further details on this approach.

We continue to support Australia's contribution to global efforts under the Paris Agreement, enshrined in the 2022 Climate Change (Net Zero Future) Act, with Australia's actions being guided by relevant authorities and plans, including the Australian Energy Market Operator's Integrated System Plan and Gas Statement of Opportunities, and the Climate Change Authority's proposed Sectoral Emissions Reductions Plans.

While there remains no universal standard or region-specific sectoral decarbonisation approach for determining alignment with Paris Agreement goals, there has been expanding insight into sectoral pathways to support Australia's contribution to global efforts. The Climate Change Authority's 2024 Sector Pathways Review highlights the different decarbonisation pathways of each sector of the economy and considers interdependencies between sectors. The review notes that natural gas will be required for some time for firming and backup supply within the electricity and energy sector, and to support abatement levers within some hard-to-abate sectors such as iron and steel.

The SBTi does not currently provide a pathway for midsteam gas transportation companies to set validated targets. We will continue to monitor approaches to independently validate science-aligned targets.

Our approach to offsets

We will surrender ACCUs or SMCs for any above-baseline emissions from our covered facilities with declining baselines under the Safeguard Mechanism. Beyond the use of offsets to meet regulatory obligations, we will consider surrendering offsets where a gap exists to our 2030 gas infrastructure target. We may need to also consider an enhanced role for voluntary offsets in in respect of growth projects or enabling investments in some circumstances, such as where they have limited structural abatement opportunities. Additionally, we will surrender offsets based on our total business travel emissions.

APA's Offset Criteria, designed to guide our procurement and investment in carbon offsets when required, is published in the APA FY25 Annual Report. We aim to build a diverse portfolio of offsets, prioritising projects that offer broader social and / or environmental benefits and have independent verification through recognised national/international standards.

We have enhanced the level of detail of our disclosures related to offsets since our first Climate Report release, with information on our use of offsets included in our FY25 Sustainability Data Book. We transparently disclose details of the offsets surrendered, including project name, type of credit, abatement method and volume surrendered.

Lower emission options for new gas transmission infrastructure

We are designing our gas transmission systems to have lower emissions.

Minimising and avoiding emissions from new infrastructure and growth projects is a focus area for APA. We assess lower emission options when designing our gas asset infrastructure and consider preferred options in our investment decision-making processes (refer p 18).

After identifying opportunities to design out emissions, we undertake technical and commercial feasibility assessments. We consider our CTP commitments, including our internal carbon price, and evaluate cost recovery opportunities and risks, including the willingness of customers to pay, when assessing the feasibility of options.

Compressor electrification

We are focused on installing electric drive compressors when delivering new projects where technically and commercially feasible to do so.

In FY25, we commissioned an electric motor drive compressor as part of the Kurri Kurri Lateral Pipeline Project. This will reduce emissions from this compressor, as well as enabling broader emissions reductions through supporting Snowy Hydro Limited's delivery of gas-powered generation to the National Electricity Market (refer p 16).

As part of the proposed East Coast Grid Expansion (refer p 16), we are assessing the case to install an electric motor drive compressor station at Uranquinty Compressor Station, with access to and cost of electricity to support this installation being important considerations.

Minimising methane emissions

We continue to consider a range of methane abatement technologies as we design new infrastructure. Engaging with leading technology providers, we also assess the feasibility of technologies such as vent recompression, dry gas seals and the installation of valves with low-bleed controllers or instrument air systems.

Refer to the Spotlight on methane mitigation and measurement section of this report for more information on methane mitigation technologies.

Other lower emission options

Water bath heaters and other gas-fired heaters are integral parts of our gas transmission pipeline systems. They deliver heat to offset cooling caused by pressure changes that could lead to pipeline fracture or gas that does not meet our customers' specifications. In the case of large pipelines and gas storage bottles, such heaters may be a material source of the emissions associated with a gas infrastructure project.

New technologies are emerging, such as hybrid water bath heaters and ground heat recovery, and have the potential to minimise emissions for future projects.

Minimising emissions from electricity transmission

The loss of electricity due to line losses is the main source of emissions from our electricity transmission infrastructure. The initial planning and design phase of greenfield infrastructure presents the greatest opportunity to avoid transmissions system losses.

In FY25, we adopted a guideline to support avoiding electricity transmission line and system losses for all new greenfield assets. The guideline aims to establish loss reduction as a specific project objective, identifying opportunities for minimising transmission line losses that will also consider the return on the investment case.

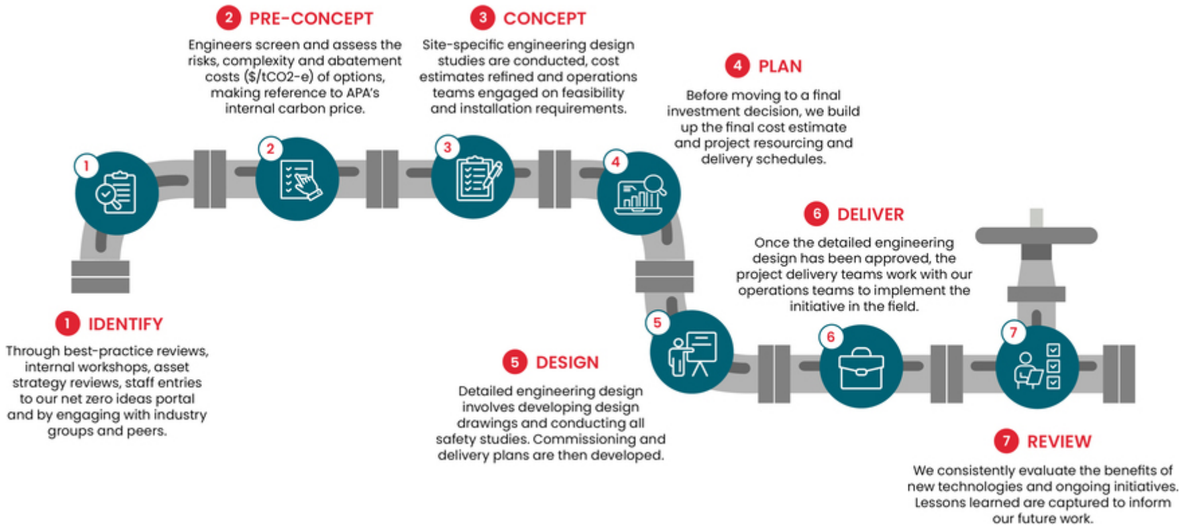
For operating electricity transmission assets, we continue to focus on addressing non-line loss emissions by procuring 100% renewable electricity. We do this by surrendering LGCs to address Scope 2 emissions associated with grid electricity use, so reducing over 98% of our reported operational electricity transmission emissions compared to our FY21 base year. Other minor sources of emissions from our electricity transmission operations are Scope 1 emissions due to sulphur hexafluoride (SF_6) leakage and diesel use.

We will continue to measure SF6 emissions from the electricity transmission assets we operate and to undertake regular maintenance to minimise the potential for leakage.

Building our emissions abatement pipeline for gas infrastructure

We achieve progress towards our operational gas infrastructure and methane emission targets by implementing a portfolio of abatement projects, and by continuing to build our pipeline of abatement opportunities through embedded project development processes.

Figure 5. We continue to expand our gas infrastructure emissions reduction pipeline by investigating and progressing abatement opportunities through our project development process.



Pathways for gas infrastructure to 2030

Our pipeline of abatement projects will support progress towards our 2030 target even as we grow to support our customers and Australia's energy transition.

Progress to date

Our target is to reduce our operational gas infrastructure emissions by 30% by 2030 (FY21 base year).

Since releasing our 2022 CTP we have:

- achieved a 6.5% gross emissions reduction and a 13.3% net reduction (including offsets)[1]
- achieved a 22.3% gross emissions reduction excluding emissions from growth assets and including non-reportable methane abatement
- developed and implemented compressor fuel gas optimisation models to achieve fuel gas reductions
- procured 100% renewable electricity through surrendering LGCs
- completed compressor electrification technical and commercial assessments
- reached a final investment decision on Wallumbilla compressor electrification project
- commissioned an electric motor drive compressor station as part of the Kurri Kurri Lateral Pipeline Project
- undertaken direct methane measurements and engineering studies to enhance our understanding of methane emission sources
- assessed the abatement and feasibility of additional emissions avoidance and reduction opportunities
- prioritised for implementation initiatives that leverage technically- and commercially-viable technologies.

This process has refined and enhanced our emissions reduction roadmap.

Our roadmap to 2030

Our pipeline of emissions reduction projects and committed investment provides a pathway to our 2030 target and contributes to our long-term net zero operational emissions goal (Figure 6 on p 23). Key actions are:

- abating methane emissions by implementing a portfolio of initiatives, including compressor methane recovery and valve and compressor seal upgrades (refer p 24)
- reducing combustion emissions by continuing to apply our compressor fuel gas optimisation models to assist our Integrated Operations Centre (IOC) operators to drive fuel gas reduction
- procuring 100% renewable electricity. We will continue to reduce our Scope 2 emissions by acquiring and surrendering LGCs
- progressing work on other opportunities to expand our abatement pipeline (Figure 5 on p 21).

We identified compressor electrification in our 2022 CTP as a material opportunity to support our 2030 target. Our subsequent assessments have concluded the electrification of compressors already in operation to be challenging commercially in the short to medium term.

A business case for the installation of a new electric motor drive at Wallumbilla compressor station was developed. Following the review of the detailed business case, in FY25 the project was assessed as currently unviable. This was due to it being significantly net present value (NPV) negative with our internal carbon price applied and with exposure to further cost uncertainty associated with replacing fuel gas with electricity brought to the site.

The decision was made taking into consideration securityholder views and a concurrent assessment of other more financially viable abatement opportunities across our gas infrastructure network, principally relating to methane emissions and compressor fuel efficiency. We will monitor signpost indicators for when this project may be viable and continue to improve our knowledge of the technology through new project applications.

Our projected pathway to our 2030 target is shown in Figure 6. FY21 base year emissions and related historical performance shown are adjusted for acquisitions, divestments and methodology changes to provide a comparative view for our operational emissions for continuing operation.[2] We do not adjust our base year emissions and performance for growth projects such as the Northern Goldfields Interconnect project, expansion of our East Coast Gas Grid and the development of the Sturt Plateau Pipeline in the Northern Territory.[3] Emissions associated with organic growth are estimated within our 2030 target pathway.

We will seek to avoid emissions by considering lower emission technologies in all new assets where commercially, technically and operationally viable to do so and will seek further emission reductions to continue our path to achieving our 2030 targets. Where opportunities for structural abatement or other reductions are limited, we may however need to consider an enhanced role for offsets in addressing relevant emissions.

Over FY26-FY30, we forecast a reduction in base year emissions as a result of re-baselining to reflect anticipated portfolio changes.[4] Emissions reductions are planned to be delivered through an expanded number of methane abatement initiatives, and through compressor network efficiency and ongoing procurement of 100% renewable electricity by surrendering LGCs. Other abatement opportunities will continue to be investigated and progressed.

Compressor network efficiency supports emissions reductions by reducing the amount of fuel gas we use to operate our compressor stations. Fuel gas and emissions reductions are being achieved on the South West Queensland Pipeline (SWQP), Goldfields Gas Pipeline (GGP) and the Moomba Sydney Pipeline (MSP) through embedded processes, tools and engineering guidance to inform our Integrated Operations Centre (IOC) team's decisions.

We forecast a 30% reduction in our operational gas infrastructure emissions by FY30. The uncertainty range shown reflects our assessment of risk factors when delivering abatement initiatives related to changing gas throughput and operational constraints (refer to page 46 for pathway assumptions). When emissions associated with growth are excluded, we estimate a 55.1% reduction in FY30 relative to FY21.

In Figure 6 structural abatement is currently forecast to contribute about half of the emissions reduction forecast by FY30 with the balance being from offsets surrendered to meet our Safeguard Mechanism obligations or in the circumstance where a gap to our 2030 target remains. With structural abatement being prioritised, our forecasts will continue to be updated, including to reflect:

- progress achieved through our abatement pipeline
- changes to growth forecasts.

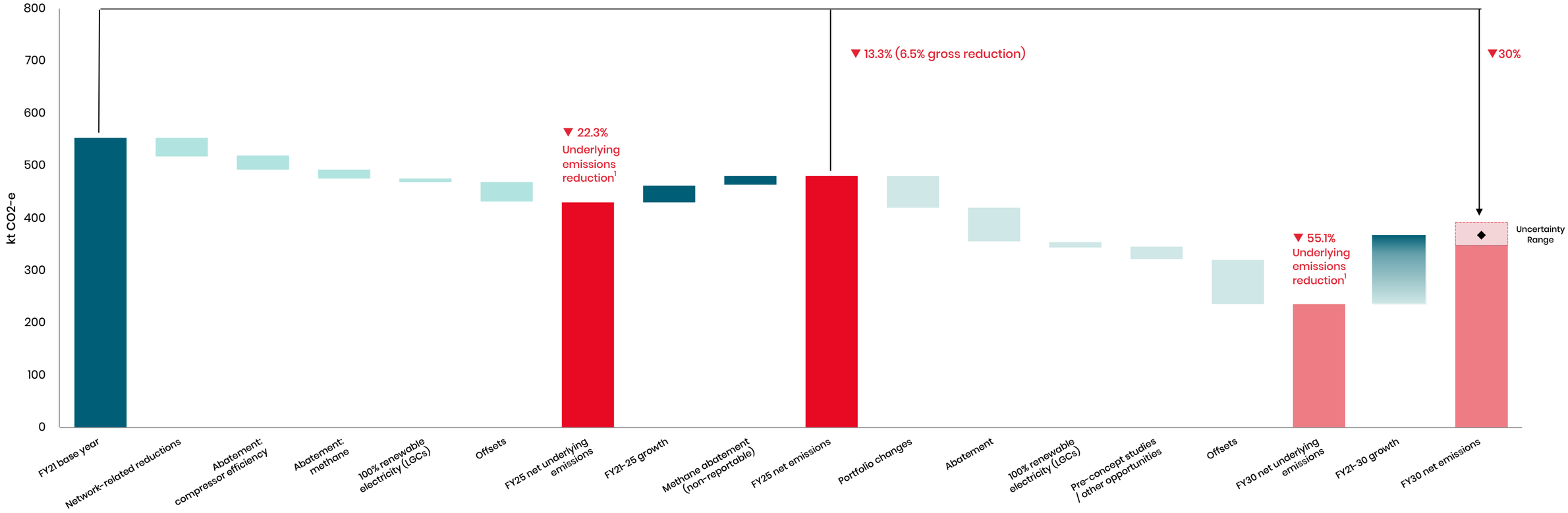
We recognise that the changing context for the Australian energy transition, and the evolving role of APA's portfolio, may affect the growth forecasts and potential pathway as outlined in this CTP. Notably, new projects and enabling investments may require changes to our planning and, particularly where there are limited opportunities for structural abatement, they may necessitate an enhanced role for offsetting in addressing relevant emissions. For more information on the impact of growth for this CTP refer to p 13. For more information on how climate and emissions are considered as part of APA's capital allocation process refer to p 18.

Methane re-baselining, informed by our direct methane measurements, is not yet accounted for in our pathway. We expect refinements to reportable methane emissions to help support the path to our 2030 gas infrastructure and methane targets.

More information on our methane emissions abatement initiatives is provided on p 24, with our process to identify, investigate and progress new abatement opportunities outlined on p 21. Refer to the APA FY25 Annual Report for an update of progress made in FY25.

[1] Based on FY25 data. Offsets include carbon offsets surrendered to address regulatory obligations under the Safeguard Mechanism and voluntary offsets based on our business travel emissions and to meet our gas infrastructure operational emissions straight-line trajectory (refer to the APA FY25 Sustainability Data Book for related disclosures).
[2] Refer to the APA FY25 Greenhouse Gas and Energy Methodology Report for our re-baselining approach.
[3] East Coast Gas Grid Expansion Plan, Sturt Plateau Pipeline (SPP) project
[4] Portfolio changes refer to potential developments that alter APA's emissions inventory boundary, for example divestments.

Figure 6. Projected pathway to our 2030 target for operational gas infrastructure emissions



Notes

- Our projected pathway shows how we will achieve our 2030 target. It takes into account potential uncertainties related to delivering our abatement initiatives. The uncertainty range reflects our assessment of risk factors when delivering abatement initiatives related to changing gas throughput and operational constraints. Aligned with our emissions mitigation hierarchy, we will prioritise the delivery of this structural abatement to reduce our reliance on the use of offsets.
- Growth refers to emissions from growth investments, e.g. ECG expansion stage 1 and 2, Kurri Kurri and NGI in FY21–FY25, and forecast growth FY26–FY30. There is a complex interaction between growth and emissions abatement and offsets. This means that the underlying emissions[1] outcome of a 22.3% reduction in FY25 and 55.1% in FY30 may have been lower if growth projects were not delivered. Growth forecasts may also change over time as APA identifies and pursues new opportunities, which in turn may require a rebalancing of our reliance on emissions abatement and offsets. Any increase in our reliance on offsets that became necessary would be aligned with our emissions mitigation hierarchy and Offset Criteria. Refer to p 13 for information on the impact of growth for this CTP and p 18 for information on how climate and emissions are considered with respect to capital allocation.
- Network-related reductions are emissions reductions from changed operations, principally lower overall fuel gas usage for compression due to demand and associated changes in compressor operations.
- Forecast abatement over FY25–30 includes compressor methane recovery and valve and compressor seal upgrades (refer p 24).
- Methane re-baselining, informed by our direct methane measurements, is not yet accounted for in our pathway. We expect refinements to reportable methane emissions to help support the path to our 2030 targets (refer p 25).
- Refer to page 46 for further assumptions underpinning our gas infrastructure emissions pathway.

[1] Underlying emissions refers to emissions excluding emissions associated with growth and including non-reportable methane abatement and offsets.

Our approach to methane emissions management

Methane emissions remain a focus area as we continue to implement enhanced methane measurement and a portfolio of abatement initiatives towards achieving our 2030 target, and advocate for sound policy on methane emissions.

Progress to date

In FY23, we introduced a 2030 methane target to reduce our operational methane emissions by at least 30% by 2030 compared to the FY21 base year.

Since releasing our 2022 CTP we have:

- reported a 3.1% increase based on regulatory reporting emissions in FY25 compared to FY21
- achieved a 3.9% reduction in FY25 compared to FY21, including non-reportable methane abatement[1]
- embedded Methane Guiding Principles through our Methane Action Plan
- completed direct methane measurements on five assets, and developed and applied our enhanced methane measurement method to three assets[2]
- delivered a portfolio of methane emissions abatement initiatives, including valve upgrades and compressor seal upgrades
- assessed all valves with high-bleed controllers, identifying values to be upgraded by FY27
- commenced upgrading valves and completed the design of further valves to be upgraded in FY26
- completed initial suitability assessments for each of our compressors, identifying compressors for potential methane recovery installation, with engineering studies and delivery planning to pilot methane recovery at compressor stations in FY26
- advocated to the Federal Government for improved methane measurement methods for regulatory reporting.

Our Methane Action Plan addresses four areas consistent with the Methane Guiding Principles:

- Measure: Improve the accuracy of methane emissions data and increase transparency.
- Mitigate: Continually reduce methane emissions from APA operated assets.
- Mobilise: Encourage action by APA non-operated assets and advance performance across gas value chains.
- Advocate: Promote sound policy and regulations on methane emissions.

Path to our 2030 methane target

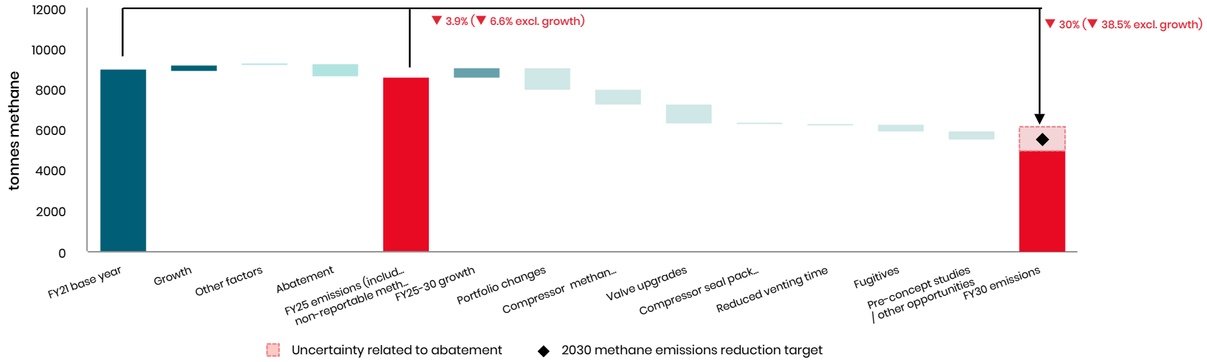
Our projected path to achieving our 2030 operational methane emissions target is shown in Figure 7. Over FY25–FY30 our base year methane emissions are forecast to reduce due to:

- re-baselining to reflect anticipated portfolio changes
- the implementation of a portfolio of abatement initiatives.

We project these reductions will provide a path to achieving our methane target of a 30% reduction by FY30 compared to FY21 despite future growth. When emissions associated with growth are excluded, we estimate a 38.5% reduction in methane emissions by FY30 relative to FY21.

A number of our abatement initiatives target vented emission sources, which were identified to be approximately 70% and a significant contributor based on our methane measurements. Opportunities exist to improve our methane mitigation when refurbishing our existing gas infrastructure assets.

Figure 7. Projected pathway to our 2030 target for operational methane emissions



Vented emissions are primarily from equipment designed to vent, such as process control valves, compressor unit seals and compressor start/stop valves. This intentional venting was typically the design practice when the assets were first commissioned. Initiatives being rolled out to address vented sources include compressor methane recovery, valve upgrades, compressor seal upgrades and measures to reduce venting time.

Fugitive methane emissions from equipment leaks were found to be approximately 10% and a comparatively smaller source associated with above-ground facilities. The minimal occurrence of fugitive methane sources reflect the overall integrity of our pipelines. Fugitives are addressed through leak detection and repair referencing the APA Leak Management Protocol introduced in FY24. Incomplete combustion emissions are estimated to compromise about 7% and non-routine emission 13% of the total.

Other methane abatement opportunities continue to be investigated and progressed through our project development processes (refer p 21). Challenges to achieving our 2030 methane target include reducing our emissions, while growing to address the needs of customers and market demand, and the technical and commercial viability of low emission technologies.

The uncertainty range shown in Figure 7 reflects uncertainties related to the implementation of our abatement initiatives. Uncertainties are related to lead time, component costs and site-specific operational risks encountered when implementing abatement projects. We will continue to manage and report on risks within our emissions reporting.

Some of the methane abatement achieved is currently unable to be reported under NGER due to available reporting methods.[3] We do, however, refer to this 'non-reportable methane abatement' when assessing past emissions reduction performance and when forecasting pathways towards our 2030 target. We will continue to advocate for the Australian Government to adopt changes to regulatory reporting methodologies for methane.

We have not yet re-baselined our methane emissions across our portfolio based on our direct methane measurements. We expect future refinements to reportable methane emissions informed by such measurements to support the pathway to achieving our 2030 methane and gas infrastructure targets.

[1] Based on FY25 data and including all methane abatement, including methane abatement that is currently unable to be reported under NGER methods.
[2] In FY23, high spatial resolution aircraft surveys were conducted on the Goldfields Gas Pipeline, South West Queensland Pipeline (SWQP) and Moomba Sydney Pipeline. In FY24 and FY25, enhanced methane measurements, including aerial Gas Mapping LiDAR surveys, ground-level measurements and engineering calculations, were undertaken for the SWQP, Mondarra Gas Storage and Processing facility (MSF) and Eastern Goldfields Pipeline (EGP). Enhanced methane measurements are disclosed for the SWQP, MSF and EGP within the FY25 Annual Report and Sustainability Data Book.
[3] Methane abatement achievements not accounted for within APA's existing regulatory measurement techniques, which are based on National Greenhouse and Energy Reporting Method 1. We refer to this as 'non-reportable methane abatement'.

Spotlight on methane mitigation and measurement

Methane mitigation

Methane emissions mitigation remains a focus area for APA, as we continue to implement our portfolio of abatement initiatives.

Valve upgrade

Control valves release natural gas to ensure the safe regulation of system pressure and flow. We are reducing control valve methane emissions by an estimated 80 to 100% by upgrading valves with high-bleed controllers to have low-bleed controllers, or converting them to instrument air systems.

In FY25, we completed a comprehensive assessment of all valves with high-bleed controllers across our gas transmission portfolio, evaluating their suitability for upgrade or conversion.

We identified valves with high-bleed devices that are to be upgraded to lower emission options by FY27.

Compressor methane recovery

Centrifugal compressors vent methane to maintain equipment integrity and reliability, so ensuring the safety and productivity of our operations. Methane is released when compressors start up and shut down, with ongoing emissions from seal gas systems.

We established technical practices to minimise start-up emissions and undertook scoping work on methane recovery from shutdowns and seal gas systems. We have considered options to use the methane recovered for onsite power generation or to inject it back into our pipelines.

We completed an initial suitability assessment for each of our compressors and have identified compressors suitable for the installation of methane recovery technology by FY30. In FY25, we progressed plans to pilot methane recovery from FY26.

Compressor seal upgrades

We have a nationwide program to replace traditional rod packing with ultra-low emissions packing using solid rings to significantly reduce emissions from our reciprocating compressors.

We completed compressor seal upgrades across most of our major facilities to reduce seal leakage and abate emissions. Compressor seals have been installed on around three-quarters of our reciprocating compressor units with the remaining units, which operate less frequently and produce less emissions, to be scheduled for upgrades in line with maintenance plans starting from FY26.

We continue to collaborate with reciprocating engine vendors on methane abatement opportunities, and are investigating the installation of zero static seal emissions and pressurised hold for our reciprocating compressors that operate more frequently.

Methane measurement and reporting

Our enhanced methane measurements will strengthen APA's emissions inventory accuracy and abatement plans.

We are progressing enhanced methane measurements to improve the accuracy of the methane emissions data for our gas infrastructure assets. To date, this has included ground level measurements, aerial surveys, activity data and engineering calculations. Our aerial surveys have used leading-edge Gas Mapping LiDAR and other technology across some of our major gas transmission pipelines and storage infrastructure.[1] These enhanced methane measurements have increased our understanding of methane emission sources across our gas infrastructure portfolio, supporting targeted abatement initiatives, improved abatement forecasts and the understanding of emissions across our portfolio.

APA has developed an enhanced methane reporting method based on international frameworks, including OGMP 2.0 and US EPA part 21. For the first time, we have reported assured enhanced methane measurement data using this method for three assets separately within our FY25 Annual Report (Climate Report section) to show the results of the measurements and abatement achieved.[2]

Comparison with our NGER reporting method shows that, under our enhanced methane reporting approach, methane emissions are lower on our Mondarra Gas Storage and Processing facility and our Eastern Goldfields Pipeline (which does not have compression). Emissions are comparatively higher on our SWQP (which has compression facilities). Across our entire portfolio, based on extrapolation of the results and engineering assessment of data on other assets, we believe our emissions are likely lower than what is currently reported under the NGER scheme. However, further measurement work is required to confirm this. We expect to reflect these results in our voluntary methane inventory and re-baseline for a changed methane reporting method from FY26 onwards.

We will continue to progressively implement our enhanced methane reporting method and include it in our annual voluntary methane inventory. Our enhanced methane reporting method will enable abatement to be included in our voluntary methane inventory to support achievement of our 2030 methane target.

We assessed the option of adopting an international methane reporting framework while continuing to report to the Australian regulator under its compliance scheme. The costs associated with longer-term dual reporting, and the intention of the Australian government to review methane reporting methodologies, led to APA's decision not to commit to an international framework. Valuable lessons from piloting the OGMP 2.0 measurement and reporting framework have been incorporated into our approach. We will continue to advocate for uplifted methane reporting methodologies by the Australian regulator.

Installation of a new valve with a low-bleed digital valve controller at our Moomba hub.

Our methane measurement campaigns apply international frameworks and approaches to detect and measure fugitive, vented, incomplete combustion, and non-routine methane emissions.

Helicopter-based gas mapping LiDAR surveys show that most emissions come from sources emitting less than 3 kg of methane per hour, emphasising the contribution of small, dispersed sources.

[1] In FY23, high spatial resolution aircraft surveys were conducted on the GGP, SWQP and MSP. In FY24 and FY25, enhanced methane measurements, including aerial Gas Mapping LiDAR surveys, ground level measurements and engineering calculations, were undertaken for the SWQP, Mondarra Gas Storage and Processing facility (MSF) and Eastern Goldfields Pipeline (EGP).
[2] Enhanced methane measurements are disclosed for the SWQP, MSF and EGP within the FY25 Annual Report and Sustainability Data Book.

Pathways for power generation to 2030

There remains a pathway to achieving our 2030 goal. We will monitor this as we continue to expand our renewables portfolio and commit to the new GPG essential to firming renewables.

Progress to date

Our interim goal is to reduce our operational emissions intensity by 35% by 2030 compared to the FY21 base year, with customer-focused investment in renewables.

Since releasing our 2022 CTP we have:

- achieved a 11.6% decrease in emissions intensity[1]
- implemented optimisation projects at our Diamantina Power Station to identify potential system improvements to reduce the emissions intensity of our generation
- constructed and commissioned the Dugald River Solar Farm at Mount Isa in Queensland and Port Hedland Solar and Battery Project in Western Australia
- expanded our Pilbara operations through a strategic acquisition and commenced developing our 1 GW+ renewables pipeline to support our mining customers' energy and decarbonisation plans.

Progress towards our 2030 operational emissions intensity goal for power generation will continue through operational efficiencies at our gas power generators and through our investments in our pipeline of potential renewable projects to meet customer demand.

We have implemented optimisation projects at our Diamantina Power Station. The projects have focused on identifying ways to optimise the dispatch of the solar and thermal assets to minimise how much solar generation is curtailed due to thermal generation constraints.

Emerging growth opportunities to deliver contracted flexible GPG to support Australia's energy transition may mean a reduced decline in our power generation emissions intensity as we contribute to decarbonisation by customers and within the broader economy (refer to p 15).

Path to our 2030 goal

Our current power generation emissions intensity forecast indicates that there is a pathway to achieving our 2030 goal (refer Figure 8). We will continue to monitor this pathway as we respond to opportunities relating to new GPG and renewable energy projects.

Our investment in power generation assets includes the build-out of renewables as part of remote-grid bundled energy solutions. The Alinta Energy Pilbara portfolio acquisition in November 2023 included a renewables-focused development pipeline of 1 GW+ of solar, wind and battery storage, 95 MW of natural gas firming and 600 km of electricity transmission.[2]

Over the past three years, our remote-grid renewables build-out has included the commissioning of the Dugald River Solar Farm within the North West Minerals Province in FY23 and the construction and commissioning of the Port Hedland Solar and Battery in the Pilbara in FY25.

Supporting the decarbonisation of mining in the Pilbara through renewables, firming and electricity transmission remains a priority, with updated forecasts indicating a pipeline of potential projects in the Pilbara and with customer engagement having been advanced.

Further opportunities have also been identified in the Mount Isa and Kalgoorlie mining regions.

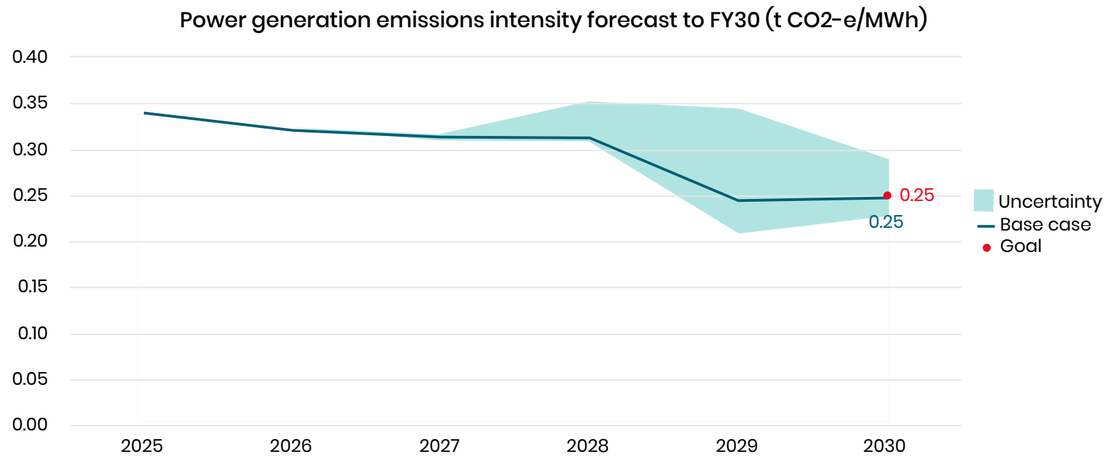
The important role of gas in the energy transition is now clearly recognised.[3] [4] [5] Flexible GPG will support Australia's transition to renewable energy by providing reliable backup during renewable droughts and peak demand periods. AEMO's Step Change scenario forecasts the need for 13 GW of additional GPG capacity due to growth and the retirement of existing generation. AEMO projects that the demand for gas consumption by GPG will double over the period to 2043.

The Climate Change Authority (CCA) 2024 Sectoral Pathways Review indicates approximately 15 TWh of additional GPG will be required between 2025 and 2035 aligned with its below 2°C climate transition scenario.

Noting the time taken to plan and deploy GPG, the CCA urges forward planning to identify whether firming generation is to be deployed so that it can be established in time and at the required scale to enable timely closure of coal power, without slowing the deployment of renewables and storage.

In this context, APA has identified emerging growth opportunities to deliver contracted flexible GPG on the east and west coast. This growth will underline APA's role in the transition to a lower emissions energy system in Australia. The transition of GPG to more flexible generation and longer-term decarbonisation pathways for GPG are addressed on pages 15 and 27.

Figure 8. Projected pathway to our power generation emissions intensity 2030 goal



[1] Based on FY25 data.
[2] Renewables-focused development pipeline at the time of the Alinta Energy Pilbara portfolio acquisition, which has subsequently been significantly expanded by APA.
[3] Australian Energy Market Operator, 2024 Integrated System Plan for the National Electricity Market, A roadmap for the energy transition, June 2024.
[4] Climate Change Authority, 2024, Sector Pathways Review.
[5] Australian Energy Market Operator, 2025, Gas Statement of Opportunities, March 2025.

Net zero pathways for our operational emissions

Our long-term goal is for our operational emissions to be net zero by 2050.

Net zero pathways for power generation

Our refreshed CTP shifts the time horizon of our operational power generation and electricity generation net zero goal from 2040 to 2050, so that our long-term goal is for our total operational portfolio to be net zero by 2050. This time horizon is consistent with the CCA's electricity and energy sector pathways for a less than 2°C world.

Decarbonisation pathways for GPG will depend on the nature and timing of improvements in technology readiness and commercial viability, and supportive policy, regulatory and market settings.[1] [2] The CCA notes that open cycle gas turbines (OCGT) are currently a widely deployed technology in Australia, with many modelling exercises forecasting a continuing role for this technology through to 2050. Although new gas turbine projects may be developed with provision for hydrogen blending and eventual conversion to hydrogen firing, the deployment of 100% hydrogen gas turbines are commercially challenging.

APA is taking a proactive approach by investing in renewable energy and battery storage within our bundled energy solutions to offer our customers affordable, reliable and lower emissions energy. Over the energy transition, as the share of renewables increase, we expect to progress the transition of our GPG to more flexible generation to support firming requirements (refer to p 15).

APA will continue to assess potential decarbonisation pathways for GPG and monitor enablers supporting such pathways (Table 4). The timelines indicate potential timeframes for pathways becoming more viable.

Net zero pathways for gas infrastructure

Longer-term decarbonisation pathways to support our net zero goal are more uncertain with regulatory, market and technology shifts required to achieve significant abatement of combustion emissions and deeper cuts in methane emissions.

Pathways depend on a range of factors, including operational, commercial and technological viability of identified levers, and supportive policy, regulatory and market settings. We will continue to assess potential pathways and their likely implementation timeframes, and to monitor enablers (Table 4).

As gas basins develop to meet domestic and regional gas demands within the energy transition, we expect gas infrastructure growth opportunities to emerge for APA in the next decade. Due to the inherent uncertainty associated with gas basin development, we do not disclose long-term emissions estimates associated with these opportunities. Our scenario analysis completed using our gas market model considers future gas developments at a total East Coast Gas Grid level to support our resilience analysis, noting that these are scenarios and not a forecast of the future (refer p 34).

We anticipate that new projects would generally be subject to the Safeguard Mechanism, which manages the net decline of emissions at industrial sector level, and be integrated into the Government's emissions sector pathways plans. We expect the Australian Government's 2035 national emissions reduction target and the associated sector decarbonisation plans will set the pace of decarbonisation across the Australian economy. In some circumstances though, APA may need to consider an enhanced role for offsetting in relation to its net zero by 2050 goal.

Table 4. Pathway enablers being monitored by APA to support progress towards our 2050 net zero goal

Pathways	Pathway enablers	APA's monitoring of opportunities and enablers
Methane abatement: Deeper methane abatement supported by technology improvements and enhanced commercial viability and ability to account for reductions within emissions reporting. Methane emissions reduction will also be supported by compressor electrification and renewable gases. 2025 2030 2035 2040	Direct methane measurement and reporting	• Methane measurements service and technology providers • Methane reporting method consultation with the Federal Government and regulatory changes • Methane detection technology advances
Compressor electrification: Combustion emissions addressed through electrification. Technology exists at scale, but commercial viability is challenging due to the remoteness of many of our compressor stations and existing commercial arrangements. 2025 2030 2035 2040	Emerging technologies / increasing technological readiness	• Customer appetite for cost sharing • Commercial mechanisms related to climate costs • Electricity costs include renewable electricity certificates
Renewable gases: Biomethane either piped directly to compressor stations for direct combustion, or in future, potentially injected into the pipeline system elsewhere under a market-based mechanism. 2025 2030 2035 2040	Technology and renewable electricity / fuels cost reductions	• Renewable gas market method consultations with the Federal Government and regulatory changes • Renewable gas value chain development • Renewable gas certificate market prices and customer appetite for cost sharing
Compliance offsets: Mechanism in place that continues to provide a structure for major emitters to address emissions to meet regulatory obligations by using high-integrity carbon offsets. 2025 2030 2035 2040	Emissions reduction / carbon investment signal	• Offset market developments and regulatory frameworks supporting offset integrity and credibility
Carbon capture and storage (CCS): Capture and storage of emissions from Closed Cycle Gas Turbine (CCGT) plants to reduce net emissions. 2025 2030 2035 2040	Commercial cost recovery mechanisms	• CCS industry development
Full conversion to green hydrogen: Convert GPG plants to run on green hydrogen where supply is available through gas pipelines capable of transporting and storing 100% hydrogen. 2025 2030 2035 2040	Renewable gas industry development	• OEM technology roadmaps • Policy signals and/or customer demand for green hydrogen
	Supportive policy settings	

[1] Australian Government Future Gas Strategy, May 2024.
[2] Climate Change Authority 2024 Sector Pathways.

Value chain greenhouse gas emissions

Basslink is a critical electricity interconnector between Tasmania and Victoria. It enables each state to import energy from the other during periods of high demand, or low hydro generation in Tasmania.

APA is committed to engaging and collaborating with our customers, partners and suppliers to reduce our value chain emissions

Scope 3 emissions and goals

Our new Scope 3 emissions goals will sharpen our focus and drive our future activities.

Progress to date

Since releasing our 2022 CTP, we have:

- improved our Scope 3 data accuracy and transparency, including changing to new emissions factors to more accurately represent APA's Scope 3 emissions
- surrendered voluntary offsets based on our total business travel emissions and achieved annual reductions in our Scope 2 and Scope 3 emissions associated with electricity, by procuring 100% renewable electricity
- undertaken a deep-dive assessment and quantification of Scope 3 emissions reduction opportunities across all APA's Scope 3 categories
- engaged with suppliers in our material Scope 3 categories (Categories 1, 2, 3 and 15) to improve APA's understanding of their emissions reduction plans and inform development of APA's sustainable procurement framework
- shared our expertise in compressor efficiency and methane emissions measurement and reduction with the operators of our non-operated assets.

These efforts informed and supported the development of our Scope 3 goals.

Our Scope 3 emissions

Scope 3 emissions represent the indirect greenhouse gas emissions that occur because of APA's business activities, originating from sources that APA does not directly control.

APA defines its Scope 3 emissions in alignment with the Greenhouse Gas (GHG) Protocol's Scope 3 Standard. The GHG Protocol classifies Scope 3 emissions into upstream and downstream emissions:

- Upstream emissions are indirect emissions that occur in the value chain prior to APA's operations. These include emissions associated with the production and transport of purchased goods and services, capital goods, fuel and energy-related activities, waste generated in operations, business travel, and employee commuting.
- Downstream emissions are indirect emissions related to products sold, and emissions unrelated to products (e.g. leased assets, franchises and investments).

APA's Scope 3 emissions include emissions associated with the electricity transmission and upstream extraction, production and transmission of gas that APA acquires for its operations. APA's Scope 3 emissions also include the indirect emissions from the gas transmission services it provides, where APA does not own or sell the gas transported through its infrastructure. Emissions from the use of transported gas are not included within APA's Scope 3 operational boundary as these emissions are gas producer and retailer Scope 3 emissions.

In FY25, our gross Scope 3 emissions were 636 kt CO_2-e, contributing about 24% of APA's total gross Scope 1, Scope 2 and Scope 3 emissions (Figure 9). Our largest sources of Scope 3 emissions are fuel- and energy-related activities (Category 3), purchased goods and services (including capital goods) (Category 1 and 2) and investments (Category 15). Together these categories contributed around 97% of our Scope 3 emissions (Figure 10). We have focused on these categories when identifying priority areas for targeted emissions reduction initiatives.

Our Scope 3 goals

In 2022, we commenced our Scope 3 emissions reduction journey by assessing the materiality and relevance of Scope 3 categories and reporting estimated emissions for the first time. In FY23 and FY24, we established focus areas to guide our actions towards reducing our Scope 3 emissions.

From FY23, we took action to surrender voluntary offsets based on our total business travel emissions and procured 100% renewable electricity through surrendering LGCs to address emissions from upstream grid-sourced electricity. We continue to support the surrender of voluntary offsets for business travel emissions and 100% renewable electricity procurement as our short-term actions.

We now announce new Scope 3 goals for 2030 and note that, as part of our role in the energy transition, we are working towards a Scope 3 net zero ambition by 2050 (Figure 11).

We established two specific medium-term goals for 2030 focused on actions we can take with a view to reducing material sources of emissions in our value chain. APA's Scope 3 goals are based on what we can reasonably achieve given our degree of influence within areas of our value chain, both upstream and downstream. We cannot achieve these goals alone and delivering Scope 3 emissions reductions depends on the decisions and actions of third parties, particularly where we do not have operational control. The risks and contingencies associated with our new goals are detailed in the 'Risks and dependencies' section.

In the longer term, our desire is to work collaboratively with our customers, suppliers, governments, regulators and other stakeholders and make progress in areas within our influence to contribute to a lower-carbon future for Australia. We have identified actions we can take to bring us closer to a net zero ambition in respect of our Scope 3 emissions.

Figure 9. APA's gross emissions by Scope (FY25)

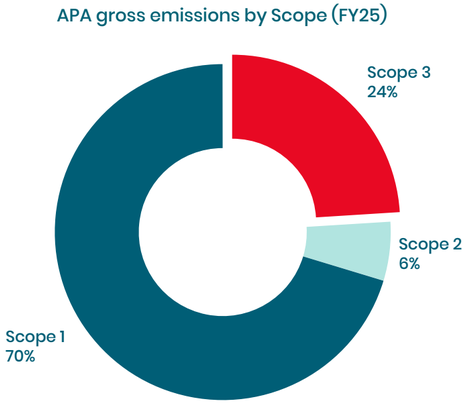
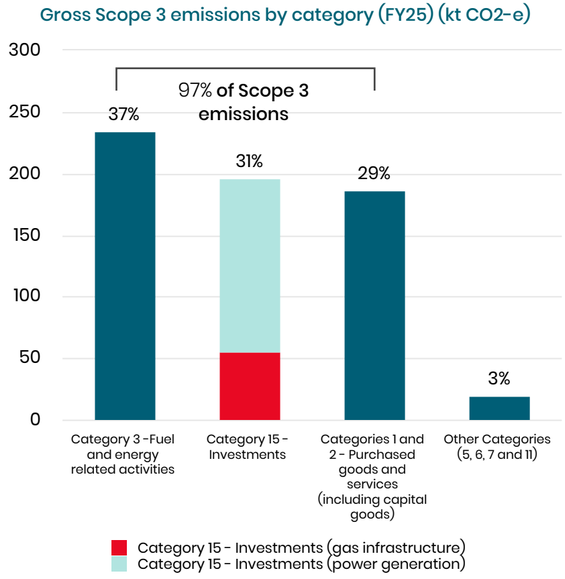


Figure 10. APA's Scope 3 gross emissions by category (FY25)



Pathways to our medium-term Scope 3 goals

By 2030, APA will engage with our suppliers covering at least 50% of Category 1 and 2, by spend, to support these suppliers to set a net zero goal.[1]

Emissions in Category 1 and 2 are the third largest source of our Scope 3 emissions and represent 29% of APA's Scope 3 total.[2] APA's goal is to engage suppliers representing at least half of our procurement spend in these categories by 2030. We currently estimate that from this group of suppliers, those with net zero goals make up around 14% of our total Category 1 and 2 spend. We will leverage our relationships with our key suppliers to increase net zero ambition across the broader economy.

We are prioritising suppliers based on their emissions profiles and will engage first with those suppliers that represent the largest share of our Category 1 and 2 emissions. This includes certain suppliers of our steel, solar, turbines and construction activities.

Our goal is to achieve a 20% reduction for Category 15 gas infrastructure emissions by FY30[3] (FY21 base year).

Emissions from gas infrastructure we own but do not operate represents 28% of the total emissions in Category 15. In FY25, these emissions have reduced by 20.5% compared to our FY21 base year, though we continue to observe some fluctuations in emissions based on market dynamics.

Emissions from the operation of the Victorian Transmission System (VTS), which is owned by APA but operated by AEMO, make up the majority of our Category 15 gas infrastructure emissions. Some reductions have already been realised through APA's completion of the Western Outer Ring Main (WORM) in 2023.

Given regulatory arrangements associated with some assets, future Access Arrangement processes are one mechanism for consideration of emissions reduction activities within operational planning and investment.

We are also collaborating with asset operators to support their emissions reduction plans. We are specifically leveraging our expertise in compressor efficiency and methane emissions measurement and reduction to support these operators.

Our strategy emphasises active engagement and partnering to facilitate emissions reductions. While we cannot guarantee emissions reductions will be achieved, based on our own experience we believe that emissions reductions are possible and that our efforts to work with the operators of our assets will support the delivery of our goal.

Key action areas are:

- Identify emissions reduction initiatives for consideration in the next Access Arrangement period for the Victorian Transmission System (VTS).
- Work with the operators of our assets, including with AEMO and SEA Gas, to support them to deliver emissions reductions by sharing our own knowledge and experience.

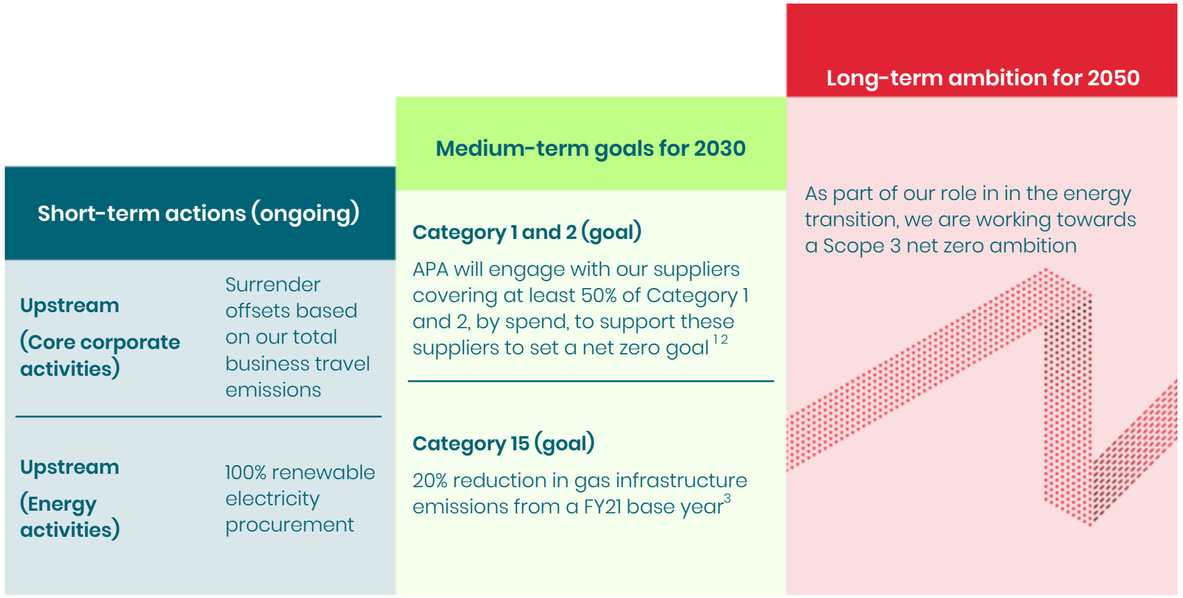
Risks and dependencies

We acknowledge several inherent risks and dependencies related to Scope 3 emissions reduction efforts that may impact APA's ability to achieve its medium-term goals and work towards a Scope 3 net zero ambition in the long term. APA does not have direct operational control over Scope 3 emissions sources, meaning that achieving reductions requires extensive collaboration, engagement, submissions to access arrangement processes, and influence across the value chain. The effectiveness of these actions depends on the willingness and capability of suppliers and third-party operators to align with APA's emissions reduction objectives.

Emissions from the infrastructure we own but do not operate are heavily influenced by gas market dynamics, and as such, there is a level of variability in net emissions year to year and any decrease over time is unlikely to be linear. Increases in gas demand or future gas market changes, which includes uncertainty associated with gas infrastructure inorganic growth, may impact the ability of operators of our assets to achieve sustained emissions reductions. New projects or enabling investments in any non-operated infrastructure would also impact on Scope 3 emissions and may impact on APA's achievement of the emissions reduction goal for Category 15.

Similarly, continuous improvement in emissions data accuracy relies heavily on active participation and transparency from suppliers and operators in our value chain. APA continues to address these challenges through stakeholder engagement, targeted initiatives to enhance data accuracy, and collaborations designed to secure the alignment and commitment needed to achieve substantial emissions reductions across our entire value chain.

Figure 11. Scope 3 short-term actions, medium-term goals and long-term ambition



[1] Category 1 and 2 relates to purchased goods and services, including capital goods.

[2] Net zero goal or equivalent covering operational emissions.

[3] Category 15 relates to our investments, with this goal specifically addressing emissions from gas infrastructure we own but do not operate.

[1] Our engagement goal relates to suppliers' net zero goals.
[2] Based on data for FY25.
[3] 20% reduction at the end of FY30.

Our broader value chain

APA operates within both gas and electricity value chains.

APA's electricity assets, which include solar, wind, battery storage and GPG, generate electricity for distribution to end-users. Our electricity transmission and interconnector assets facilitate the transport of this electricity, along with electricity from other producers, to commercial, industrial and residential consumers (Figure 13).

Our gas infrastructure includes gas processing, storage and transmission assets that process and transport natural gas from producers to end-users, encompassing a range of downstream industries.

Beyond APA's Scope 3 emissions, our broader value chain comprises both upstream and downstream participants that interact with our infrastructure and services. Upstream, this includes third-party electricity generators and gas producers whose energy APA transports. Downstream, our value chain includes a wide range of end-users who consume the electricity generated and the gas transported via APA's infrastructure.

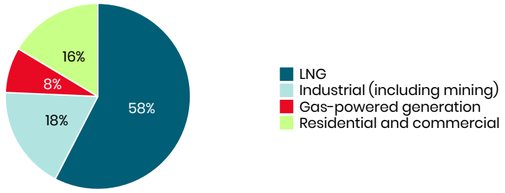
We categorise downstream consumers aligned with Australian Energy Market Operator's classifications: Commercial, Residential, Industrial (including mining), Liquified Natural Gas (LNG) and GPG. These downstream sectors use the electricity APA generates and the gas APA transports and represent the final stage of APA's broader value chain.

Emissions from the use of transported gas

Emissions result from the end-use of the natural gas that we transport through our gas transmission networks, noting that APA neither owns nor sells this gas directly to consumers. A substantial proportion of this gas is for Australia's LNG industry, with the remaining gas consumed by industrial sectors (including mining), and by commercial and residential end-users and GPG (Figure 12).

Emissions from the use of transported gas were 62.8 Mt CO_2-e in FY25, which is lower than in FY21 due to lower volumes of gas delivered.

Figure 12. Sectors using the gas APA transports[1]



We continue to enhance our understanding of the use of our transported gas to better support industrial consumers as they undertake their own energy transition. Consistent demand for Australian LNG exports is forecast to at least 2035 due to long-term contracts and the strategic role LNG plays in the Asia-Pacific region's energy security and decarbonisation plans.[2]

Residential and commercial gas demand is forecast to reduce due mainly to electrification and fewer new gas connections.[3] Demand for GPG is projected to grow to maintain grid reliability as the share of renewables increases.

Natural gas remains important for Australian industry, particularly for heating and chemical feedstocks. Decarbonising these processes will require alternatives such as hydrogen, biomethane and CCS, which currently lack sufficient scale and affordability.

The mining industry is looking to electrify their operations as a long-term decarbonisation strategy. As global demand for critical minerals is forecast to increase across all IEA scenarios[4], investments in Australian mining activities will continue to rise.[5] This forecast increase in demand must be matched by supply of firmed renewable electricity as the sector expands and simultaneously electrifies. This poses a challenge to the sector due to the remote nature of mining.

Our mining and manufacturing customers

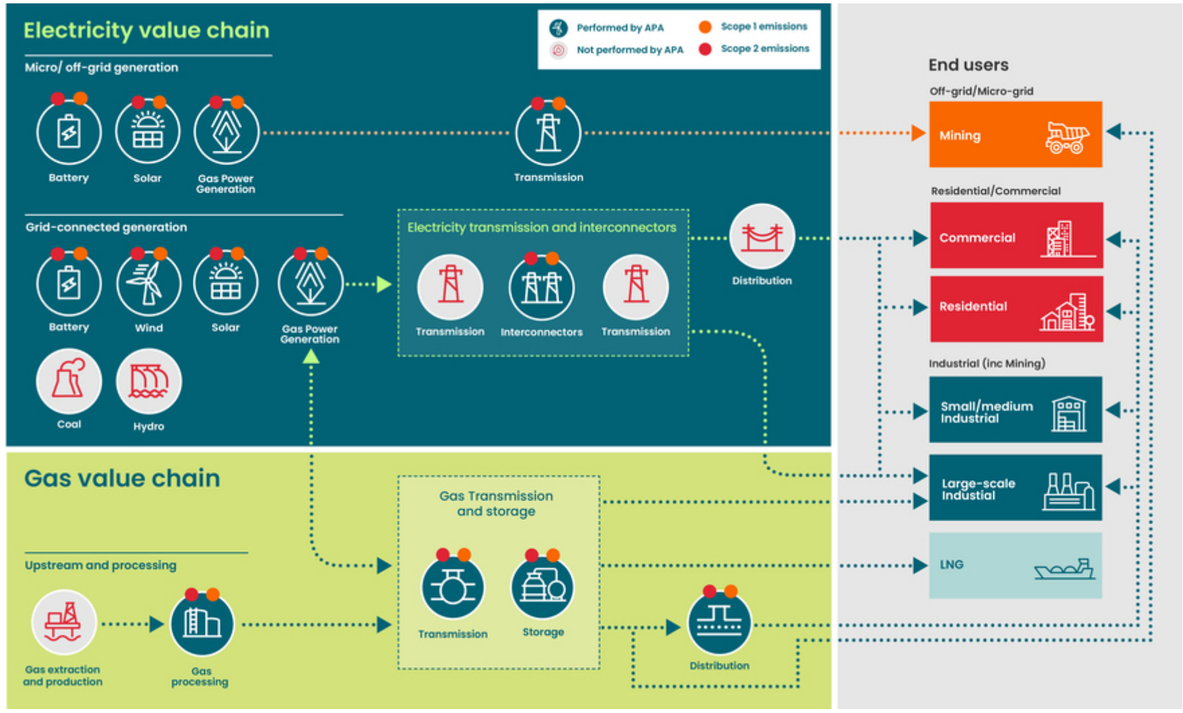
APA is working with our customers and industrial consumers to assist them with meeting their immediate and longer-term energy needs and decarbonisation goals.

Our approach is demonstrated by our track record. We have partnered to accelerate solutions for the industries that need gas for high heat applications and chemical feedstocks. We have been actively involved in efforts to unlock the innovation and capabilities needed to establish a lower-carbon gas industry in Australia with a focus on supporting customer decarbonisation. Further to this, we have progressed studies into how our infrastructure can support future hydrogen and CO_2 transportation and have investigated how biomethane and CO_2 from carbon capture can support decarbonisation.

The energy transition is also likely to involve increased gas demand in some sectors, for example, to support the transition away from coal in steel manufacturing. BlueScope has identified a prospective pathway for their Port Kembla Steelworks that includes a critical role for natural gas in reducing steel emissions. An option for BlueScope is to use natural gas for direct reduction of iron (DRI) technology as a bridge until green hydrogen becomes viable. This will potentially reduce emissions by up to 60%, while requiring 30 to 40 PJs of natural gas per year, thus significantly increasing gas demand on Australia's east coast.[6]

Our electricity infrastructure also plays a key role for our remote mining customers such as in Western Australia's Pilbara region (refer p 17). APA's bundled energy solutions, that is renewables firmed by gas and battery storage, are a significant enabler for remote mining operations including new critical mineral operations.

Figure 13. APA's role in the value chain



[1] Estimated sectoral breakdown of end-user consumption of natural gas delivered through APA's wholly- or partially-owned gas transmission pipelines is based on meter data from APA.
[2] Australian Government Future Gas Strategy, May 2024.
[3] Australian Energy Market Operator, 2025 Gas Statement of Opportunities.
[4] International Energy Agency Global Critical Minerals Outlook 2025
[5] Australian Government, A Future Made in Australia Budget 2024-2025 Fact Sheet, [Accessed 2 May 2025].
[6] BlueScope Steel, 2024 Climate Action Report.

Climate-related risks and opportunities - protecting the resilience of our business

Darling Downs Solar Farm, located near Dalby in Queensland, has a generation capacity of 108 MW of renewable energy from its 430,000 solar panels, powering 36,000 homes.
Photo credit Mark Barrow

APA's asset portfolio has been tested and assessed to be resilient to climate-related transition and physical risk under a range of transition scenarios. Material climate-related risks and opportunities are considered in our strategic, operational and financial planning to protect the resilience of our business.

Addressing climate-related risks and opportunities

As an energy infrastructure business, we consider climate-related risks and opportunities within our strategy and risk management processes, with Board oversight of APA's response to such risks and opportunities.

Transitioning to a lower-carbon economy presents both risks and opportunities associated with policy and legal changes, market shifts due to changing customer needs and commodity and carbon market developments, technology shifts and the potential for reputational impacts. We identify, assess and consider material climate-related risks and opportunities in our strategic, operational and financial planning.

Given the geographic spread of APA's operations across Australia, some of our business is exposed to a range of physical climate risks associated with extreme weather events and the incremental impacts of climate change. The physical impacts of climate change could have many and varied implications for APA's asset performance and integrity.

Climate also impacts our value chain and the communities in which we operate. Enhanced resilience to acute and chronic physical climate-related risks helps support the ongoing safety and productivity of our operations.

Managing climate-related risks

APA's Board and ELT ensure strategies are in place to manage potential risks and opportunities, including those related to climate. The Board Risk Management Committee oversees the APA risk program and the Safety and Sustainability Committee has specific oversight of climate-related risks.

All risks and opportunities, including climate change, are managed in accordance with APA's Risk Management Framework, which is aligned with the ISO 31000 international standard for risk management to enable effective risk management and robust decision-making.

We identify, assess and manage climate-related risks and opportunities in line with our risk management framework. Climate-related risks and opportunities are categorised under transition risks (market, technology, policy and legal, and reputational risks) and physical risks (acute and chronic) and mapped to our overall corporate risk categories (Figure 15).

We use scenario analysis to assess physical and transition risk, and actively monitor for opportunities from emerging technology and market developments (Figure 14). Opportunities to increase the resilience of our assets are identified as part of the risk assessment and management processes for our assets.

In line with TCFD recommendations, we consider risks across three time horizons:

- short term (impacts expected within next three years)
- medium term (impacts expected in four to ten years)
- long term (impacts expected beyond ten years).

The short-term horizon corresponds mainly to risks and opportunities impacting APA's existing operations and active projects; the medium-term horizon mainly impacts project investment decisions and medium-term strategic target-setting; and the long-term horizon aligns with the formulation of our broader business strategy and planning for energy transition and technology trends.

When undertaking risk assessments, we assign ratings based on APA's Enterprise Risk Matrix of likelihood and impact. Likelihood ratings are assigned on a five-point scale (from rare to frequent), with guidelines based on frequency of occurrence (for chronic, recurrent events like extreme temperature days) or probability (for single, acute events, e.g. a severe cyclone). Impacts are also rated on a five-point scale (from minimal to catastrophic), taking into account the expected consequences for health and safety, environment, heritage and social outcomes; operational capability; our people; regulatory compliance; reputation and customer relations; and financial impact.

Figure 14. Climate scenarios referenced when assessing climate-related risk

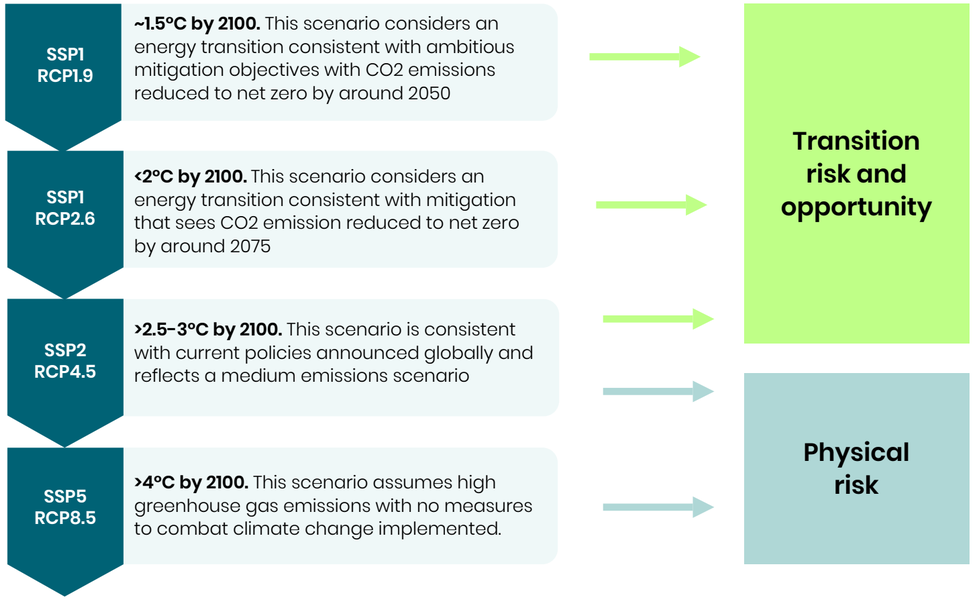
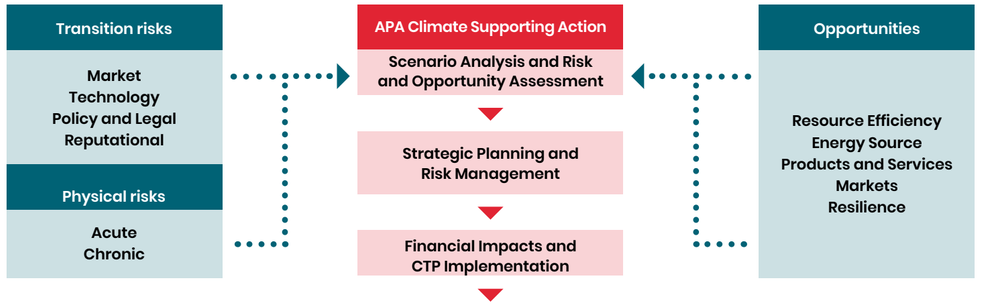


Figure 15. APA's approach to climate-related risks and opportunities



Examples of Financial Impacts	Transition Risk	Financial Drivers and Potential/Future Climate Change Impacts
Revenue	Market and technology shifts	Consumer and market demand (e.g. consumers demanding shifting to lower emission alternatives)
Capex	Challenging policy and legal requirements Increasing reputational pressure	Property-, plant- or equipment-related costs (e.g. emission reduction technologies)
Operating expenses	Changing policy and legal requirements	Regulatory and compliance costs (e.g. emissions monitoring, carbon pricing)

Transition risk and resilience

APA's portfolio is assessed as resilient under a range of transition scenarios, including an accelerated decarbonisation scenario in which global temperature increases are limited to 1.5°C.

Our business strategy aims to manage transition risks and opportunities for our gas infrastructure and thermal generation assets, while pursuing transition-related growth opportunities in areas such as contracted power generation, gas transmission and storage including associated infrastructure, electricity transmission and future energy.

In FY25, we engaged industry experts to undertake a transition risk and opportunity assessment, including:

- quantitative modelling of key assets across our East Coast Gas[1], West Coast Gas and Power Generation business units
- qualitative analysis of climate-related transition risks and opportunities across APA's portfolio of majority-owned assets.

Scenario analysis was done to test the transition risks and opportunities associated with policy changes, technology shifts, and market developments to analyse our business strategy's robustness and flexibility to be resilient in a rapidly evolving regulatory and environmental landscape. The quantitative modelling was supported by APA's gas market and financial modelling capabilities.

Risk and opportunity assessment method

The quantitative modelling of key assets across our East Coast Gas, West Coast Gas and Power Generation business units[2] covered the majority (>50%) of the book value in each business unit.

The method adopted for the quantitative resilience assessment is summarised as follows:

- Establish climate scenarios and confirm assessment time periods.
- Establish assets to be tested.
- Identify key risks and opportunities for each asset.
- Model gas market flows (gas transmission infrastructure only).
- Develop key assumptions, e.g. carbon price, tariff changes, carbon-related cost recovery.
- Model financial outcomes and impacts.
- Assess risks and opportunities based on risk and opportunity criteria.

The qualitative resilience assessment of APA majority-owned assets focused on longer-term (20 year) risks and opportunities, informed by scenario analysis, external and internal expert knowledge and financial resilience testing for key assets. The qualitative resilience assessments supported the quantitative analysis to inform overall asset segment risk and opportunities.

Scenario selection and overview

Scenario analysis was undertaken for three temperature outcomes, noting future requirements under Australia's climate-related financial disclosures reporting legislation.[3] The scenario analysis was framed to align with widely referenced independent forecasts from the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA), and the Australian Energy Market Operator (AEMO). It also referred to the Climate Change Authority's (CCA) 2024 Sector Pathways Review for additional inputs.

High-level assumptions for each scenario over the long term (i.e. 10 to 25 years) are given in Table 6. Short term (i.e. 3 years) and medium term (i.e. four to 10 years) will trend towards these longer-term outcomes, with faster progression in the lower temperature cases. Each scenario follows global best practice by aligning with accepted IPCC scenarios for 1.5°C, <2°C and >2.5°C (Table 5). Specifically, our scenario analysis was aligned with Shared Socioeconomic Pathways (SSP) SSP1-1.9, SSP1-2.6, and SSP2-4.5.[4]

Major factors driving scenario analysis

Each scenario contemplates a range of factors that will result in the specific temperature outcome. Major factors expected to affect APA's business during the energy transition and that will inform thinking about climate-related risks and opportunities are:

- the rate of electrification in Australia
- the changing energy generation mix
- changing LNG exports
- the rising cost of carbon in the energy system.

Further details on these driving factors and scenario assumptions, inputs and limitations are provided in the Additional information (p 47).

Table 5. Climate scenarios applied in analysis for asset resilience testing

Scenario	1.5 °C	<2 °C	>2.5 °C
Carbon price[1]	$$$	$$	$
Global policy alignment	Convergence pre-2030	Convergence post-2035	No convergence
Domestic gas demand	→	→	→
Rate of electrification	↗	→	↘
Australia LNG export	↘	↘	→
Aligned IPCC scenario[2]	SSP 1-1.9	SSP 1-2.6	SSP 3-4.5
Aligned AEMO scenario[3]	Green Exports	Step Change	Progressive Change
Aligned IEA scenario[4]	NZE	APS	STEP S

1 Carbon prices are forecast to reach around $620/t CO2-e ($$$), $240/t CO2-e ($$) and $120/t CO2-e ($) in 2050 (AUD, Nominal).
2 Intergovernmental Panel on Climate Change (IPCC) Six Assessment Report, Shared Socioeconomic Pathways (SSP).
3 Australian Energy Market Operator (AEMO) 2024 Integrated System Plan for the National Electricity Market.
4 International Energy Agency (IEA) World Energy Outlook, November 2024, Net Zero Emissions by 2050 (NZE), Announced Pledges Scenario (APS) and Stated Policies Scenario (STEPS).

Table 6. Key assumptions underpinning our scenarios

Scenario	1.5 °C	<2 °C	>2.5 °C
Electricity generation	High electrification drives generation demand, and high uptake of renewables drives GPG demand		GPG demand rises with (slowed) coal retirements
Australian gas supply and demand	Australian gas demand remains relatively stable as the intermediary fuel between coal and renewables Climate scenarios create a number of headwinds and tailwinds (e.g. renewable build-out, coal plant retirements, changes in Australia's industrial base) for demand that should be monitored		Modest change in Australian gas demand with residential demand declines partially offset by increased GPG demand and BAU industrial demand
Global LNG price and demand	Carbon price drives switch from coal- to gas-powered generation		
	Development of new technologies will vary by region according to dominant economic factors, including gas price, renewable energy resource and carbon price		
Carbon pricing	Global carbon prices must rise to a level that incentivises investment in new tech	Uncoordinated policy will create differentiated regional outcomes and affect investment in sequestration technology	
Climate policy	Policy restricts fossil fuel extraction and transport infrastructure	Gas will play a key role in Australia's transition, facilitating the carve out from fossil fuel exclusionary policy	

[1] Wallumbilla Gladstone Pipeline was not included in the quantitative modelling due to its negligible risk due to contracted revenue through to 2035.
[2] Assets modelled were the South West Queensland Pipeline (SWQP), Moomba to Sydney Pipeline (MSP), Victoria Transmission System (VTS), Goldfield Gas Pipeline (GGP), Newman Power Station and the Diamantina Power Station.
[3] Australia's climate-related financial disclosures reporting legislation, *Corporations Act 2001 (Cth)*. Related reporting requirements will be phased in from FY26 onwards.
[4] SSP scenarios reflect climate projections underpinning the Intergovernmental Panel on Climate Change Sixth Assessment Report (AR6) and relate to global temperature outcomes by 2100.

Portfolio resilience

In aggregate, our business is assessed to have more opportunity than risk in low-temperature scenarios throughout the Australian energy transition.

Based on the scenario analysis, APA's business units were found to be financially resilient across all climate scenarios and time horizons considered.

Within the East Coast Gas business unit, the Victorian Transmission System (VTS), is well-protected from market-driven risks due to the regulatory framework, ensuring stable returns even as Australian gas volumes decline.[1]

Lightly regulated gas assets, including the Moomba Sydney Pipeline (MSP) and SWQP, face challenges from decreasing LNG exports and shifts in domestic gas demand in some scenarios but are expected to remain resilient, particularly with the potential development of infrastructure like the North East Australia Pipeline (NEAP). In fact, the MSP is expected to have increased requirement for both flow and capacity to serve the large build-out in GPG.

Our West Coast Gas Grid faces challenges from reduced gas demand associated with electrification and fuel switching. However, we expect the capacity requirements to remain to address peak gas use.

Nationally, GPG plays a crucial role in all scenarios, particularly during winter and periods of low renewable output, to provide grid stability as Australia transitions to renewable energy. As electrification and renewable energy sources expand, the need for flexible GPG will persist, supporting the resilience of APA's gas infrastructure. Average capacity utilisation is likely to drop, but the value of capacity will persist. This dynamic reinforces the strategic importance of our gas infrastructure assets, underpinning their long-term economic viability.

This scenario analysis shows APA's ability to adapt and be resilient under various climate and regulatory settings, which enables the company to continue playing a vital role in Australia's energy security while contributing to its decarbonisation objectives.

Resilience testing of business units' assets

Financial resilience was tested and categorised for each business unit/scenario/time horizon combination. Resilience was tested based on the modelled change in Discounted Cash Flow (DCF) relative to the Book Value or base case DCF of key assets in each business unit. Book Value was assessed for the key assets in each business unit using our latest corporate assumptions when the analysis was undertaken. Transition risks and opportunities were assessed based on the percentage change in DCF to Book Value for the long-term scenario and DCF to DCF base case in the short and medium term. Assessment findings for business units are summarised in Table 7 by time horizon and scenario, with reference made to the criteria used to categorise the level of risk and identify opportunities.[2]

In the East Coast Gas business unit, 'opportunity' was identified in the long term across all scenarios, with impacts 'negligible' for other timeframes (Table 7). The 'opportunity' assessment outcome is due to benefits arising from modelled increases in north-to-south gas flows on the MSP.

In the West Coast Gas business unit, low risk was identified in the long term for the 1.5°C scenario. This was driven by a modelled decline in gas throughput as the electrification and renewable trend accelerates with some customer investment in onsite gas storage.

Impacts were modelled to be 'negligible' across scenarios and time horizons for Power generation.

Qualitative risk and opportunity assessments in aggregate supported the business unit level quantitative assessment.

The Wallumbilla Gladstone Pipeline (WGP) was assessed separately to the East Coast Gas Grid business unit, being considered in the qualitative assessment.

Qualitatively, risks and opportunities were assessed to be negligible for WGP due to steady LNG forecasts through to 2035 when the capital cost and return on capital associated with the asset is fully recovered.

The outcomes of our transition risk and opportunity analysis continue to inform our assessment of the estimated useful lives of APA's Energy Infrastructure assets. The outcomes of the analysis did not result in a change to our existing assessment (refer to the APA FY25 Annual Report).

Opportunities in the energy transition

Within our East Coast Gas business unit we have identified a significant addressable market to support new gas basin development. This includes infrastructure to facilitate increased north to south gas flows, particularly during winter, and flows and storage for additional GPG capacity as well as enabling investments for gas infrastructure. Refer p 16.

We have also identified significant addressable markets for power generation. Electrification of the Pilbara will increasingly require GPG capacity for periods of low renewable penetration and intermittent firming generation. GPG capacity requirements are expected to increase in all scenarios, supporting the critical nature of assets such as DPS. Related details on pages 13-17.

In addition to the role of APA's assets in the transition of the existing gas and electricity system, a number of emerging technologies create potential business opportunities.

These include biogas and hydrogen, carbon capture and storage, and direct air capture. APA can play a role in the execution of all of these opportunities. Refer to pages 13 and 17.

Given the increasing interest in financial markets for investment in the energy transition, we expect APA will have continued access to attractively priced capital to pursue investments in renewable energy as part of our contracted power generation solutions.

Furthermore, the increased recognition by Australian governments and securityholders of the strategic importance of GPG is expected to support continued access to capital to maintain, operate and expand our existing gas infrastructure assets. Refer to pages 15-16.

Rising carbon prices and policy changes expected in lower temperature scenarios have the potential to improve identified decarbonisation project economics.

Table 7. Short-, medium- and long-term impacts, by business unit by scenario

		Short term (DCF v Base case DCF)			Medium term (DCF v Base case DCF)			Long term (DCF v Base case Book Value)		
		1.5°C	<2°C	>2.5°C	1.5°C	<2°C	>2.5°C	1.5°C	<2°C	>2.5°C
	East Coast Gas	Negligible	Negligible	Negligible	Negligible	Negligible	Negligible	Opportunity	Opportunity	Opportunity
	West Coast Gas	Negligible	Negligible	Negligible	Negligible	Negligible	Negligible	Low	Negligible	Negligible
	Power generation	Negligible	Negligible	Negligible	Negligible	Negligible	Negligible	Negligible	Negligible	Negligible

Legend

Negligible (<10% to -5%)	Low (-5% to -15%)	Moderate (-15% to -25%)	High (-25%+)	Opportunity[2]

[1] Assumes the Australian Energy Regulator (AER) would approve five-year throughput forecasts associated with modelled scenarios through the access arrangement process and that actual throughput aligns with approved forecasts.
[2] Opportunities are defined by a life of asset discounted cash flow value that is >=10% higher than base case due to volume or revenue growth compared to 2024, based on results rounded to the nearest whole number.

Physical climate risks and adaptation

Our existing risk mitigations address present-day and emerging physical climate risks, and we look for opportunities to further enhance the resilience of our assets to support the safety and productivity of our operations.

Our approach to physical risk

The management of acute and chronic physical climate risks supports the enhanced resilience of our assets and the safety and productivity of our operations. This is important for our people, the environment and the communities we operate in.

We identify, manage and report on climate-related risks as part of our overall risk management framework. Physical climate risks are assessed and catalogued within our corporate risk framework. At the asset level, hazard management studies are performed and include consideration of physical climate risks in the creation of associated response and mitigation plans.

Over the past three years, we have undertaken forward-looking scenario and physical risk analysis. Our phased program included the following major milestones:

- tailoring of a proprietary physical climate risk screening tool (HeatMapR) for APA's operations
- portfolio-level screening of exposure to physical risks across APA's majority-owned assets
- detailed physical climate risk assessments for prioritised assets.

Physical risk scenarios and screening

The climate risk screening tool was tailored for APA's operations addressing present-day and future climate events and covering the locations of our majority-owned assets.

This includes site assets such as solar and wind farms, GPG and gas storage operations, and the geographies over which our linear electricity and gas transmission infrastructure operate.

To support resilience testing of assets to future climate impacts, we selected long-term time horizons centred on 2050 and 2080 and higher global emission scenarios. Climate projections data are included for two Shared Socioeconomic Pathways (SSP) scenarios used by the Intergovernmental Panel on Climate Change, namely 'medium' (SSP2/RCP4.5) and 'high' (SSP5/RCP8.5) emissions scenarios. The data sources for future time horizons are derived from the latest global climate projection data.[1] Climate projection data was downscaled to a resolution of 9 km by 9 km to provide site-specific data for APA's assets.[2]

Physical risks result from interactions between climate-related hazards with the exposure and vulnerability of the asset being assessed. The screening tool enables us to consider 59 climate indicators and hazards. Indicators are customised to APA's operations by incorporating information on asset-specific operational thresholds, and hazards are mapped to vulnerability indicators[3] defined by APA activity type (e.g. fluvial flooding is relevant to site access). Activity types include solar and wind farms, GPG, gas storage, and electricity and gas transmission.

Portfolio-level risk assessment

Absolute physical climate risks were assessed for each APA majority-owned asset, with relative risk scores across assets applied to identify assets with greater exposures to physical climate-related risk (Figure 16).

This portfolio-level screening assessment did not consider any existing mitigation controls and actions in place at the assets. The screening provided the first step in a tiered risk management approach to identify potentially 'at risk' assets and the climate-related hazards and vulnerabilities contributing most to estimated risk scores.

Climate-related hazards driving present-day and future exposures based on the portfolio-wide screening assessment are summarised by activity type in Table 8.

Detailed climate risk assessments

Over FY24 and FY25, we completed detailed physical climate risk assessments for nine priority assets (Figure 17). A key focus for the physical climate risk deep dives was to assess the extent to which existing mitigation controls and actions address present-day and emerging climate-related risks.

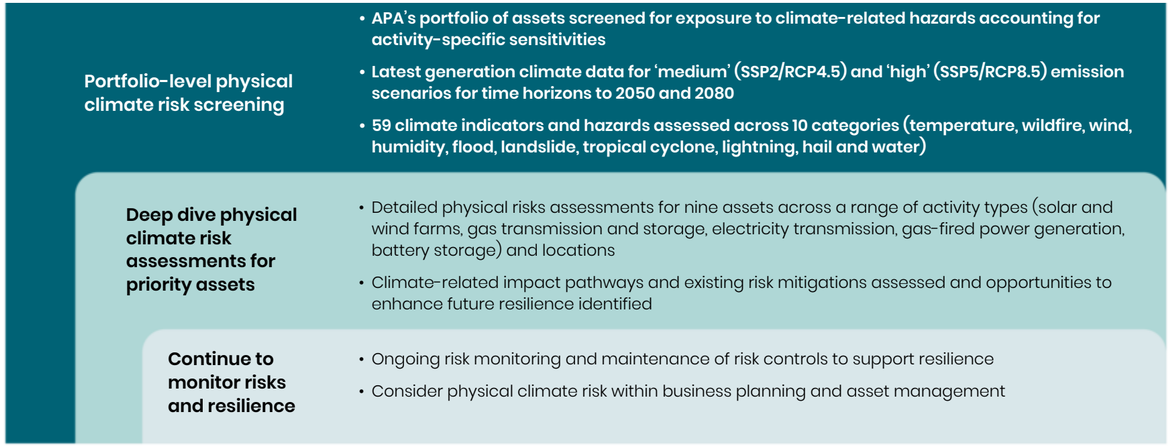
Assets were purposely selected across activity types and locations, considering their exposure to present-day and future climate risks and their criticality. Other factors considered included asset lifespan, risk to people and the environment, asset replacement and business interruption costs, and energy system inter-dependencies. Climate-related impact pathways were identified and validated, risks classified based on APA's Enterprise Risk Management Ratings, and existing risk mitigations and residual risk levels assessed. The assessments covered direct risks to the asset in addition to indirect risks related to 'beyond the fence' risks to critical supporting infrastructure, communities and the environment.

Risk mitigations identified during the detailed climate risk assessments are summarised in Table 8 and residual risk levels noted. Existing mitigation controls and actions were generally concluded to address present-day and emerging physical climate risks. The detailed assessments highlighted the importance of ongoing risk management and maintaining risk mitigations, and the re-evaluating of site-specific risks should risks increase or operations be impacted. This process enables further risk controls to be opportunistically implemented as part of asset maintenance and planning.

Ongoing monitoring and evaluation

We continue to implement monitoring, mitigations and controls to address climate risks, including extreme weather events. This includes engineering controls, bushfire and flood management, easement and erosion controls, maintenance procedures, service arrangements, protective equipment and training, contractual arrangements to mitigate commercial risk, monitoring of power loss and a range of other measures to support ongoing safety and productivity. Our enterprise risk management processes support the re-evaluation of risks should risk profiles change or operations be impacted.

Figure 16. APA's phased physical climate risk assessment program

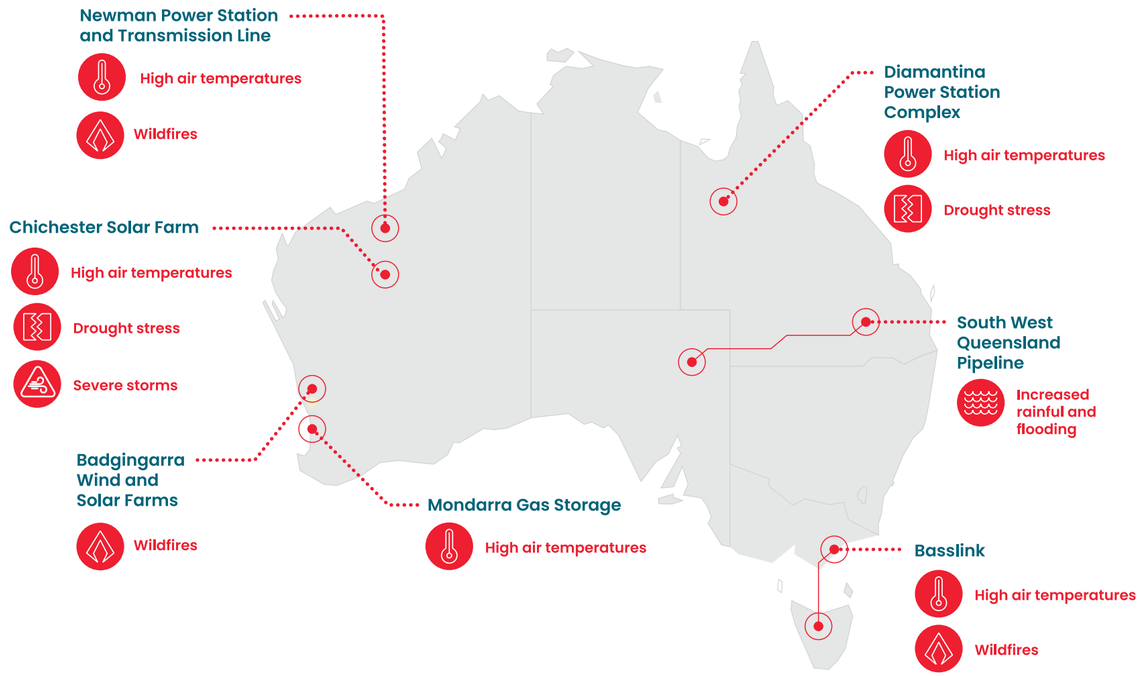


[1] Coupled Model Inter-comparison Project 6 (CMIP6) data was used for the majority of climate variables, with CMIP5 data used to supplement where necessary.
[2] Other global climate hazard data was sourced from sources such as the World Resources Institute (WRI) and the academic literature, with climate projection results for APA asset locations also compared to CSIRO climate projections. Data sources for present-day climate are derived from the European Centre for Medium-Range Weather Forecast (ECMWF) ERA5 and ERA-5L reanalysis data sets, with reference also made to Australian Bureau of Meteorology station data.
[3] Vulnerability indicators addressed: building infrastructure and operations, site access, material handling/storage, water supply, cooling water supply, energy supply, wastewater discharges, solid waste disposal and air emissions.

Table 8. Physical climate hazards identified during portfolio-level screening across all of APA's majority-owned assets, and risk mitigations and residual risks levels based on detailed climate risk assessments for nine APA assets

Activity type	Physical climate hazards	Risk mitigations and residual risk levels
Gas power stations	Present-day risks are mainly driven by hazards related to high temperature, low water availability, fire weather risk and, depending on the power station location, also heavy rainfall, flooding and tropical cyclone risk. Extreme and prolonged high temperatures, longer dry spells and heavier rainfall events are projected to become increasingly prominent drivers of risk by the 2050s under high global emission scenarios (RCP8.5).	Risk mitigations include: water-cooled electric air inlet chillers (combined cycle gas turbines); servicing and maintenance arrangements for plant and switchyard; facility design to withstand lightning impacts; easement control to address bushfire risk; health and safety measures to ensure safe work conditions; maintain multiple water sources; and onsite water storage for short duration interruptions. Residual risks were concluded to be low.
Gas storage	Hazards driving present-day risks depend on the region and operation (below/above ground storage). Fire weather, heat and drought were noted for Mondarra gas storage in Western Australia with extreme high temperatures, longer dry spells, increased fire weather risk and heavier rainfall events becoming increasingly prominent drivers of risk by the 2050s assuming RCP8.5. Present-day risks for Dandenong LNG Storage were identified to be due to low water availability and high humidity, with high temperatures, flooding and drought noted for future risk.	Risk mitigations include: additional power capacity (redundancy); increasing airflow to generator engine alternators on high-heat days; compressor design to prevent heat-induced efficiency reduction; and easement control to mitigate bushfire risks. Residual risks were concluded to be low to moderate. APA's enterprise risk procedures include monitoring of operations and re-evaluation of site-specific risk should risks increase or operations be impacted. System operations are also able to be modified in the event of power interruptions.
Gas transmission	Climate-related risks were mainly driven by hazards related to high temperatures, drought/dry spells, bushfire risk and heavy rainfall and flooding. Pipeline-specific hazards depend on the region within which the pipeline system is located.	Risk mitigations include: engineering design of pipeline in areas prone to flooding; erosion control; aerial and ground patrols to monitor for loss of cover; pipeline monitoring through a central control system; routine pipeline maintenance; and health and safety measures to ensure safe work conditions. Residual risks were concluded to be negligible to low.
Solar farms	Present-day risks are mainly due to hazards related to fire weather and drought / dry spells with high temperatures and heatwave events becoming increasingly prominent drivers of risk by the 2050s under RCP8.5. Bushfires have the potential to cause property damage, business interruptions and health and safety concerns. High ambient temperatures negatively affect panel efficiency. Heavy rainfall, hail and flood risk were also identified for some sites.	Risk mitigations include: long-term service agreements with equipment manufacturers; ongoing monitoring of site temperatures; maintenance of replacement parts for surge protectors; routine monitoring for any power loss due to dust accumulation; routine easement control to address bushfire risks; redundant power capacity to meet contractual obligations. Residual risks were concluded to be negligible to low.
Wind farms	Climate hazards identified as high temperatures, fire weather, humidity and dry spells with risks increasing under future climates. High ambient temperature can negatively affect the efficiency of turbines and transformers with heatwaves potentially limiting access to the nacelle for critical maintenance and repair.	Risk mitigations include: long-term service agreements with equipment manufacturers; ongoing monitoring of site temperatures; maintenance of spare transformers for emergency response; routine easement control and vegetation removal to mitigate bushfire risk; design of turbines to withstand lightning impacts. Residual risks concluded to be negligible or low.
Electricity transmission	Present-days risks are mainly due to high humidity, heavy rainfall, lightning and bushfire risk. In some regions, extreme rainfall and humidity and potentially also increased hail events may become increasingly prominent drivers of risk by the 2050s under RCP8.5. High humidity, particularly when combined with high temperatures, has the potential to contribute to reliability issues and performance losses.	Risk mitigations include: monitoring of risks related to high temperatures; servicing and maintenance arrangements; and ground patrols maintaining the easement with state/regional fire services conducting controlled burns to address bushfire risk. Residual risks were concluded to be generally negligible to low, with ongoing monitoring of moderate risks related to high temperatures for Basslink.

Figure 17. Future climate-related emerging risks identified by physical climate risk deep dive assessments for nine assets spanning APA's major activity types



Transition plan impacts and dependencies

Emu Downs Wind Farm makes use of powerful coastal winds to produce sustainable energy for Western Australia. It has a generation capacity of 80 MW of renewable energy, supplying 50,000 homes and is estimated to save around 180,000 tonnes of emissions per year.

Our CTP is guided by our key assumptions and remains adaptable to a range of external factors, and may have impacts and dependencies for our stakeholders, society, the economy and our natural environment.

- CTP impacts and dependencies
- APA's just transition approach
- Key assumptions and external factors

CTP impacts and dependencies

We recognise that our CTP may have impacts and dependencies for our stakeholders, society, the economy and the natural environment through our value chain.

Impacts and dependencies that may give rise to sustainability-related risks and opportunities were identified during the period of our first CTP, and remain relevant for our refreshed CTP. In FY24, to inform the refresh of our Sustainability Roadmap, we undertook a double materiality assessment that considered how APA impacts and is impacted by a range of sustainability topics.

Through this assessment, we identified the energy transition, climate risk and local communities as having the highest materiality in terms of APA's impacts and material topics that may impact APA's financial prospects.

Our Sustainability Roadmap focuses on the 10 most material sustainability topics, and sets out aspirations, initiatives and enablers in relation to these (refer FY24 Annual Report, p. 22-23).

In the refresh of our CTP, we seek to further address our aspirations in relation to material topics as set out in Table 9 for the energy transition, climate risk and local communities.

Table 9. Material sustainability-related topics identified for APA in FY24 that are addressed within this CTP

Material topic	Our aspirations	Our Climate Transition Plan addresses:
Energy transition	• To be a part of the successful transition to a net zero economy. • Define and enable APA's role in Australia's decarbonisation journey and support reliable, affordable and lower emission energy and industrial sectors.	• APA's strategy and role in the energy transition • Addressing our operational emissions and Scope 3 emissions and goals • Our work to support our customers' decarbonisation plans and enable emissions reductions in the broader economy • Our advocacy for public policy positions consistent with APA's Climate Policy and CTP • APA's role in the just transition to support our communities and employees
Climate risk	• Enhance the resilience of our asset portfolio, adapt to the physical impacts of climate change, and support measures to ensure communities adapt to, and benefit from, the transition to net zero.	• Our assessments of climate-related physical and transition risks and opportunities • How we consider and address climate-related issues and opportunities through risk management processes, business planning and strategy reviews, investment decisions, policy-setting and monitoring progress against commitments
Local communities	• Seek respectful and valued relationships with our stakeholders. • We work to understand and respond to feedback from our host communities and contribute to local sustainable development.	• Our role in the just transition to support our communities and employees • How we manage physical climate risks to our assets to support the safety and productivity of our operations • Information on APA's Community and Social Performance Management System and social investment framework is provided in the APA FY25 Annual Report

APA's just transition approach

For APA, a just transition means that the transition to a lower emissions economy is fair, inclusive, and considers impacts and opportunities for communities.

Our Sustainability Roadmap outlines how we will integrate sustainability focus areas into our business, ensuring that our efforts are targeted in areas that support improved environmental, social and economic outcomes.

Within our Sustainability Roadmap, the focus areas relating to the energy transition, local communities and First Nations engagement and partnership recognise the opportunities we have through our activities to support a just transition. We will do this by:

- implementing our Innovate Reconciliation Action Plan
- strengthening the way we work with First Nations peoples on new energy projects, particularly in the areas of procurement and other participation opportunities
- linking our CTP with opportunities for communities in the development of carbon offset projects
- implementing a social performance system in our key growth regions to enhance the community's voice in our operations and decision-making
- working with our customers to support their Just Transition objectives.

We also recognise that an equitable and inclusive transition for APA starts with building an inclusive culture.

Our Inclusion and Diversity Strategy and approach recognises the importance of ensuring that all people, especially marginalised and vulnerable groups, have a voice in the transition process. This includes setting gender representation metrics, training leaders on inclusive and culturally-appropriate practices, and implementing inclusive hiring training. The strategy will support APA's cultural journey, customer-focused goals and evolving workforce needs, helping us to attract and retain top talent. A diverse and inclusive environment will drive innovation, enhance decision-making, and contribute to sustainable growth.

Key assumptions and external factors

Our transition planning occurs within a dynamic operating environment and evolving strategic context.

Our approach is guided by key assumptions, shaped by guiding principles, and remains adaptable to a range of external factors.

External factors

Our CTP is informed by a broad range of external factors, including:

- policy and regulatory change
- climate scenarios and sectoral decarbonisation pathways
- macroeconomic trends and market conditions, including geopolitical shifts
- microeconomic and financial factors, including technological readiness and cost
- shifts in customer plans and requirements
- changing securityholder expectations
- access to counterparty data and reliability of data voluntary commitments
- physical climate hazards and impacts.

Key assumptions

The key assumptions underpinning our CTP in relation to such external factors are summarised here, with reference made to sections providing further detail.

Policy and regulation consistent with Australia's international and domestic commitments

Government policies and regulation substantially affect the nature and pace of electrification and decarbonisation, how carbon is priced and the level of support for future energy and technologies.

We assume that policies and regulations will be consistent with Australia's international and domestic commitments, informed by independent advice from the Climate Change Authority, and will build on current emissions reductions policies such as the Safeguard Mechanism.[1]

We assume ongoing regulation with declining baselines under the Safeguard Mechanism, and ongoing provision for carbon pricing and the use of carbon credits.

Continued role for natural gas and an expanding market for APA's target asset classes

In addition to broader macroeconomic trends such as labour availability and the cost of borrowing, our CTP takes into account changing energy market dynamics.

We expect there to be expanding markets in our target asset classes. This includes a continued role for natural gas in Australia's energy transition, including GPG and gas transmission and storage including associated infrastructure. These assumptions are informed by engaging with our customers and the market, government policy,[2] independent expert forecasts[3,4] and the resilience testing of our portfolio under different climate scenarios (refer p 34-35).

Further information on related external factors and assumptions is provided within the APA's strategy and role in the energy transition section (p 12-18) and the Climate-related transition risk and opportunity section (p 34-35).

Changing securityholder expectations

Securityholder expectations related to climate continue to evolve. We assume there will continue to be increasing emphasis on fiscal discipline along with impactful climate action. We proactively engage with our securityholders to understand their perspectives in relation to climate and we respond to their feedback (refer Table 2 on p 11).

Technological advances and costs and carbon prices

Pathways to achieving our long-term net zero goal are uncertain and will depend on regulatory, market and technology shifts. Pathway enablers being monitored by APA are addressed on page 27, with assumptions related to potential pathways for reducing our gas infrastructure emissions further addressed on page 46.

APA's internal carbon price forecasts are based on published market forecasts to FY35, with longer-term prices based on the rate of growth referenced for the Safeguard Mechanism cost containment measure (refer to p 18).

Climate scenarios and sector pathways

We make reference to a range of independent global forecasts (IPCC, IEA) and scenarios and pathways specific to Australia and the energy sector (AEMO, CCA) (refer p 34-35 and 47).

These inform government policy, stakeholder expectations and are relevant to APA's assessment of climate-related risks and opportunities and our decarbonisation plans.

Physical climate hazards will increase

Scenarios indicate emerging acute and chronic physical risks due to climate change. To support resilience testing of our assets to future climate impacts, we make reference to widely -referenced, independent climate projection scenarios and forecasts such as those used by the Intergovernmental Panel on Climate Change. Further information is provided on p 33 and 36.

Customer plans and requirements

Our customer-driven strategy focuses on asset classes where we have a competitive advantage to address our customers' energy needs and decarbonisation plans.

Our assumptions regarding our customers' plans and requirements, informed by our customer engagement and market analysis, underpin our plans to deliver reliable and affordable energy with lower emissions for our customers, while at the same time continuing to decarbonise our operations..

We assume our customers will maintain their decarbonisation ambition and strategic approach, and we will continue to support them through developing and operating integrated energy solutions spanning gas transmission and storage including associated infrastructure, contracted power generation, electricity transmission and future energy.

Scope 3 emissions and goals

We acknowledge the inherent risks and dependencies related to our Scope 3 emissions data and emissions reduction efforts.

We rely on access to and the reliability of third party data as set out in our FY25 Greenhouse Gas and Energy Methodology Report.

APA does not have direct operational control over Scope 3 emissions sources, requiring extensive collaboration, engagement, submissions to Access Arrangement processes and influence across the value chain. Risk and dependencies related to our Scope 3 emissions reductions are discussed in the Scope 3 emissions and goals section of this report (refer to p 29-30).

[1] Australian Government Department of Climate Change, Energy, the Environment and Water, About the Net Zero Plan, accessed 15 May 2025.
[2] Australian's Government, Future Gas Strategy, May 2024.
[3] AEMO's 2024 Integrated System Plan and 2025 Gas Statement of Opportunity.
[4] Climate Change Authority's 2024 Sector Pathways Review.

Engagement strategy

The Port Hedland Solar and Battery Project exemplifies APA's commitment to a lower emissions energy future, delivering a critical renewable energy solution for the resource-rich Pilbara region of Western Australia.

Our respectful and mutually beneficial relationships with our customers and partners enhance our business operations and drive long-term, sustainable outcomes.

- Engaging our value chain
- Engaging with our industry
- Engaging with government
- Engaging with our communities

Engaging our value chain

Customer engagement

APA has around 130 primary customers across four segments: Resources, Wholesale, Commercial and Industrial, and Government. We also have homes, businesses and industries that rely on us for safe, reliable and affordable energy every day.

We will continue to:

- work with our customers to deliver reliable, affordable and lower emissions energy infrastructure solutions
- keep our customers informed about our assets to help them better meet peak seasonal demands and understand the impact of new regulatory changes
- step in to assist where we can, including in response to natural disasters
- partner with our customers to find energy solutions that help them manage energy costs and emissions.

Customers will continue to be a focus in our decisions, activities and planning. We will continue to support our customers to achieve their decarbonisation ambitions through working with them to develop and operate integrated solutions spanning power generation, firming, storage, and gas and electricity transmission. We will also continue to take a customer-led approach to the development of new services, working to meet our customers' needs.

Supplier engagement

Since releasing our 2022 CTP, we have taken steps to gain a better understanding of the suppliers in our material Scope 3 categories and their decarbonisation objectives.

We have:

- engaged our key stakeholders through workshops and interviews to better understand how sustainability is being addressed in APA's supply chain
- performed a supply chain risk assessment to identify inherent ESG and modern slavery risks and to develop a responsible procurement strategy
- surveyed 36 suppliers to gather emissions data and information on strategic commitments being made to decarbonise their operations and supply chains.

Survey results and insights from the analysis of our highest emitting suppliers are helping to guide our further supplier engagement as we work towards achieving our related Scope 3 goal. Progress will be reported in our annual climate disclosures.

Engaging with our industry

Australia's energy transition is an industry-wide challenge, and wherever practical, APA shares information with our industry peers and industry bodies.

APA's memberships

By participating in industry and business associations, we can effectively advocate for APA and the broader industry. This engagement offers valuable insights and advocacy to shape public policy and elevate industry standards. It also facilitates collaboration with our peers in other organisations, provides access to research and expertise, and fosters stronger connections within the communities we operate in.

We annually review our industry memberships against APA's established membership criteria, which includes climate-related considerations. Our memberships are listed within the APA FY25 Annual Report.

Engagement and collaborative activities

APA will continue to participate in climate-related committees and forums run by the industry and business associations that we are members of. Examples include the Australian Pipelines and Gas Association's Gas Infrastructure Emissions Reduction Working Group and the Business Council of Australia's Energy and Climate Working Group. Through such engagement, we will continue to provide input into industry positions on climate-related matters and government submissions.

APA has contributed to the Climate Leaders Coalition (CLC) projects focused on Scope 3, methane and a credible transition to net zero, the Net Zero Australia study and the Australian Industry Energy Transitions Initiative.

We will continue to engage on topics relevant to our CTP commitments and our customers' decarbonisation plans through a range of avenues.

Methane Guiding Principles

APA participated in initiatives as part of the Methane Guiding Principles partnership. The Advancing Global Methane Reductions initiative helps to advance discussions relating to methane policy reform in Australia and to align the Australian gas industry's methane advocacy. Participants shared insights, best practices and information on emerging technologies through forums and masterclasses. The Midstream Initiative working groups brought industry together to identify emission sources, mitigation actions and gaps in measurement technology for assets such as transmission pipelines and compressors.

We will continue to explore opportunities to participate in communities of practice on methane measurement, mitigation and reporting.

Engaging with government

APA partners across state, territory and federal governments to support the energy transition and continue the delivery of reliable, affordable and lower emissions energy to our customers.

We actively participate in policy processes by:

- making well-considered submissions to government
- participating in market soundings that inform government decision-making
- contributing to government and industry-led forums and roundtables
- engaging in thought leadership activities to inform better outcomes for the energy transition.

We advocate for public policy positions that are consistent with those in our Climate Policy, both as an individual business and through industry associations that we are members of. Refer to APA's FY25 Annual Report for further information.

Priority areas for APA's advocacy planning and activity address:

- Methane measurement and reporting: We actively support reforms to the NGER scheme reporting framework, advocating for enhanced methane measurement methods.
- Renewable gas: We support policy developments that help establish domestic lower emission gas markets and drive the uptake of lower carbon gases.
- Australia's Sustainable Finance Taxonomy: APA supports a taxonomy that recognises GPG for firming and peaking, and gas transmission infrastructure for blended renewable gases, as transition activities essential for supporting faster renewable integration.
- Australia's Net Zero 2050 Plan: We consider that decarbonisation pathways underpinning the plan can be best supported by establishing investment signals (e.g. co-investment; investment de-risking), and applying a technology-neutral, market-based approach that provides strong incentives across emissions sources and abatement activities.
- Gas infrastructure investment: Further investment is needed, and market signals and bilateral contracting will help support the expansion of the East Coast Gas Grid to meet gas demand in southern markets.

Engaging with our communities

We are committed to working with our communities to support the energy transition. We recognise that having strong social performance policies and systems in place is critical to strengthening our working relationships and level of trust with key stakeholders, including our community and First Nations stakeholders.

We have established foundational social performance requirements across APA, drawing on best practice, to enable us to maintain and foster our social licence. We commenced the implementation of our integrated social performance system in FY23 in the Mount Isa region and will progressively implement this across our portfolio.[1]

APA's FY25 Annual Report has further information on how we work with our communities.

[1] Our systems approach to social performance includes processes that guide: social baselining and research, social management plan development; stakeholder engagement planning; social risk and impact identification; commitment tracking; and complaints management.

Governance

The Port Hedland Power Station, consisting of five gas-fired power turbines, provides essential energy security for the Pilbara region of Western Australia.

Our robust corporate governance policies and practices enable APA to create long-term value for securityholders and meet the expectations of other stakeholders.

- Board oversight and reporting
- Management responsibilities and accountability

Board oversight and reporting

The APA Board is responsible for reviewing and considering potential impacts of sustainability-related risks and opportunities, including climate change across our organisation.

Our risk-based governance framework enables critical climate-related risks and opportunities to be escalated through the Executive Leadership Team (ELT) or (with the support of our Board Committees) to the Board.

Our Directors engage with our securityholders and other stakeholders to provide awareness of APA's climate-related risks and opportunities, and to enable feedback on our climate change approach. They use a range of formal and informal channels, including our annual meeting, engagements with securityholders and other key stakeholders and site visits. In FY25, we undertook an extended program of equity market engagement with institutional securityholders, potential institutional securityholders and proxy advisors to ensure securityholders' views were considered in the development of this CTP.

Climate-related governance

The Board is accountable to our securityholders for the proper management of APA's business and affairs. The Board has ultimate responsibility for the approval and oversight of our CTP. To assist with its responsibilities, the Board has established five standing committees and approved their charters (Figure 18). The specific responsibilities of the Board and each standing committee are detailed in APA's Corporate Governance Statement.

The APA Board and its relevant committees regularly consider climate-related issues and opportunities through business planning and strategy reviews, investment decisions, policy-setting and monitoring progress against commitments.

Charters outlining the accountabilities of the Board and its committees with regard to overseeing climate-related risks and opportunities can be found on the corporate governance pages of APA's website.

Sustainability performance and Climate are standing agenda items for the Safety and Sustainability Committee. This Committee assists the Board to oversee safety and sustainability (including climate) matters. APA's sustainability strategies take account of both opportunities and risks, with a view to building long-term competitive advantage and resilience for APA. The Committee meets quarterly with additional out-of-cycle meetings as required.

Board skills and diversity

The Board determines and periodically reviews the mix of skills, experience and backgrounds required to effectively govern APA's business while considering the expertise and diversity of existing Directors. When appointing a new Director, the Board considers candidates who will balance and complement those qualities and address any potential skills gaps required given APA's strategic direction.

The skills and experience of our Directors with respect to climate and sustainability matters positions APA well to actively participate in and support Australia's energy transition. The Board skills matrix in APA's Corporate Governance Statement includes a full breakdown of Directors' skills and experience, and level of competency, in areas of strategic importance to APA, including the energy transition and climate.

The Board's collective knowledge is supplemented by management briefings and internal and external subject matter experts on topics such as climate, the energy transition and sustainability.

Management responsibilities and accountability

Our ELT is responsible for overseeing the development and refresh of our CTP. In FY25, we established an internal Advisory Group to advise on the development of this CTP. This group, involving leaders from across the business, assisted in ensuring that appropriate consideration was given to strategic issues and implications and provided advice to the ELT as the accountable Management decision-making body.

Management structures governing the delivery of our CTP include the Sustainability Management Committee (SMC) and CTP Management Group (Figure 18). The SMC oversees the execution and effectiveness of the CTP, monitors delivery metrics and receives regular updates on progress against CTP commitments and related emerging issues and policy developments.

General Managers across APA, who are responsible for the delivery of commitments within the CTP, are members of a CTP Management Group. Their role is to manage the timely execution of the commitments in our CTP and respond to any emerging issues.

Management provides quarterly climate-related updates to the Board Safety and Sustainability Committee.

APA's Investment Committee, which is responsible for reviewing investment recommendations, considers the CTP when assessing investment decisions (refer p 18).

Governance related to the assessment and management of climate-related risks and opportunities is addressed on page 33 for this report.

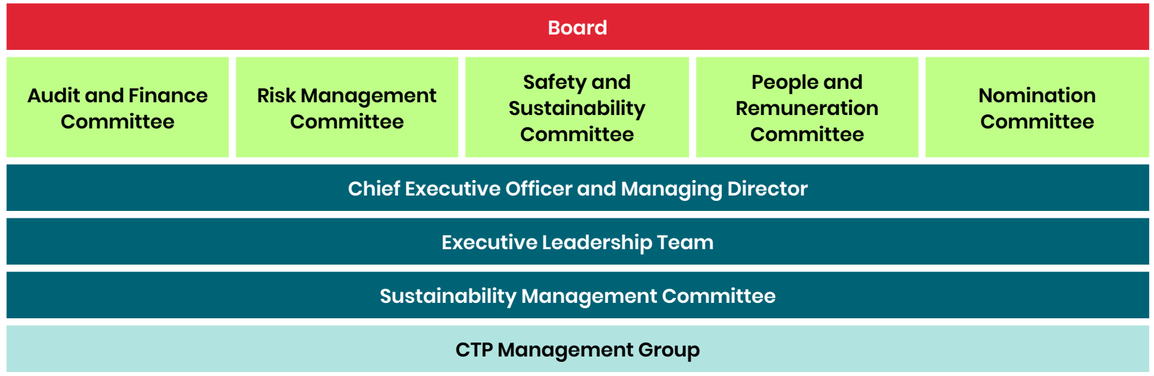
APA's Sustainability Team stewards our approach to climate and advises on integrating climate change objectives into APA's business strategy, decision-making and business processes. The Sustainability Team is also responsible for APA climate policies, frameworks and standards, building organisational capability related to climate change, informing management of climate-related issues, technical advice and support, and internal and external climate reporting.

Executive remuneration linked to climate-related performance

The CEO and all ELT members have at least 10% of their Short-Term Incentive (STI) determined based on APA's performance against priorities aligned with implementing APA's Climate Transition Plan. This includes annual targets for the achievement of gas infrastructure structural abatement.

Refer to APA's FY25 Remuneration Report contained in APA's Annual Report 2025 for further information.

Figure 18. Climate-related governance structure



Additional information

Darling Downs South West in Queensland used to be known for its rich agriculture and primary industries, and is now making its mark with world class renewable energy facilities. Photo credit: Mark Barrow.

Operational emissions pathways to 2030 modelling assumptions and inputs

Gas infrastructure and methane pathways to 2030

Assumptions and inputs for our operational gas infrastructure emissions and methane emission forecasts over FY26 to FY30, as set out on pages 23 and 24, are as follows:

- Emissions reductions are calculated for FY25 relative to the emissions that would have occurred in this year in the absence of abatement, offsets and network-driven reductions.
- Information beyond FY25 is a projection and does not reflect actual emissions or emissions reductions.
- Emissions associated with the following growth projects are included: the East Coast Grid Expansion, the Northern Gasfields Interconnect, Kurri Kurri Lateral Pipeline project, the Sturt Plateau Pipeline, the Brigalow Pipeline and the Western Outer Ring Main project.
- Emissions associated with the yet to be designed NEAP are not included in emission forecasts to 2030. If the NEAP was to be developed, it is not anticipated that it would be completed and operational until after 2030.
- No inorganic growth, such as through acquisitions, has been assumed in the forecast gas infrastructure and methane emissions.
- Network-related reductions due to changed operations are mainly due to reduced compressor fuel gas use as a result of changed demand.
- The pathways include abatement delivered through compressor fuel efficiency, lean gas desegregation, the surrender of LGCs and additional methane abatement initiatives such as valve upgrades, compressor methane recovery, reciprocating compressor seal packing upgrades, leak detection and repair, and purge timer reduction.
- Offsets include those surrendered to meet Safeguard Mechanism requirements or in circumstances where a gap to our 2030 target remains.
- The Goldfields Gas Pipeline (GGP) is assumed to remain under the Safeguard Mechanism, while noting that emissions from this pipeline may fall below the threshold in a particular year. GGP's coverage under the Safeguard Mechanism will be assessed as required based on reported emissions.
- The surrender of LGCs, compressor fuel efficiency emissions reductions and the surrender of offsets are accounted for within our assured accounts. Methane abatement achieved is estimated but not captured in our assured emissions reporting.
- The FY25 net methane emissions includes abatement delivered to date (as detailed above), which is not reportable under NGER method 1 for gas transmission.
- Portfolio changes include assets that are forecast to be added or divested based on knowledge held at the time of modelling.
- It is assumed that by FY30, the NGER determination will have been updated to allow reporting of methane emissions consistent with our enhanced methane reporting method.
- The uncertainty band indicates the expected range of abatement to be delivered by FY30 to capture changes that may positively or negatively impact targeted delivery dates and the actual quantum of abatement delivered. Factors such as the effectiveness of the abatement technology, gas throughput and delivery timelines are inputs into the uncertainty assessment.

Power generation pathway to 2030

Assumptions and inputs for our power generation emissions intensity forecasts over FY26 to FY30, as presented on page 26, are as follows:

- Information beyond FY25 is a projection and does not reflect actual emissions. Emissions intensity forecasts after FY25 are estimated based on future thermal and renewable energy projects that have a ≥50% confidence level of progressing as at June 2025. Future project contributions to APA's power generation emissions intensity were calculated using a weighted approach based on the confidence level for each project.
- Uncertainty was calculated by applying assumed changes to project delivery timing and renewable energy MWh delivery, based on a weighted approach dependent on the confidence level of each specific project.

APA's battery energy storage system constructed next to our Port Hedland Power Station as part of the Port Hedland Solar Farm and Battery Project

Transition risk and opportunity assessment scenario inputs and assumptions

Major factors driving scenario analysis

Australian electrification: The pace of electrification and renewable build-out varies by scenario. The 1.5°C scenario requires faster electrification than Australia's current trajectory and a dramatic acceleration of the renewable build-out. The <2°C scenario assumes the current pace of electrification and an acceleration of the renewable build-out. In the >2.5°C scenario, electrification decelerates, in part due to infrastructure constraints and a high cost of energy while renewables build-out proceeds at the current pace.

Energy generation mix: Meeting the demand for electricity will require a dramatic shift in capacity. The 1.5°C scenario will require a greater than fivefold growth in electricity capacity in the NEM by 2050, mostly from solar and wind. According to AEMO's 2024 Integrated System Plan, the annual growth rate in capacity required from 2024 to 2050 is 7.8% in the 1.5°C scenario, 4.8% in the <2°C scenario, and 2.8% in the >2.5°C scenario.

All of these build cases will require sufficient financial incentives to justify new investment, providing a level of resilience for existing assets.

While the majority of capacity will be in renewable sources, there will also be a significant requirement for growth in dispatchable capacity. Much of this will come from renewable sources of storage such as batteries and hydro, but renewable sources will not be sufficient to provide all of the country's energy capacity requirement. The AEMO 2024 ISP forecasts the need for GPG installed capacity in the National Electricity Market to increase from 11.5 GW to about 15 GW, including an additional 13 GW of GPG capacity to 2050 to replace retiring generation. The CCA's Sectoral Pathways Review also relies highly on GPG, adding about ~15 TWh of additional generation between 2025 and 2035 in their 2°C scenario. While GPG will not operate frequently, its ability to ramp up quickly makes it essential for covering short-term spikes and maintaining reliability, particularly in extended periods of low renewable output.

In addition to grid-connected electrification, Australia is likely to see dramatic increases in remote grid electricity demand during the energy transition. Major mining organisations have committed to material Scope 1 and Scope 2 reductions, which would require large investments to electrify operations, including replacing diesel-fuelled plant and haul fleets. All of this increase will need to be met by a combination of variable renewable energy, for large parts of the day, but will also require significant new GPG at night and during renewable droughts. This electrification trend is expected to be faster under lower-temperature scenarios.

The need for GPG, is anticipated to be stronger in winter, when demand for electricity for heating is higher and solar output is lower. For the winter months, and in all scenarios, gas demand will reach >2,000 TJ/d in the east coast gas market.[1] This will require significantly higher levels of transport and storage, as these levels currently exceed the practical limits of north-to-south transport on the Moomba to Sydney Pipeline and Moomba to Adelaide Pipeline System.

LNG exports: LNG exports dominate the demand for gas in Australia. In 1.5°C scenarios, LNG exports are expected to decline by ~60% in the east coast energy system. In the <2°C scenario, this decline is limited to 39%, and in the >2.5°C scenario, LNG exports are forecast to reduce by about 12%.[1]

Cost of carbon: In Australia, the current settings of the Safeguard Mechanism and the Renewable Energy Target provide financial incentives for decarbonisation and renewable build-out. While policy design is likely to change over time, all our scenarios assume some level of carbon pricing in Australia. In lower-temperature scenarios (1.5°C and <2°C) a high carbon price will be required with substantial global policy coordination to drive emissions reduction. The high-temperature scenario (>2.5°C) involves a much lower, but still meaningful, carbon price and divergent global policies.

Key assumptions

	1.5 (°C)	<2 (°C)	>2.5 (°C)
Global policy alignment	Public and government acceptance of the increasing societal risks posed by climate change drives global, government-led action to rapidly reduce emissions. Major emitters, including the US and China, act aggressively to meet their 2050/60 net zero targets and the rest of world follows suit.	Public and government acceptance of the increasing societal risks posed by climate change drives global, government-led action to reduce emissions. There is some delay in converting global commitments to actual policy, but before 2030, major emitters, including the US and China, act aggressively to meet their 2050/60 net zero targets followed by the world.	As we move toward 2030, economic concerns increasingly take the centre stage for national policy development. Threatened by increasing global conflicts and ongoing global supply chain disruptions, governments adopt protectionist measures to nurture strategic industries. More ambitious regions such as Australia and New Zealand continue to push forward climate pricing but momentum fades as countries look to avoid a trend toward de-industrialisation.
Carbon price	A global carbon price is accepted as a critical mechanism to drive abatement. Prices rise dramatically reaching $225 (nominal) in 2030 and $621 in 2050, ultimately reaching a level that is sufficient to make engineered removals (e.g. DAC) economically viable.	Carbon prices gain traction as a critical measure to incentivise abatement but limited global trading eventuates. Australia tightens and strengthens the Safeguard Mechanism and domestic carbon prices rise to current cap, which is sufficient to incentivise significant activity in nature-based sequestration through the Carbon Farming Initiative. Coal exits occur as accelerating renewable build-out challenges economics of an aging fleet. Carbon prices reach $103 (nominal) in 2030 and $241 in 2050.	Carbon prices gain traction as a critical measure to incentivise abatement but limited global trading eventuates. Australia maintains the Safeguard Mechanism and domestic carbon prices rise to meet inflationary pressures in the supply of nature-based ACCUs. Coal exits are delayed until sufficient capacity build allows them to exit while maintaining system security. Carbon prices rise reaching $50 (nominal) in 2030 and $120 in 2050.
Australian Government policy and the energy system	In Australia, government acts to accelerate coal closures by applying a direct carbon price to the electricity sector. This accelerates the build of variable renewables, battery firming, and GPG grows as in AEMO ISP forcasts. Gas remains important to the Australian energy system with progress to net zero supported by fuel substitution and carbon sequestration. Global gas demand declines by >50% consistent with IEA NZE with similar declines in Australian LNG exports.	The Australian energy system follows the Step Change path from the Integrated System plan with a ~121 TWh of electrification demand supported by ~13 GW of new GPG capacity. In this scenario, domestic gas demand is flat as residential demand declines are offset by increased GPG demand. Global LNG industry continues to provide a critical role as a transitional fuel and Australian LNG exports decline modestly from current levels with no new additions of capacity.	The Australian energy system follows the Progressive Change path from the Integrated System plan with 82 TWh of electrification demand supported by a slowed GPG capacity roll-out to 2050. In this scenario, domestic gas demand declines modestly as residential demand declines are partially offset by increased GPG demand. Global LNG industry continues to provide a critical role as a transitional fuel and Australian LNG exports continue at current levels with no new additions of capacity.

Assumptions used in the quantitative modelling for all assets include that:

- Gas supply is sufficient to meet the demand forecast in AEMO ISP scenarios. This will require a price that is sufficient to justify new exploration and development, including necessary approvals.
- All expansion projects currently committed by APA proceed on-time and on-budget.
- Any uncommitted expansions or investments only proceed if they meet or exceed our risk-adjusted investment hurdle rates.
- Opex and Stay-in-Business capex are sufficient to maintain safe and reliable operations.
- Power generation assets are included in the Safeguard Mechanism in all scenarios.
- The cost of carbon will be addressed by customer cost pass-through for facilities currently under the Safeguard Mechanism as well as those that we anticipate will also be captured under the scheme in the future, in all scenarios.
- Mining in the Mount Isa region and Western Australia remain viable and miners continue to grow and/or decarbonise.
- There are no material changes to overall regulatory regimes or specific regulatory status of the assets during the period.
- Where there are no specific changes in assumptions, financial analysis is conducted based on the current settings and assumptions in FY24 carrying value models for each asset.

[1] AEMO 2025 GSOO.

Metrics and targets

APA has established measurable key climate metrics to monitor and report on progress and performance against this CTP. Progress and performance is reported within APA's Annual Reporting suite, including the Climate Report within the Annual Report and the Sustainability Data Book. Methods are set out in APA's Greenhouse Gas Emissions and Energy Calculation Methodology. The Reporting Suite is available from apa.com.au/investors.

Metric	Unit of measurement
GHG emissions and energy	
Total absolute Scope 1 and Scope 2 (adjusted, market method, gross and net), Scope 3 (gross and net) and end-user greenhouse gas emissions. Scope 3 emissions by category	t CO_2-e
Gas infrastructure: Scope 1 (gross), Scope 2 (market method, gross), Scope 2 (location method, gross), total Scope 1 and Scope 2 (adjusted gross and net)	t CO_2-e
Power generation infrastructure: Scope 1 (gross), Scope 2 (market method, gross), Scope 2 (location method, gross), total Scope 1 and Scope 2 (adjusted net)	t CO_2-e
Electricity transmission infrastructure: Scope 1 (gross), Scope 2 (market method, gross), Scope 2 (location method, gross), total Scope 1 and Scope 2 (adjusted gross) with and without line loss	t CO_2-e
Total methane emissions (adjusted, gross)	t CH_4
Power generation emissions intensity (adjusted, gross)	t CO_2-e/MWh
Energy production and consumption	PJ
Percentage of Scope 1 emissions covered under emissions-limiting regulations	%
GHG targets and goals	
Percentage reduction in net adjusted Scope 1 and Scope 2 emissions from gas infrastructure relative to FY21 base year	%
Percentage reduction in adjusted operational methane emissions reductions relative to FY21 base year	%
Percentage reduction in gross adjusted power generation operational emissions intensity relative to FY21 base year	%
Percentage reduction in adjusted Scope 3 Category 15 gas infrastructure emissions relative to FY21 base year	%
Percentage of Scope 3 Category 1 and 2 emissions, by spend, covered by engagement with APA suppliers to set a net zero goal	%
Carbon price	
Price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions	$/t CO_2-e
Climate-linked executive remuneration	
Percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations	%
Offsets and large-scale generation certificates	
Offset holdings surrendered (including project, location, credit type, abatement method and year of issuance details)	Number of units
Large-scale generation certificates (LGCs) surrendered	Number of certificates
Enabling emission reduction to contextualise APA's role in the energy transition	
Emissions intensity of the National Electricity Market	t CO_2-e / MWh
Energy generation by renewables, coal and gas power generation in the National Electricity Market	TWh
Flexible gas powered generation capacity in the National Electricity market	GW
East Coast Gas Grid aggregate transmission capacity (SWQP, MSP and VNI)	TJ / day

Abbreviations

Abbreviation	Term	Abbreviation	Term
AASB S2	Australian Accounting Standards Board S2 Climate-related Disclosures	MGP	Methane Guiding Principles
ACCUs	Australian Credit Carbon Units	MSP	Moomba Sydney Pipeline
AEMO	Australian Energy Market Operator	NGER	National Greenhouse and Energy Reporting
CCA	Climate Change Authority	NEAP	North East Australia Pipeline
CCS	Carbon capture and storage	NEM	National Electricity Market
CMIP	Coupled Model Intercomparison Project	NPV	Net present value
CTP	Climate Transition Plan	NWPS	North West Power System
DCF	Discounted Cash Flow	OGMP 2.0	Oil and Gas Methane Partnership 2.0
DPS	Diamantina Power Station	OCGT	Open cycle gas turbine
CO2-e	Carbon dioxide equivalent	RCPs	Reference Concentration Pathways
ESG	Environmental, social and governance	SBTi	Science Based Target initiative
FSB	Financial Stability Board	SMCs	Safeguard Mechanism Credits
GGP	Goldfields Gas Pipeline	SSP	Shared Socioeconomic Pathways
GHG	Greenhouse Gas	STI	Short-Term Incentive
GPG	Gas-fired power generation	SPP	Sturt Plateau Pipeline
GSOO	Gas Statement of Opportunities	TCFD	Taskforce on Climate-related Financial Disclosures
GWP	Global warming potential	TPT	UK Transition Plan Taskforce
IEA	International Energy Agency	SWQP	South West Queensland Pipeline
IPCC	Intergovernmental Panel on Climate Change	VNI	Victoria Northern Interconnect
ISP	Integrated System Plan	VTS	Victorian Transmission System
IOC	Integrated Operations Centre	WGP	Wallumbilla Gladstone Pipeline
LGCs	Large-scale generation certificates	WORM	Western Outer Ring Main
LNG	Liquified Natural Gas		

Glossary

Term	Definition
Abatement	Measures that companies take to prevent, reduce or eliminate sources of GHG emissions within their value chain.
Absolute emissions	For a particular reporting period, total aggregate greenhouse gas emissions specific to a particular emission Scope or across different Scopes. Is not relative or comparative in contrast with Emissions intensity (see below).
Ambition	An intention to seek an outcome, but that outcome is subject to material uncertainties and contingencies.
Assets	An item of value owned or operated by APA, e.g. transmission, generation or other.
Australian Carbon Credit Unit (ACCU)	An ACCU is a unit issued to a person by the Clean Energy Regulator (Regulator) by making an entry for the unit in an account kept by the person in the electronic Australian National Registry of Emissions Units (Registry). Each ACCU issued represents one tonne of carbon dioxide equivalent (t CO_2-e) stored or avoided by a project.
Avoid	The avoidance of emissions through decisions APA makes when (1) investing in a new entity or asset or (2) designing new or when making major modifications to assets.
Base year	A historic datum (a specific year or an average over multiple years) against which a company's emissions are tracked over time.
Baseline	A hypothetical scenario for what GHG emissions, removals or storage would have been in the absence of the GHG project or project activity.
Base year emissions recalculation (re-baselining)	Recalculation of emissions in the base year to reflect a change in the structure of the company, or to reflect a change in the accounting methodology used. This ensures data consistency over time, i.e. comparisons of like with like over time.
Capex	Capital expenses. Money spent to buy or improve fixed assets.
Carbon offsets (carbon credits, offsets)	An emissions unit that is issued by a carbon crediting program and represents an emission reduction or removal of greenhouse gases. Carbon credits are uniquely serialised, issued, tracked and cancelled by means of an electronic registry (AASB S2). This includes carbon offsets surrendered to address regulatory requirements under the Australian Safeguard Mechanism, and carbon offsets that are voluntarily surrendered outside of the scope of such regulatory compliance.
Climate resilience [AASB S2 Defined term]	The capacity of an entity to adjust to climate-related changes, developments or uncertainties. Climate resilience involves the capacity to manage climate-related risks and benefit from climate-related opportunities, including the ability to respond and adapt to climate-related transition risks and climate-related physical risks. An entity's climate resilience includes both its strategic resilience and its operational resilience to climate-related changes, developments and uncertainties.
Climate-related physical risks [AASB S2 Defined term]	Risks resulting from climate change that can be event-driven (acute physical risk) or from longer-term shifts in climatic patterns (chronic physical risk). Acute physical risks arise from weather-related events such as storms, floods, drought or heatwaves, which are increasing in severity and frequency. Chronic physical risks arise from longer-term shifts in climatic patterns, including changes in precipitation and temperature, which could lead to sea level rise, reduced water availability, biodiversity loss and changes in soil productivity. These risks could carry financial implications for an entity, such as costs resulting from direct damage to assets or indirect effects of supply-chain disruption. The entity's financial performance could also be affected by changes in water availability, sourcing and quality, and extreme temperature changes affecting the entity's premises, operations, supply chains, transportation needs and employee health and safety.
Climate-related risks and opportunities [AASB S2 Defined term]	Climate-related risks refers to the potential negative effects of climate change on an entity. These risks are categorised as climate-related physical risks and climate-related transition risks. Climate-related opportunities refers to the potential positive effects arising from climate change for an entity. Efforts to mitigate and adapt to climate change can produce climate-related opportunities for an entity.
Climate risk	In reference to APA's materiality matrix, this topic refers to the assessment, management and disclosure of risks and opportunities associated with climate change.
Climate Transition Plan (CTP) [Climate-related transition plan, AASB S2 Defined term]	APA's Climate Transition Plan is an aspect of APA's overall strategy that sets out targets, actions or resources for APA's transition towards a lower-carbon economy, including actions related to greenhouse gas emissions reduction. APA's CTP updates, consolidates and transparently communicates APA's commitments and performance in managing climate change risks and opportunities, as the energy transition accelerates.
Climate-related transition risks [AASB S2 Defined term]	Risks that arise from efforts to transition to a lower-carbon economy. Transition risks include policy, legal, technological, market and reputational risks. These risks could carry financial implications for an entity, such as increased operating costs or asset impairment due to new or amended climate-related regulations. The entity's financial performance could also be affected by shifting consumer demands and the development and deployment of new technology.
CO_2-e (carbon dioxide equivalent)	The universal unit of measurement to indicate the global warming potential (GWP) of each GHG, expressed in terms of the GWP of one unit of carbon dioxide (CO_2). It is used to evaluate releasing (or avoiding releasing) different GHGs against a common basis.
Compressor station	The plant and equipment used to increase the pressure of natural gas in a pipeline.
Coupled Model Intercomparison Project (CMIP)	CMIP is an international scientific collaboration under the United Nations World Climate Research Program. CMIP6 data are the most current global climate model data available and provide the foundation for the Intergovernmental Panel on Climate Change's Sixth Assessment Reports.
Decarbonise, decarbonisation	Removing or reducing the amount of greenhouse gases emitted into the atmosphere.
Electrification	Electrification is the process of converting an energy-consuming device, system, or sector from non-electric sources of energy to electricity, such as in homes, buildings, industry, agriculture and transportation.
Emissions (GHG emissions)	Known as greenhouse gas (GHG) emissions. These are the aggregate anthropogenic carbon dioxide equivalent emissions of carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF_6). All are expressed in carbon dioxide equivalent (CO_2-e).
Emissions intensity	For a particular reporting period, total aggregate greenhouse gas emissions per unit for some activity or output specific to a particular emission Scope or across different Scopes. For example, emissions per throughput of gas is an intensity measure.
End-user emissions	End-user emissions are emissions (upstream and downstream) that result from the end use consumption (combustion) of natural gas that APA transports through its wholly- or partially-owned pipelines but does not take ownership of and therefore does not sell to the end-user.
Energy transition	Energy transition means reducing reliance on greenhouse gas intensive sources of energy to decarbonise the economy and support the achievement of climate-related targets and goals.
Financial Stability Board (FSB)	International body that monitors and makes recommendations about the global financial system.
Financial year (FY)	Period between 1 July to 30 June.
Future energy	New energy solutions, such as hydrogen, biomethane and carbon dioxide transport to support carbon capture, utilisation and storage.
Future fuels	A wide range of carbon-neutral fuels produced using renewable or other energy sources such as biogas and hydrogen.
Fugitives (Fugitive emissions)	The unintentional release of gas in connection with, or because of, the extraction, processing, storage or delivery of natural gas.
Gas	Natural gas
Global warming potential (GWP)	Global warming potentials (GWPs) are values that allow direct comparison of the impact of different greenhouse gases in the atmosphere by comparing how much energy one tonne of a gas will absorb compared to one tonne of carbon dioxide.
Goal	An intention to seek an outcome for which there is no current pathway(s), but for which efforts will be pursued towards addressing that challenge, subject to certain assumptions or conditions.
Greenhouse gas (GHG)	Gas that can trap heat when emitted within the atmosphere. The greenhouse gases included under the GHG Protocol are carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PCFs), sulphur hexafluoride (SF6) and nitrogen trifluoride (NF3).
Greenhouse Gas Protocol (GHG Protocol)	The Greenhouse Gas Protocol establishes comprehensive global standardised frameworks to measure and manage greenhouse gas emissions from private and public sector operations, value chains and mitigation actions.
Green hydrogen	Hydrogen produced using renewable energy.
Gross emissions	Total GHG emissions for a reporting period with no adjustment due to the application of offsets surrendered.

Term	Definition
Hard-to-abate	Any sector for which the transition to net zero has no near-term decarbonisation pathways, including due to the lack of commercially viable technology.
Internal Carbon Price	APA applies an Internal Carbon Price when assessing investment opportunities, abatement initiatives and options to minimise emissions associated with new infrastructure.
Large-scale generation certificate (LGC)	A large-scale generation certificate (LGC) represents 1 MWh of electricity generated from an eligible renewable electricity source.
Lower emissions (Lower carbon)	The characteristic of having lower levels of associated potential GHG emissions when compared to historical and/or current conventions or analogues; for example, relating to an otherwise similar resource, process, system, product or service, or activity.
Marginal abatement cost	Net Present Value (NPV) divided by emissions reduced or avoided.
Methane Guiding Principles (MGPs)	The Methane Guiding Principles (MGPs) is a voluntary, international multi-stakeholder partnership between industry and non-industry organisations. It has a focus on priority areas for action along the natural gas supply chain, from production to the final consumer.
Mitigation	Refers to efforts to reduce or prevent emission of greenhouse gases. Mitigation can mean using new technologies and renewable energies, making older equipment more energy efficient, or changing management practices or consumer behaviour.
Net emissions	Gross GHG emissions for a reporting period reduced/increased by the number of carbon offsets surrendered/issued.
Net zero	Achieving an overall balance between greenhouse gas emissions produced and greenhouse gas emissions taken out of the atmosphere.
NGER, NGER Act	*National Greenhouse and Energy Reporting Act 2007*, and associated legislation/regulations.
NGERS	National Greenhouse and Energy Reporting Scheme.
Non-reportable methane abatement	Methane abatement achievements not accounted for within APA's existing regulatory measurement techniques, which are based on National Greenhouse and Energy Reporting Method 1.
Operational control	A company has operational control over an operation if the company or one of its subsidiaries has the full authority to introduce and implement its operating policies at the operation. This aligns with the definition of operational control provided in both the GHG Protocol and section 11 of the NGER Act.
Operational emissions	Scope 1 and Scope 2 emissions for assets (facilities) under APA's operational control.
Operational methane emissions	Scope 1 methane emissions for assets under APA's operational control.
Organisational boundary	Relates to assets under APA's operational control.
Paris Agreement	An international agreement adopted under the United Nations Framework Convention on Climate Change in 2015. Under the Paris Agreement, the global temperature goal is to keep warming to 'well below' 2 degrees Celsius compared with pre-industrial levels, and to 'pursue efforts to limit the temperature rise to 1.5 degrees Celsius'.
Physical climate risk	Physical risks emanating from climate change can be event-driven (acute) such as increased severity of extreme weather events (e.g. cyclones, droughts, floods, and fires). They can also relate to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns (e.g. sea level rise).
Re-baselining	See Base year emissions recalculation (re-baselining).
Reduce	Reducing greenhouse gas emissions through the way we operate our assets as well as modifications to plant and infrastructure.
Remote-grid	A power generation facility that is not connected to the National Electricity Market (NEM), the South West Interconnected System (SWIS), the North West Interconnected System (NWIS), or the Darwin to Katherine Interconnected System (DKIS).
Renewable electricity	Electricity generated from renewable energy sources, as defined within the Australian Government's *Renewable Energy (Electricity) Act 2000*.
Renewable energy	Energy from renewable energy sources, as defined within the Australian Government's *Renewable Energy (Electricity) Act 2000*.
Renewable gas	Carbon-neutral gas substitutes that do not generate additional greenhouse gas emissions when burnt.

Term	Definition
Representative Concentration Pathways (RCPs)	Four independent pathways comprising sets of projections of radiative forcing that serve as inputs to climate modelling, pattern scaling and atmospheric chemistry modelling. These are based on the forcing of greenhouse gases and other forcing agents.
Safeguard Mechanism	Requires Australia's highest greenhouse gas-emitting facilities to keep their emissions below an emissions limit (baseline). If a Safeguard facility exceeds their baseline, they must manage their excess emissions. Applies to facilities that emit more than 100,000 t CO2-e of covered emissions in a financial year (the Safeguard threshold). The Safeguard Mechanism is administered through the NGERS.
Scenario	A plausible description of how the future may develop based on a coherent and internally consistent set of assumptions about key driving forces (e.g. rate of technological change, prices) and relationships. Note that scenarios are neither predictions nor forecasts but are useful for providing a view of the implications of developments and actions.
Scope 1 emissions	Direct emissions that occur from sources owned or controlled by a company, e.g. combustion of natural gas within a compressor.
Scope 2 emissions	Indirect emissions not directly generated by the reporting organisation but used due to its operations, such as consumption of purchased electricity/fuel or electricity line loss.
Scope 3 emissions	All indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.
Scope 4 emissions	Scope 4 emissions refer to the greenhouse gas emissions that are prevented due to the use of a product or service that is more environmentally efficient than conventional alternatives. Unlike Scope 1, Scope 2, and Scope 3 emissions, which focus on direct and indirect emissions from a company's operations and value chain, Scope 4 emissions highlight the positive climate impact a company can have by enabling emissions reductions elsewhere.
Shared Socioeconomic Pathways (SSPs)	Used alongside the Representative Concentration Pathways (RCPs) to analyse the feedback between climate change and socioeconomic factors, such as world population growth, economic development, and technological progress.
Target	An intended outcome in relation to which we have identified one or more pathways for delivery of that outcome, subject to certain assumptions or conditions.
TCFD	Task Force on Climate-related Financial Disclosures. An initiative of the Financial Stability Board (FSB) to improve and increase reporting of climate-related financial information.
t CO_2-e	Tonne (t) CO2-e (carbon dioxide equivalent).
Transition risk	Risks related to the transition to a lower-carbon economy. They can be grouped into four categories: policy and legal risk; technological risk; market risk (e.g. consumer preferences); and reputational risk.
Underlying emissions	Refers to operational emission estimates and forecasts that exclude emissions associated with growth and include non-reportable methane abatement and the surrender of offsets.
Value chain emissions	Emissions from the upstream and downstream activities associated with the operations of the reporting company, including end-user emissions.