Climate-related financial disclosure

Quality Holdings Resources Limited

For the reporting period 1 January 2025 to 31 December 2025

The better the question.
The better the answer.
The better the world works.

Shape the future with confidence

Foreword

Welcome to the first edition of "EY Illustrative Climate-related disclosure of Quality Holdings Resources Limited" (referred to as "the Group"), developed to assist Australian entities in meeting the disclosure requirements of AASB S2 *Climate-related Disclosures* ("AASB S2"). The introduction of mandatory climate disclosures has been referred to as a generational change in financial reporting. Even though various companies have previously reported voluntarily under the Taskforce on Climate-related Financial Disclosures or other similar frameworks, the introduction of mandatory climate disclosures brings a new focus and expectation to these disclosures. We expect that climate disclosures prepared in accordance with Australian Sustainability Reporting Standards (ASRS) will evolve as familiarity with the requirements improves and reporting practices mature. As such, we expect that the disclosures illustrated in this publication will also evolve and mature in the future version of this or related publications.

Climate-related risks and opportunities are rapidly reshaping the global business environment, compelling organisations to adapt their current business strategies, and enhance the transparency and connectivity of their financial and non-financial reporting practices. As the urgency to address climate change grows, stakeholders expect companies to provide clear, actionable and comprehensive disclosures on how climate-related matters impact their operations, strategy and financial performance/position.

The *Corporations Act 2001* ("Corporations Act") was amended in 2024 to introduce a mandatory climate-related disclosure regime for Australian entities that are large businesses or financial institutions. The regime applies to both listed and unlisted entities, commencing as early as financial years beginning on or after 1 January 2025. Entities in scope will be required to lodge a 'sustainability report' containing climate-related disclosures prepared in accordance with ASRS, in particular AASB S2, which has been issued by the Australian Accounting Standards Board (AASB).

This publication provides illustrative examples of the disclosures required under AASB S2. It is intended to guide the preparers in understanding and implementing these requirements.

All entities are encouraged to begin preparing for the climate-related disclosure requirements, verifying that their reporting systems and processes can deliver robust and transparent disclosures. The illustrative example provided in this publication is designed to support entities to navigate these requirements and demonstrate how climate-related information can be effectively communicated to users.

We trust this publication will prove useful when preparing your climate-related statements for the next reporting season.

Mathew Nelson
EY Oceania Chief Sustainability Officer, Partner Climate Change and Sustainability Services

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Caveat

The names of people and corporations, and also the descriptions of events related to the Group included in these illustrations are fictitious and have been created for the purpose of illustration only. Any resemblance to any person or business is purely coincidental.

EY introductory notes

This publication contains an illustrative consolidated climate-related financial disclosure for Quality Holdings Resources Limited (the parent) and its subsidiaries ("the Group") that is prepared in accordance with the Australian Sustainability Reporting Standards (ASRS), issued by the Australian Accounting Standards Board (AASB), specifically AASB S2 *Climate-related Disclosures*. Quality Holdings Resources is a fictitious, publicly listed resources company with the parent entity incorporated in Australia. The judgements applied and conclusions reached are based on the fictitious specific circumstances of the Group. No judgements or conclusions can be taken or inferred from the detail of disclosed information in this illustrative report.

It is important to note that ASRS refers to two sustainability standards issued by the AASB:

- AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information*
- AASB S2 *Climate-related Disclosures*

Entities can voluntarily apply AASB S1 and disclose information about other sustainability-related risks and opportunities beyond climate. AASB S1 disclosures are not illustrated in this publication. AASB S2 specifies the climate-related financial disclosures that an entity is required to make, including core content disclosures relating to governance, strategy, risk management, and metrics and targets. AASB S2 also includes the necessary components of AASB S1 so that AASB S2 can be applied on a standalone basis. The components comprise the general requirements for the preparation of the climate-related financial disclosures, including requirements addressing the reporting entity, materiality, comparatives and timing of reporting.

Objective

This illustrative climate-related financial disclosure has been prepared to meet the requirements of AASB S2 (including all Appendices) and, has been developed by EY teams to assist you in preparing your own climate-related financial disclosures. Certain items included in these climate-related financial disclosures are merely for illustrative purposes. Where necessary, EY commentary is included to reflect input assumptions or considerations.

How to use these illustrative sustainability statements to prepare entity-specific disclosures

Users of this publication are encouraged to use this document to inform how they might prepare their own disclosures to comply with the requirements in AASB S2. The assessments and judgements made in preparing the Group's disclosures are specific to the fictitious facts and circumstances of the Group and its value chain. Therefore, an entity applying AASB S2 may need to include additional or different disclosures, and the content of those disclosures will be based on the facts and circumstances of that specific entity and its value chain.

Commentaries are provided to explain the basis for the disclosure or to address alternatives not included in the illustrative climate-related financial disclosures. For a more comprehensive list of requirements, please refer to the EY AASB S2 Disclosure Checklist. If you have questions on the application and interpretation of AASB S2, it is essential to refer to the relevant source material, external publications such as the EY International GAAP and, where necessary, to seek appropriate professional advice.

Australian Sustainability Reporting Standards as at 31 December 2024

Only mandatory standards are applied in these illustrative climate-related statements. AASB S2 is the only mandatory ASRS that was issued as of 31 December 2024 and effective for annual periods beginning on or after 1 January 2025. Users of this publication are cautioned to check for any changes in requirements of mandatory Australian Sustainability Reporting Standards between 31 December 2024 and the date on which their climate-related reports are authorised for issue.

Statement of compliance

AASB S2 requires an entity whose climate-related financial disclosures comply with all the requirements of this Australian Sustainability Reporting Standard to make an explicit and unreserved statement of compliance with AASB S2. An entity shall not describe climate-related financial disclosures as complying with this Standard unless they comply with all the requirements of this Standard (refer to section 1.1.1).

Directors' declarations

Under the Corporations Act, for financial years commencing between 1 January 2025 and 31 December 2027 the directors are only required to declare that the entity has taken reasonable steps to verify that the Sustainability Report is prepared in accordance with the Corporations Act. For financial years commencing on or after 1 January 2028, the directors will then be required to declare that its sustainability report is prepared in accordance with the Corporations Act and AASB S2.

Comparison with IFRS Sustainability Disclosure Standards

AASB S1 and AASB S2 are based on IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1) and IFRS S2 *Climate-related Disclosures (IFRS S2)* issued by the International Sustainability Standards Board (ISSB). The main difference between ASRS and IFRS Sustainability Disclosure Standards is that AASB S2 does not require disclosure of industry-based metrics nor to consider industry-based disclosure topics listed in the ISSB's *Industry-based Guidance on Implementing IFRS S2*. Therefore, an entity that complies with mandatory ASRS (i.e., AASB S2) will not necessarily be able to simultaneously claim compliance with the IFRS Sustainability Disclosure Standards.

Disclosure requirements that are not illustrated within this report

Materiality

AASB S2 describes the requirement to disclose material information about climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. In the context of climate-related financial disclosures, information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that primary users of general-purpose financial reports make based on those reports. These include both the financial statements and climate-related financial disclosures. Whilst we have prepared this report with consideration of the concept of materiality for the Group and its primary users, we have not demonstrated how this should be applied, as materiality judgements are specific to an entity. Consequently, the Standard does not specify any thresholds for materiality or predetermine what would be material in a particular situation. This illustrative set of disclosures does not demonstrate how the concept of materiality has been applied throughout the report.

Judgements, uncertainties and errors

AASB S2 requires an entity to disclosure information about the judgements it has made in the process of preparing its climate-related financial disclosures. AASB S2 also requires an entity to disclose information to enable primary users to understand the most significant uncertainties affecting the amounts or financial effects reported in the climate-related financial disclosures. In doing so, an entity identifies the amounts it has disclosed that are subject to a high level of measurement uncertainty and, for each of those amounts, it needs to disclose: (i) the sources of measurement uncertainty and (ii) the assumptions, approximations and judgements the entity has made in measuring the amount.

As these illustrative disclosures are based on fictitious facts and circumstances, the disclosures about judgements and measurement uncertainties may not necessarily address all the requirements in AASB S2.

This illustrative set of climate-related financial disclosures has assumed that no errors were identified in prior period reporting and as such disclosures about the correction of errors is not illustrated.

Proportionality

AASB S2 includes proportionality mechanisms to address concerns that it may be challenging for some entities to apply specific requirements within the Standard. These proportionality mechanisms include:

- The consideration of an entity's skills, capabilities and resources
- The use of all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort

The application of the above-mentioned proportionality requirements has not been illustrated within this publication.

Comparative information

AASB S2 requires entities to disclosure comparative information in respect of the preceding period for all amounts and other relevant information disclosed in the reporting period. These disclosures require comparative information in respect of the preceding period for all amounts, narrative and descriptive climate-related financial information disclosed in the reporting period. In the first year of reporting, entities are permitted to apply the transition relief granted by paragraph C3 of AASB S2. As this publication is intended to demonstrate the requirements in the first year of reporting, comparative information disclosures have not been illustrated.

Connected Information

AASB S2 requires an entity to provide information in a manner that enables users of general-purpose financial reports to understand the connections between the items to which the information relates and the connections between disclosures provided by the entity. The entity must disclose as part of general purpose reporting the connections between disclosures provided by the entity (i) within its climate-related financial disclosures and (ii) across its climate-related financial disclosures and other general purpose financial reports published by the entity. Further, in preparing the climate-related financial disclosures entities are required to use data and assumptions that are consistent with those used preparing the related financial statements to the extent that it is possible. The application of the above-mentioned connected information requirements has only been illustrated to the extent that they are connected within the illustrative report. Further details on disclosure requirements not included within this illustration can be found in Appendix 7.

Structure

There is no prescribed order for presenting the disclosures required by AASB S2. Instead, the presentation of an entity's climate-related financial disclosures is at the discretion of the reporting entity of how the information is best communicated.

For the purposes of these illustrative statements, we have opted to organize the disclosures in a way that we consider facilitates a coherent presentation of information for the fictitious group reporting entity, rather than following the order of the disclosure requirements, as they appear in AASB S2. This decision was based on judgment that this approach would enhance the 'understandability' of the disclosures (one of the prescribed qualitative characteristics of information). However, that reflects the specific fictious circumstances of the Group, and the nature of the information included in the statement and may not apply to other reporting entities. Consequently, some disclosure requirements might be achieved through illustrations included in multiple paragraphs or sections of the illustrative report. Similarly, the inverse would apply where one paragraphs touches on different disclosure requirements.

1. Preface

Key facts applying to illustrative disclosures

- The Group is a Group 1 reporting entity, which means that the Corporations Act requires the Group to prepare its first sustainability report in accordance with Australian Sustainability Reporting Standards for its 1 January 2025 – 31 December 2025 annual reporting period.
- The Group prepares a 'sustainability report' containing its climate-related financial disclosures for the consolidated group, aligned to the consolidated financial statements. The Group's consolidated financial statements and notes to those financial statements are not included in this illustration.
- There are no transactions, other events or conditions that occurred after the end of the period but before the date on which the climate-related financial disclosures are authorised for issue.

1.1 Quality Holdings Resources Limited's Climate Report

1.1.1 2025 Climate-Related Financial Disclosures

This report represents a complete set of climate-related financial disclosures for Quality Holdings Resources Limited and its subsidiaries (collectively, "the Group") for the year ended 31 December 2025. The Group's climate-related disclosures have been prepared in accordance with AASB S2 *Climate-related Disclosures*, which is the mandatory Australian Sustainability Reporting Standard (ASRS) that has been issued by the Australian Accounting Standards Board (AASB). As this is the first year in which the Group has applied AASB S2, the Group has elected to not disclose comparative information in this report. *S2 [D] 72*

This report has been prepared for the same consolidated reporting entity and reporting period as the Group's Consolidated Financial Statements (please refer to "note X.2 Basis of consolidation" in the financial statements) and has incorporated climate-related information of the parent company and all of its global subsidiaries. *S2 [D]Aus38.1 S2 [D]22*

This report was authorised for issue in accordance with a resolution of the directors on X February 2026.

EY Commentary

Although AASB S2 does not specifically require an entity to disclose the date when its complete set of climate-related financial disclosures was authorised for issue, this information is relevant for users to understand when the disclosures for the reporting period were finalised.

1.1.2 Director's Declaration

In accordance with a resolution of the directors of Quality Holdings Resources Limited, I state that:

In the opinion of the directors:

1. The entity has taken all reasonable steps to ensure that the climate statements and notes of the Company and its subsidiaries (collectively, the Group) are in accordance with the *Corporations Act 2001*, including:

    a. Giving a true and fair view of the Group's climate-related financial disclosures as at 31 December 2025 and of its performance for the year ended on that date

    b. Complying with Australian Accounting Standard AASB S2 *Climate-related Disclosures*

On behalf of the board

Emma Coley
Director
X February 2025

1.1.3 Corporate information

Headquartered in Australia, the Group is a multinational company specializing in mining and energy extraction and production. Established in 1975, the Group operates across the globe, with assets in Australia, North America, Latin America and Africa. The Group prioritizes safety and efficiency in all operations, while constantly striving to minimize environmental footprint. Throughout history, the Group has built a wealth of experience in resource extraction and production. Operations and investments are responsible for the production of some of the world's key commodities, including metallurgical coal, iron ore, aluminium, petroleum, critical minerals as well as renewable energy.

Using innovative methods and progressive technologies, the Group remains at the forefront of industry. It employs a diverse workforce of over 10,000 individuals, each dedicated to upholding standards of excellence. The team spans multiple disciplines and regions, bringing the Group a broad range of skill sets and expertise. The team is fully committed to ethical business practices in all operations around the world and are guided by an overarching philosophy of responsible resource management and respect for the communities and environments in which the Group operates.

Many of the Group's mines, fields and renewable energy assets have long lives, some ranging up to 35 years.

The processes involved in extracting and refining minerals or producing energy vary based on the commodity and its intended application. Depending on the mineral extracted or the energy produced, the Group performs activities to process or refine the commodity before it is shipped to the customer. The extraction and any processing or refining activities thar occur before the product is sold is typically performed using the Group's equipment and facilities and performed by the Group employees. Transportation of products to customers typically involves infrastructure such as railways, pipelines

and transmission lines as well as port facilities and ships for transportation to international customers. Depending on the commodity and the location of operations, the infrastructure assets used may belong to the Group or a third party.

The development and construction of mining and energy assets is typically performed by the Group's employees and local contractors, working under instruction. Construction of major civil infrastructure assets such as railways and ports are undertaken by large engineering and construction companies. Large-scale mining equipment is procured from large international equipment manufacturers around the world.

Commodities are sold through long-term contracts, short-term agreements or spot sales depending on both the commodity and the market conditions. Minerals and petroleum products are sold to customers who use products as inputs for their own manufacturing or production processes that will ultimately be included in finished goods. Demand for mineral and petroleum products is typically based on global macroeconomic factors as well as pricing of products relative to alternatives. The renewable energy generated is purchased for energy market operators or energy retailers.

The Group's corporate offices also procure goods and services from local or international suppliers. Aside from property and employee costs, the main expenses relate to electricity usage, cloud computing and data storage services, and business travel.

The Group has existing investments in early stage development projects that seek to integrate more sustainable technologies into its production processes for various resources and the Group is also pursuing investments in green hydrogen and ammonia.

1.1.4 Value chain estimation

In the assessment of climate-related risks and opportunities, the upstream and downstream value chain was considered using all reasonable and supportable information available without undue cost or effort for a comprehensive understanding of the climate-related risks and opportunities.

The Group has utilised data collated from across its value chain in order to disclose quantitative metrics and financial effects. In instances when quantitative metrics and amounts cannot be measured directly, the Group estimates value chain metrics using internal and external information (including industry benchmarks and other proxies) that are available.

For example, input estimations are used for Scope 3 greenhouse gas (GHG) emissions, utilising sector-average emissions factors. The accuracy of GHG emissions calculations is contingent upon the quality of data and the representativeness of the proxies used. Similarly, the estimation of anticipated financial effects is influenced by the assumptions and scenarios underpinning risk models.

The Group is committed to continuously improving the accuracy of these metrics. It is investing in improving data collection and reporting systems, engaging with clients to obtain more precise data, and participating in industry initiatives to refine the methodologies for calculating value chain emissions. Additionally, the Group is enhancing its financial risk models to better capture the potential impacts of climate change on its portfolio, with the aim of providing more accurate estimations of anticipated financial effects in future sustainability reports.

2. Strategy

EY notes

For the section “Strategy”:

- The strategy section includes an illustrative climate-related risk, opportunity and resilience assessment for the Group. This includes examples of transition and physical risks, including current and anticipated financial effects.

2.1 Business strategy

The Group’s business strategy is to responsibly manage a resilient long-term portfolio of key commodities, including iron ore, aluminium and petroleum assets, build and manage large scale renewable energy projects and invest in critical minerals and renewable energy projects that will support transition to a net-zero world. These projects involve significant upfront capital costs and have long useful lives, typically ranging from 10 to 35 years, so that the Group can generate a commercial return on the significant capital invested.

S2.10(d)

S2.10(d)

The Group considers what the impact of climate change might be over the following three-time horizons: short term (24 months after reporting, 2027), medium-term (7 years after reporting, 2032) and long-term (25 years after reporting, 2050). These timeframes are aligned to the Group’s strategic priorities, the anticipated progression of sustainability initiatives and with the long-term lifespan of assets and investments.

The Group’s view of the world

There is a high degree of uncertainty in the level of and time horizons for action the world will take to reduce GHG emissions. This affects predictions of warming levels, timing, and climate events. There is also an almost infinite number of pathways for reducing GHG emissions as geographies around the world are unlikely to act to the same extent and in similar timeframes whilst industry sectors will also take different trajectories to net zero.

To manage these compounding complexities, the Group's strategy and business planning has been undertaken based on a particular expectation for a global GHG emissions pathway. This forecast pathway has been used for the purposes of assessing the Group's climate risks and opportunities as well as the potential financial implications. Scenario analysis has then been undertaken to stress test the risks, opportunities and financial implications.

The Group's forecast pathway has been established based on:

- The assumption that global GHG emissions and the physical impacts of climate change will be consistent with the Intergovernmental Panel on Climate Change (IPCC)'s SSP1-2.6 scenario;

- An analysis of jurisdictional commitments and sector technology developments modelled using climate analytics information sourced from XYZ.

The scenario analysis will subsequently stress test the Group's strategy, business plan and risks utilising the IPCC's SSP1-1.9 (high transition) and the SSP5-8.5 (high physical) scenarios.

EY Commentary

An entity's strategy and business plans are forward looking. When an entity sets its strategy and undertakes business planning, the entity will be taking a view on the future conditions that may impact its future prospects. Those conditions may include, among others, business factors, economic factors and environmental factors. In this illustration, the 'The Group's view of the world' mentioned above is a pathway that the Group has chosen as its view of the world, which reflects the assumptions used in their strategy and business planning. AASB S2 requires an entity to assess the resilience of its strategy and business model by performing scenario analysis using alternative scenarios, which may refer to alternative pathways.

S2.10(a)
S2.10(b)

2.2 Climate risks and opportunities impacting the business

The physical impacts of climate change and the transition towards a net-zero emissions economy are likely to impact areas of our business and parts of the value chain to varying degrees. Climate change presents both discrete risks and opportunities as well as acting as a threat multiplier as it impacts other strategic and operational business risks such as regulatory risk, access to capital, cost of inputs, health and safety. It is recognised that the Group also has an impact on the climate, and the Group seeks to minimise its environmental footprint to manage climate-related risks and capture the opportunities that the transition to a lower-carbon economy represents.

The Group has conducted an assessment to identify and subsequently determine the current and anticipated effects of climate-related risks and opportunities on its business model and value chain. In this assessment, the Group identified specific areas within its business model and value chain where the identified climate-related risks and opportunities are concentrated, such as physical risks to infrastructure from extreme weather events and opportunities such as expanding renewable energy offerings.

The Group's assessment identified the following climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects, specifically its cash flows, access to finance or cost of capital over the short, medium or long-term:

EY Commentary

The following illustration has been detailed with a focus on various risks present within the Group. This illustration is not complete, and does not consider all implications on the Group's strategy and business model. A similar approach may apply to analyse climate-related opportunities, noting that this has not been illustrated in this publication.

Risks	Opportunities
Policy – exposure to carbon regulations (transition risk)	Investment in renewable energies
Changing customer demand – fossil fuel divestment (transition risk)	New technology and products
Flood risk vulnerability of assets (physical risk)	
Extreme heat impact on productivity of the workforce (physical risk)	

EY Commentary

The Group's assessment of climate-related risks has been conducted without incorporation of the effects of current or potential mitigation activities. This list is a short-list of a larger range of other risks but they are not significant to the Group and therefore not captured.

2.3 Effects of identified risks on its business model and concentration of those risks

S2.13(a)
S2.13(b)

For each of the identified risks and opportunities, the Group has determined the potential effects on the Group's strategy and business model. By integrating these insights into strategic planning, the Group aims to manage the financial, operational and reputational implications of climate change.

Please see the table below for the identified risks and their impact on the business model as well as mitigation activities in place to manage those risks.

Effects of the identified risk on its business model, the concentration and mitigation of those risks

S2.13(a)-(b)
S2.14(a)(i)-(iii)
S2.14(b)
S2.10(c)
S2.22(a)(i)

Risk and status under 'the Group's view of the world'	Nature of the risk (considered before any mitigation or adaptation efforts)	Mitigation or adaption efforts
Policy – exposure to carbon regulations (transition risk) ▪ Time horizon: Short - medium term ▪ Status: Increasing	There is a risk that in the jurisdictions where the Group operates, governments implement policy and/or regulation that results in either a direct or indirect price on GHG emissions (i.e. a carbon price). Over 80% of the Group's assets are in sectors usually captured by these types of regulations. Examples of policies that would result in a direct carbon price include emissions trading schemes, carbon taxes or baseline and credit schemes. Examples of policies that would result in a (indirect) carbon price are carbon border taxes, mandated emissions reduction schemes, energy efficiency schemes and mandated renewable energy schemes. There is also a risk that a carbon price gets applied to the Group's operations as a result of stakeholder pressure requiring further reduction of GHG emissions or purchasing of offsets to meet more aggressive targets. Some assets are already subject to direct or indirect carbon prices and the risk is that these schemes become more ambitious driving up the price of carbon. Quantitative modelling undertaken across operations suggest carbon prices will range from A$X to A$X in the short term to as much as A$X in the medium to long term.	The decarbonisation strategy sets out emissions reduction targets where the Group has considered ambitious targets to achieve net zero emissions by 2050. Capital budgets include investment in renewable energy sources for energy intensive operations. In 2022 two renewable energy projects Zephyr123 wind farm (Brazil) and Solara456 solar farm (Australia) were completed resulting in renewable energy being utilised in six out of nine sites across the Brazil and Australian operations. $Xm of capital has been provided for seed investments in research and development in electrification of mining fleets. The Group's capital budgets provide for over $Xb of follow-on investment to fully electrify mines in Latin America and Australia. Capital investment has been approved for two carbon capture and storage (CCS) pilot projects associated with the oil and gas operations in Australia and the USA over the next ten years, and the Group has entered into an exclusive offtake agreement for carbon removal credits from the development of an afforestation asset in Asia.
Changing customer demand (transition risk) ▪ Time horizon: medium – long term ▪ Status: Increasing	The global shift towards energy from alternative sources (e.g. solar, wind, hydro and other) is forecast to lead to a future decline in demand for fossil fuels. As such, the Group's production (e.g., petroleum and metallurgical coal customers) is particularly vulnerable in the medium to long term as customers transition away from fossil fuels occurs around the world. Revenues generated from metallurgical coal remained relatively stable in the current period due to strong international demand. Long-term declines in demand for metallurgical coal are likely to lag declines in oil, however, longer-term modelling suggests a decline in sales volumes without downstream CCS of between xx%-yy% because customers will increasingly shift to using hydrogen as a reducing agent. It is anticipated that in the medium to long term this will have a significant impact on oil revenues generated from the petroleum segment, with an estimated reduction in petroleum sales volumes of between XX%-XX%.	In the medium-to-long term, the Group plans to reallocate capital towards alternative energy assets such as hydrogen and green ammonia, renewable energy division and expansion of its portfolio of critical minerals (specifically for Copra789 and Nickle234 sites and other lithium, nickel and copper projects). The Group will also continue to invest in research and development associated with hydrogen-based reduction with a view that its iron ore assets continue to be part of its commodity mix beyond 2050. The majority of existing oil and gas fields are expected to be depleted between 2030 and 2035 and therefore are likely to operate throughout their originally forecast life. A small number of assets (Helios, Crimson -North America, Zahara – Latin America, Titan-Australia) are at risk of early closure due to high concentrations of CO2 in the reserves and increasing carbon pricing impacting profitability. The Group is working directly with customers (e.g., petroleum and metallurgical coal customers) guiding their transition to new products/minerals.

Risk and status under 'the Group's view of the world'	Nature of the risk (considered before any mitigation or adaptation efforts)	Mitigation or adaption efforts
Flood risk vulnerability of assets (physical risk) ▪ Time horizon: Short, medium and long term ▪ Status: Increasing	Adverse extreme weather events may on occasion impact supply chains and distribution routes. The Zahara site within Argentina experienced flooding in the current financial year with a total financial effect of $Xm (as outlined further in section 2.1.4 below). Modelling has been undertaken over covering the next 15 years to inform understanding of the Group's exposure to existing and emerging flood risk to implement appropriate measures to optimize business resilience. As a result, the Group noted that the magnitude of this impact within Zahara is significant, with limited exposure for the Mettaville site (in Australia) and Topaz (located within South Africa). A detailed assessment has been performed of the Zahara site below to provide further details on the anticipated effects over the short, medium and long term below. Although short-term exposure remains significant, it is noted that mitigation efforts are expected to reduce the risk of exposure by 2035.	For the financial effects resulting from floods to stabilise, in combination with the expected increase in carbon pricing, the Group expects to place the Zahara oil field earlier than previously planned into care and maintenance. Additionally, the implementation of mitigation and adaptation measures designed to protect the assets from damage or business interruptions from future floods might positively impact the efficiency of future operations. Further, details of mitigation and adaptation efforts are outlined in the anticipated financial effects section below.
Extreme heat impact on productivity of the workforce (physical risk) ▪ Time horizon: Medium to long term ▪ Status: Stable	Extreme heat poses a growing operational risk for the Group, particularly for operations within Australia, South Africa and Brazil. Prolonged high temperatures can lead to an impact on workforce productivity, equipment malfunctions and increased maintenance costs. Additional high energy costs are associated with heat impact as there is an increased requirement for cooling at some operating sites. The Group noted 2 days of work lost due to heat stress for 868 employees within overall operations in the current year. This resulted in additional contract workers hired with an associated cost of $Xm in the current financial year. Further extreme heat could also impact water resources which are an essential resource within the mining operations. Water scarcity is likely to worsen and can be associated with higher costs for water access, increased regulatory scrutiny and potential disruptions to operations.	Implementation of enhanced workplace health and safety measures for employees working in high-temperature environments have been rolled out at all 17 sites. These protocols include regular heat exposure breaks, hydration stations and shaded areas. While the predominant focus is to reduce worker exposure to heat stress, it is noted that operations will continue to partially recover days lost through increased production during subsequent periods, supported by flexible contractor arrangements in the short-medium term. Further investments have been made totalling $Xm in cooling technologies for critical machinery to reduce breakdown and improve performance. Upgrade for heat-resilient infrastructure is expected to commence in 2026 for 2 highly exposed sites to the value of $Xm. The Group is focused on developing water management plans within exposed sites. The water management plan implemented in Australian operations has mitigated exposure to chronic water risks. Further projects are underway in Brazil and South Africa to enhance resilience within operations. Investment to date in effective water management plans totals $Xm with an additional $Xm expected to be incurred in 2026.

S2.13(a)-(b)
S2.14(a)(i)-(iii)
S2.14(b)
S2.10(c)
S2.22(a)(i)

2.4 Overview of current and anticipated financial effects

S2.15(a)
S2.15(b)

The effects that the Group's climate-related risks and opportunities have on its financial position, financial performance and cash flows for the current reporting period and the anticipated financial effects that those climate-related risks and opportunities are expected to have over the short, medium and long-term are detailed in the following table.

EY Commentary

For the Group, only flood risk and policies to decarbonise have been illustrated to demonstrate the anticipated financial impacts in the short, medium and long-term under "The Group's View of the World". A similar approach could apply to other climate-related risks and scenarios, but EY has not intended to be exhaustive for all climate-related risks and opportunities defined.

Similarly, the current and anticipated financial effects of the Group's climate-related opportunities have not been illustrated. A similar concept could be applied.

Risk/Opportunity	2025 effects	Significant risk of material adjustment in 2026	Anticipated financial effects over short, medium and long-term
Policy to decarbonise (Transition risk)	No material impact in 2025.	None.	The Group has introduced an internal carbon price of A$X to prepare for this regulatory change and the consequences it will have for future operating costs and investment decisions. In the short term, the decarbonisation policies of governments are not expected to have a material effect on the Group's financial performance because new carbon prices are unlikely to be introduced within the next 2 years. Although there is no expected effect on operating costs over this time horizon, capital investment of A$Xm has been approved for two carbon capture and storage (CCS) pilot projects associated with oil and gas operations in Australia (starting in 2027, over the next ten years). In the medium term, the introduction of emission regulations and carbon pricing across the economies in which the Group operates are expected to increase operating costs of between $Xm - $Ym in 2028. As the regulations become more stringent and the price of carbon is raised, operating costs are expected to increase between $Xm - $Ym by 2032. This represents the estimated impact on the Group's operating costs after considering the effects of the Group's mitigation and adaptation activities to reduce the emissions intensity of its assets and operations and with the use of carbon removal credits as set out in section x.x above. The carbon credits from the afforestation project that the Group will acquire and surrender over the medium term is expected to amount to $Xm. If decarbonisation policies result in carbon prices exceeding the Group's forecast range, there may be an impairment of between $Xm and $Ym in the medium associated with possible early closure of a small number of assets. In the medium term, capital investment of $Xm is planned for the electrification of mining fleets, $Xb to fully electrify mines in Latin America and Australia and $Xm for continued investment in the CCS pilot projects.

S2.16(a)
S2.16(b)
S2.16(c)
S2.16(d)
S2.17

			In the long term, the Group's investments to decarbonise its assets and operations is expected to progressively reduce the Group's GHG emissions and therefore the impact of carbon pricing on the group. *[Note: The financial impacts of any demand-side responses to the introduction of decarbonisation policies has not been illustrated in this disclosure]*
Changing customer demand (Transition risk)	No material impact in 2025 Refer to Note X of the Group's 2025 consolidated financial statements for further information on the impairment testing of the related Cach Generating Units (CGUs)	Risk of impairment and increased depreciation based on reduced useful life of assets. Refer to Note X of the Group's 2025 consolidated financial statements for further information on the impairment testing of the related CGUs.	Not illustrated
Flood risk vulnerability of assets (Physical risk)	In 2025, a severe flood impacted the lower petroleum fields in Zahara (Argentina), which resulted in a total effect on the consolidated financial statements of $Xm. The composition of this amount is explained below. This amount does not include 'forgone revenue' from production that did not occur because of the flooding disruption. The flood resulted in: ▪ A write-off of damaged plant and equipment of $Xm and acquisition of replacement equipment of $Ym ▪ A write-off of inventories of $Xm, which were lost after a storage tank was damaged by floodwater ▪ An increase in repairs and maintenance costs of $Xm to clean the site Revenue from contracts with customers decreased by $Xm (see note 1). The Group incurred liquidated damages of $Xm associated with late delivery of products to a customer as a result of the business interruptions during and after the flooding. These interruptions were not classed as a force majeure event. Both have been presented in the statement of financial performance.	The extent of flooding in 2025 in Zahara was far greater than had been assumed in the Group's site rehabilitation plans. Environmental consultants have been engaged to re-evaluate the adequacy of the current rehabilitation plans, which will impact the estimated rehabilitation costs at the end of the field's life. The review is not yet complete and is awaiting further engineering data to be obtained and analysed. The findings from this review will be discussed by the Board in 2026 and may result in a material change to the Group's rehabilitation provision for this site if it differs materially from current estimates (see note 5). Additional rehabilitation costs may also impact the headroom in asset impairment model for the Zahara CGU, which creates the potential for asset impairment in 2026. Refer to Note X of the Group's 2025 consolidated financial statements for further information.	Flood risk is expected to reduce the future cash flows that the Group expects to generate from these operations in the short-to-medium term. In the long-term this is expected to stabilise as the investments on mitigation and adaptation measures in the Climate Transition Plan are expected to reduce the magnitude of the exposure to flooding due to the closure of Zahara. In the short-term, the financial effects are expected to be a consequence of: ▪ Business interruptions due to sites being inaccessible or non-operational during the flood and clean up phase. These business interruptions will impact the volume of product sales as well as potentially expose the Group to liquidated damages claims from existing long-term customer contracts with minimum delivery conditions. ▪ Plant and equipment damage, which either will need to be repaired or replaced ▪ Increased operating costs associated with site clean-up and maintenance. There is a high degree of measurement uncertainty associated with the short-term financial effects of flood risk given difficulties in estimating the frequency and severity of such an event or events over such a short time horizon. Additional financial effects in the medium term are expected to arise from: ▪ Increased annual insurance costs of $Xm due to increasing prevalence and severity of floods (see note 2). ▪ Costs of $Xm to upgrade assets to mitigate or adapt to flooding risk (see note 3). These costs are expected to be financed from new debt facilities (see note 4). ▪ Increased annual rehabilitation costs (of $Xm to $Xm) which will impact the rehabilitation provision (by $m) (see note 5). In the long term, the financial effects of floods are expected to have stabilised, based on the assumptions that: ▪ The Zahara oil field is closed (as discussed further in risk relating to fossil fuels divestments), due to high concentrations of CO2 in the reserves and increasing carbon pricing impacting profitability.

	The Group received insurance proceeds of $Xm, which has been presented in the statement of financial performance. The insurance proceeds and existing working capital was used to fund the acquisition of the replacement equipment (see note 2). Refer to Notes X, Y and Z of the Group's 2025 consolidated financial statements for further information.		▪ The implementation of mitigation and adaptation measures which are designed to protect the assets from damage or business interruptions from future floods. These measures are expected to improve the efficiency of operations and should offset the effect of increases in operating costs when future flood events occur.
Extreme heat risk (physical risk)	Increase in operational costs due to additional contract workers hired with an associated cost of $Xm in the current financial year.	None	Not illustrated

EY Commentary

Entities are required to disclose quantitative and qualitative information about how climate-related risks and opportunities have affected its financial position, financial performance and cash flows in the current reporting period (AASB S2.16(a)). Further, for those effects identified in AASB S2.16(a), entities must disclose quantitative and qualitative information where there is a significant risk of material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the financial statements (AASB S2.16(b)).

The anticipated effects of climate-related risks and opportunities on its financial position, financial performance and cash flows in the short, medium and long-term need to be disclosed (AASB S2.16(c)). This includes disclosure of how the entity expects its financial position, financial performance and cash flows to change over time given its strategy to manage climate-related risks and opportunities (AASB S2.16(c)-(d)).

For the purpose of this illustration, the Group explained why only qualitative information was disclosed for sales (AASB S2.21(b)). The disclosure requirement in AASB S2.21(c) to provide quantitative information about the combined financial effects of that climate-related risk or opportunity with other climate-related risks or opportunities and other factors has not been illustrated.

Notes to the disclosures

Note 1 – The financial effects that flood risk has on the Group's revenue is a function of both the reduction in commodity sales volumes as a result of flood events and associated business disruption as well as the pricing of the commodities, which is driven by global supply and demand (unless the commodity is being sold on a long-term contract). Determining the impact on global commodity prices requires significant assumptions about the magnitude and probability of any supply disruptions as well as any demand-driven factors. Similarly, estimating the costs to repair or replace damaged plant and equipment and the increased operating costs associated with site clean-up and maintenance depends on the extent of flood events and associated business disruptions, the range of possible outcomes and probabilities is too large to make a relevant estimate. Consequently, the degree of measurement uncertainty involved in estimating these financial effects is so high that resulting quantitative information would not be useful.

Note 2 – Although part of the financial impact is covered by the Group's insurance that will compensate certain costs and losses incurred, the risk of increasing insurance claims is forecasted to increase the cost of insurance in the following years. Consequently, the insurance expenses are expected to

continue to increase in the short-to-medium term. However, in the medium-to-long term, as the Group implements measures to reduce its exposure (such as investments to protect the assets from flooding risk), the number and magnitude of insurance claims is expected to decrease, which should result in the Group's insurance risk in the medium-to-long term reducing to levels that are similar to current levels of insurance risk. This is expected to result in the Group's insurance premiums stabilising and possibly reducing over that time horizon, subject to broader insurance and reinsurance market risks that might also impact premium pricing.

Note 3 – Property, plant and equipment is forecast to increase as a result of the acquisition and implementation of an early warning systems and investment in replacement of damaged components in the short-term. This is expected to continue during the medium term, due to investments in an enhanced drainage systems and further replacement of damaged components. During the medium-term, property, plant and equipment is also expected to increase as a result of the increase in the rehabilitation provision (see note 5). Before decreasing to a more sustainable capital investment budget in the long term.

Consequently, higher cash outflows are expected during the first half of the time horizon, before cash outflows are expected to reduce. These investments will result in higher depreciation (i.e., a non-cash cost) in the statement of financial performance.

Note 4 - Financing costs are expected to increase due to a higher credit spread sought by financiers due to the increased risk of business interruptions, changes in demand, and maintenance and cleaning costs in the short-to-medium term. After this, investments in mitigation and adaptation measures are expected to reduce the risk of business interruption and damage, which is expected to result in lower finance costs. In the long-term, the Group expects to refinance borrowings maturing with sustainability-linked notes, expected to be available at lower interest rates, assuming the hurdles are met and no penalties are incurred.

As a result, higher cash outflows relating to financing are expected during the first half of the time horizon, before cash outflows are expected to reduce. As it is not expected that a significant change in the amount of borrowings is needed over that time horizon, the impact on the statement of financial position is not expected to be significant.

Note 5 - Provisions are expected to increase, due to increasing rehabilitation costs of the mining site because of the expected consequences arising from flooding in the short term. The increase is expected to continue in the medium term due to anticipated changes to the legislation introducing more stringent decommissioning and rehabilitation requirements. Additionally, provisions are expected to increase as a result of the decision to bring forward the end of life of the lower petroleum fields in Zahara (Argentina). There will be corresponding increases in the carrying value of property, plant and equipment when the rehabilitation provision increases, which in turn will increase depreciation expense.

S2.14(a)(iv)

2.5 Overall decarbonisation targets and Climate Transition Plan

Based on the extent of the climate-related risks and opportunities and the subsequent potential financial impacts, the Group's Board approved the Climate Transition Plan in March 2021. This will support its business strategy of achieving a resilient long-term portfolio of resources assets, building and managing large scale renewable energy projects, and investing in critical minerals and alternative energy projects that will support transition to a net-zero world.

The Climate Transition Plan was established utilising the expected global GHG emissions pathway, which has been modelled based on a range of assumptions as set out in IPCC scenario SS1 2.6; analysis of the Nationally Determined Contributions (NDCs) in the jurisdictions in which the Group has operations; and forecasts of commodity demand in a low-carbon world.

S2.14(a)(iv)
S2.14(a)(v)

The Climate Transition Plan outlines targets for net-zero emissions in the Group's operations and across the value chain. Recognising the challenges associated with decarbonisation in hard-to-abate industries, the Climate Transition Plan focuses on initially accelerating reductions across scope 1 and 2 GHG emissions by leveraging innovative solutions such as electrification and CCS; partnerships and sustainable practices for alternative energy supply; and utilising carbon credits.

In the longer term, the strategy involves leveraging emerging opportunities for alternative energy production and transitioning its overall mining portfolio to rely more heavily on critical minerals. The Climate Transition Plan outlines capital investments into new technologies and nature-based solutions on top of expansion into more renewable energy assets.

The four pillars of the Climate Transition Plan strategy are detailed below.

Decarbonisation strategy

Electrification

A key platform of the decarbonisation of operations is to electrify mining assets. The Group is currently focused on petroleum displacement within the mining process via the electrification of our mining equipment and vehicles. Another predominant focus is the investment in and procurement of additional renewable energy sources to support the increased need for electricity within the Group's processes. The Group plans to replace existing equipment at the end of their economic life, and to introduce electric trucks and other mining equipment by 2026, aiming for a 20% fleet electrification rate by 2028. In regions such as Africa and the USA, the transition will include infrastructure investments in charging stations and grid upgrades. The Group will retrofit or replace existing machinery with energy-efficient alternatives, focusing on its iron ore mining operations in Australia and Mali.

Value chain collaboration

The Group is currently collaborating with value chain partners to achieve a target of a 15% reduction in Scope 3 emissions by 2035. The Group expects to achieve around 75-85% of its target through commercial partnerships with suppliers and customers, driving emissions reductions across its value chain. In particular, the Group assesses the GHG emissions of prospective suppliers before entering into significant supply contracts and it may agree to long-term supply contracts to support a supplier's investments to decarbonise their operations. Further, it is engaging with customers, especially in petroleum and coal production, to explore and support decarbonization technologies and shared solutions that reduce carbon impact.

New Technology

The Group continues to invest in technologies to optimize energy-intensive processes, by implementing advanced digital monitoring and AI-driven energy management systems. The Group estimates that 15-25% of its emissions target will be achieved through improvements in its product portfolio and adoption of innovative technologies. It will continue to invest in technologies to optimise its offerings in high-quality low-carbon products.

Balancing the Portfolio

The Group continues to re-balance its portfolio to focus on the long-term climate change strategy. In addition to electrification plans, the Group is collaborating with a number of large-scale energy companies in Australia and Brazil to create large-scale renewable hubs. Further, it intends to expand other mining operations to increase production of minerals needed for renewable energy systems. In the long-term (at the end of life of assets) it will leverage existing infrastructure at petroleum and metallurgical coal sites to transition into green hydrogen production.

Decarbonisation

The Group has utilised science-based methodologies which focus on decarbonization initiatives to reduce GHG emissions. The strategy focuses on investment in renewable energy initiatives that are designed to use renewable energy sources to supply all electricity consumption, improving operational efficiency and reducing the reliance on fossil fuels in the production and distribution of products. The Group notes that there has been significant progress in Brazil regarding the implementation of this strategy with the majority of its energy for electricity consumption being generated from renewable sources. The Group continues to aim to reduce GHG emissions by increasing energy efficiency and replacing the use of fossil fuels in its production processes with renewable alternatives.

The four pillars of the Decarbonisation Strategy are designed to achieve a reduction in operational (Scope 1 and 2) and value chain (Scope 3) GHG emissions. Details of how the strategy aligns to these outcomes is detailed below.

Strategy, dependencies and uncertainties to achieve the Group's targets (Scope 1 and Scope 2 GHG emissions):

For the Group to effectively deliver on its long-term targets of net zero in its operations, the Group will need to:

- Electrify its mining operations including its haul truck fleet
- Build or secure renewable energy (solar and wind) to supply all its mining operations (including both build of its own renewable energy assets as well as Green PPAs) to reduce reliance on fossil fuels or carbon intensive electricity. The Group aims to reduce direct GHG emissions through the use of PPAs with renewable energy suppliers reducing Scope 2 GHG emissions. Currently XX% of electrical energy is supplied using these long-term agreements and the aim is to increase this to XX% in the next 5 years.
- Investing in advance technologies to improve resource utilization and minimise energy consumption
- Develop and build CCS into any of its legacy oil and gas fields and mines to mitigate emissions from production activities
- Deployment of new operations (e.g., Hydrogen or Green Ammonia facilities) are closed loop utilising only zero emissions energy supply
- Invest in sequestration technologies such as nature based solutions and/or direct air capture to offset any remaining Scope 1 or 2 GHG emissions
- Exiting our oil and gas operations where CCS is not possible
- When offsetting is not possible, reconsider assets and locations

Decarbonising the value chain including strategy to achieve the Group's targets (Scope 3 GHG emissions):

Focus areas for reduction of Scope 3 GHG emissions include:

- Partnering with key customers to develop and deploy low-carbon steel technologies.
- Exploring and investing in bio-char and other sustainable substitutes for metallurgical coal in steel making
- Working with suppliers to decarbonise shipping
- Scaling up sustainable copper and nickel production to support the energy transition

In order to achieve net zero for its Scope 3 GHG emissions targets, the Group will need to work with its suppliers and customers.

Some significant suppliers for the Group are large equipment providers such as Mine Supply Co that supplies our major mining equipment such as haul trucks and excavators, Solar Factory that supplies our solar plant materials and Winner Wind which provides our wind turbines and blades. The Group has an active program to work with these and other suppliers to support them to reduce their GHG emissions and change programs to achieve significant reductions. This includes education programs on how to reliably measure GHG emissions and change programs to achieve significant reductions. Clear goals and targets are being agreed with suppliers on the amount and timing of reduction of emissions. The Group is gradually strengthening requirements for suppliers as part of our ambition to reduce climate impact. Alternative suppliers are identified and used if and when existing suppliers are unable to achieve their targets.

For customers, the focus of the strategy is working with them on technology development. This includes:

- Development of new reduction technologies that allows for the use of hydrogen or bio-char in place of metallurgical coal in steel making
- Development of CCS for downstream use of gas in key applications
- Innovation in the transition from bunker fuel to green ammonia for shipping
- Investment into downstream uses of hydrogen and green ammonia to drive demand

- Exploring opportunities for joint development of sequestration opportunities including nature-based solutions and direct air capture

Key assumptions include technological advancements in clean technologies, alignment with international climate commitments (such as NDCs submitted under the Paris Agreement), and the ability of the resources sector to transition to lower-emissions models. Dependencies include collaboration with customers, regulatory support, and ongoing progress in global climate policy.

Since adopting its strategy, the Group embedded climate considerations across the Group's operations, integrating climate goals into daily business and aligning business unit KPIs with climate-related targets. The Climate Transition Plan is regularly reviewed by the Board and Environmental, Social and Governance (ESG) Committee to monitor on progress. In the first year, significant progress has been made, and embedding sustainability further into everything it does has been a key focus.

2.6 Climate risk and opportunity integration into business strategy

S2.22b(i)

Climate-related risks as detailed above fall into two categories: physical risks and transition risks. Both have the potential to affect business operations, either directly or indirectly via the value chain. The Group's Enterprise Risk Management Framework (RMF) is designed to address these identified risks and enhance our overall business resilience. Our climate risk and opportunity process identified and assessed the physical and transition risks and opportunities that the Group is facing from climate change. The risks and opportunities were assessed using the Group's Enterprise RMF including the organisation's Risk Appetite Statement and Risk Matrix to determine which risks and opportunities were material to the overarching business strategy or have the potential for material financial impacts. During 2025, The Group has also used the resulting risks and opportunities to inform the capital allocation process when assessing business investments.

S2.22b(i)(7)

To further inform its risk assessment process, for each risk category, the Group has undertaken an assessment of exposure. This is the proportion of our business operations, including assets, that will experience the effects of the climate-related risks and opportunities, due to extreme weather events, climatic shifts or due to transitioning to a lower carbon economy that will impact our primary operations and value chain in the locations in which the Group operates. The degree of the severity of an event is defined by the probability, frequency and/or severity (intensity) of the event.

How climate-related risks and opportunities are integrated into our capital allocation

S2.16(c)

Implementation of our decarbonisation strategy will require significant investments in both our existing operations and the shifting portfolio of assets. The capital needed to respond to the identified risks and opportunities will come from a re-deployment of capital from some legacy assets as they come to the end of their lives as well as a defined program to leverage emerging sources of sustainable finance. Capital will also be required to prepare our assets for the physical impacts of climate change and to build climate resilience into our portfolio.

In order to respond to the above identified risks and opportunities and to execute on our strategy, our capital allocation process will be stratified into the following pillars:

- The Renewable Energy Development Fund which will be used for greenfield renewable energy assets and potential wind and solar acquisitions alongside our Joint Venture partner New Renew Co (current joint investments of $Xb expected over the next 5 years)
- The Climate Resilience Fund which will be used for asset upgrades to respond to the physical risks of climate change (investment of approximately $Xm per year)

- The New Technology Fund which will provide seed funding for innovation and development in hydrogen, green ammonia, CCS and heavy equipment electrification – this fund will also support partnerships that seek to commercialize these technologies alongside the Group (forecast of $Xb in funding over the next 10 years with additional project related funding to come for particular new technology acquisitions on an ad-hoc basis).
- Allocation of capital from our existing capital allocation program with increased focus on energy efficiency and GHG emissions reduction projects – these projects will be further supported through the implementation of the Group's internal carbon price (investment will vary based on projects achieving capital hurdle rates). *S2.29(e)*

In the previous financial year, approximately $Xm was spent out of the Climate Resilience Fund and $Xm was spent out of the New Technology Fund for seed investment in an algal sequestration business and a hydrogen fuel cell technology start-up.

Substantial capital investments will be essential to develop and deploy low-carbon technologies. As outlined above, the Group has already earmarked significant funding for these investments, but additional external support and innovation will be necessary to meet our decarbonisation targets. As part of our strategy, the Group plans to allocate approximately XX% of the required capital through external funding sources. In addition, some of the capital will be raised through divestments and portfolio rebalancing. This may include the potential disposal of assets within our petroleum segment, or any operations exposed to high physical risks due to climate change impacts, such as certain mining assets located in regions highly vulnerable to extreme weather events or rising sea-levels. For example, the Group is reviewing the potential divestiture of high-emission assets in the petroleum sector, particularly those with limited growth potential in a decarbonised economy. These disposals are part of our broader strategy to align our portfolio with our sustainability goals and reduce exposure to assets that are at risk from future carbon pricing or regulatory changes. *S2.22a(iii)*

In addition to divestitures, the Group is considering the feasibility of relocating some of our high-emission processing operations to locations with more favourable environmental conditions or better access to renewable energy sources. Relocating operations to areas with more sustainable infrastructure or near low-carbon energy hubs will be crucial to accelerating our transition and reducing emissions in the long term. This strategic shift may also involve reinvesting in regions where the Group can implement cutting-edge, low-carbon technologies with lower operational costs.

The upfront costs associated with transitioning to low-carbon technologies will be significant, particularly in the short to medium term, as these technologies are not yet fully competitive in the market. Operating costs for low-carbon technologies are expected to be higher in the early stages of adoption. As such, policy measures–including incentives, carbon pricing, and subsidies will be crucial to maintaining the Group's global competitiveness and easing the transition to a low-carbon future. These measures will help offset the higher initial operating costs and create a more favourable environment for large-scale investment in low-carbon projects.

All investment decisions and capital project proposals undergo rigorous evaluations assessing its alignment with the Group's decarbonisation targets. An internal carbon price is reflected in all evaluations. Each proposal is assessed for both its potential carbon impact and capital requirements, assessing that new projects and investments support the Group's long-term sustainability goals. This process supports the Group's investments in projects that help reach its emissions targets while also maintaining a sustainable return on investment.

How internal carbon pricing has been used

S2.29(f)(i)
S2.29(f)(ii)

Since 2020, the Group has implemented internal carbon pricing to promote low-carbon investments and change internal behaviours. Internal carbon pricing is applied across the portfolio integrating climate considerations into our decision-making, assessment of financial effects and encouraging investment in low carbon technologies. Our methodologies combine a shadow price, (simulating an emissions trading scheme across all our operations) currently set at A$X per tonne of CO2-equivalent, for strategic evaluations where the cost of the project exceeds $Xm. These pricing levels are reviewed annually and tested against various climate scenarios, to monitor alignment with regulatory developments, market trends, and the Paris Agreement goals. The internal carbon price and assumptions used to determine pricing are updated on an annual basis and approved by the Board. These prices are expected to increase over time, which will be reflected in the price. Updates to the carbon price are made with reference to the latest average carbon price forecasted from analyst reports of emissions trading schemes which cover the regions in which the Group operates. The internal carbon price is consistent with the economic assumptions used in the preparation of the Group's financial statements.

Internal carbon pricing is embedded within our capital expenditure decisions, operational planning, and risk assessments to drive sustainable practices and business resilience. Internal carbon pricing is integrated into scenario analysis performed, by having different carbon pricing assumptions being tested (a range of carbon prices associated with the scenarios). Scenario analysis incorporates internal carbon pricing to model the potential economic effects of carbon regulation, market shifts and technological advancements aligned with global climate goals. The forecasts are utilised within our business units allowing management to make operational and investment decisions considering the impacts of GHG emissions on their present and future financial performance.

2.7 Building resilience through scenario analysis

The Group has conducted climate-related scenario analysis in 2025 to stress test our business strategy, the implications on the level of risk exposure and the scale of the opportunities under different climate outcomes.

Climate scenarios are usually considered as either "high transition / low physical risk" or a "low transition / high physical risk". This is because the more acute the requirements to reduce GHG emissions, the less warming that will occur and vice versa. To cover both extremes, the Group has performed its scenario analysis using the assumptions set out in the IPCC's SSP1-1.9 (high transition) and the SSP5-8.5 (high physical) scenarios.

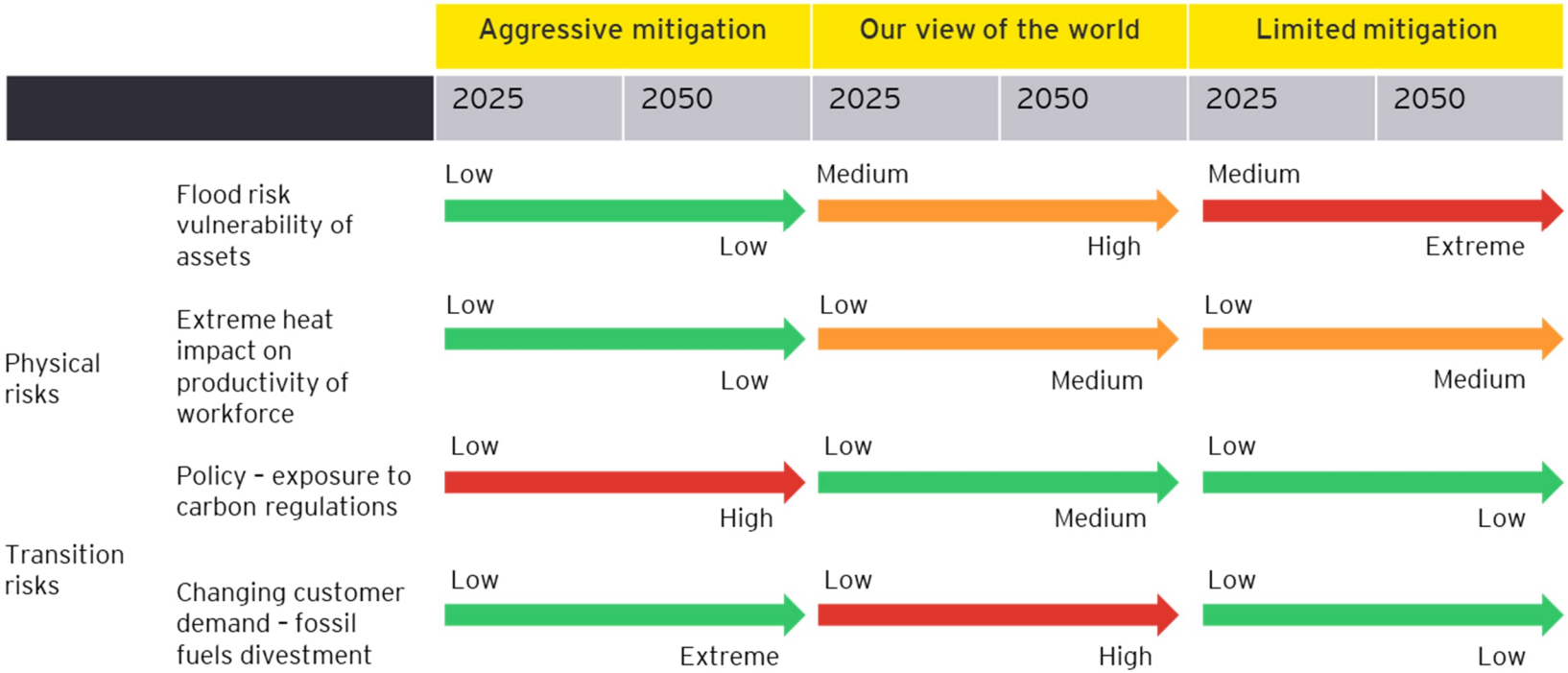
An external expert was engaged to assist with the analysis which leveraged publicly available pathways (e.g., Network for Greening the Financial System Net Zero 2050) and IPCC climate-related data. The results of the risk and resilience assessments have been, and will continue to be, considered by executive management when determining whether to revise or refine aspects of the Group's strategy or business planning over the short, medium or long term.

The high transition risk scenario assumes governments around the world enact policies that will achieve net zero by 2050 and that warming is restricted to 1.5ºC. Central governments develop stringent and coherent climate change policies and responses. This is supported by rapid policy commitments and early investment in renewable energy infrastructure This scenario is primarily focused on assessing the level of increased risks and opportunities from more aggressive global decarbonisation. Under this scenario, transition risks are high due to the rapid speed of policy changes in the short term. Further there is significant pressure to reduce the use of fossil fuels. Physical risks remain present at this point including extreme weather events.

A 'high physical risk' scenario was also selected that assumes a more business as usual approach to GHG emissions reduction. Governments response to climate change is slow and adaptation measures to reduce emissions are halted. In this scenario there is an absence of policy in various jurisdictions leading to high warming outcome. Under this scenario the impacts of climate change would be more extreme and therefore it is focused on assessing resilience against increased acute and chronic physical risks. Under this scenario there are very few transition risks, but many physical risks emerge. This includes the heightened change in climate and breaching of global climate tipping points. The results of such a scenario could have significant effects on both the local and global economy.

In the scenario analysis, the physical risks have been split and quantified across both the selected timeframes. There is an increasing impact and precedence of physical risks in the medium to long term and impact in 2050.

The table below provides a summary view of the risk rating levels for each risk under each climate scenario. It also shows, the changes to the rating, with a shift in time horizon (i.e., when moving from the short-term (2026-2027) to the long-term (2050).



Scenario Analysis – business response to the effects identified

S2.22(b)

S2.22(a)(i)

Low-warming world The implications for the Group's strategy and business model have been considered in the table below, this includes the Group's response to the effects identified	
Net zero emissions is achieved by 2050; global warming limited to 1.5°C above pre-industrial levels rise	
Under this scenario climate policies are introduced early and become gradually more stringent. Early investment in infrastructure is required for business resilience. Shifts in customer demands are noted due to the demand for sustainable products.	Overall physical risk exposure: Low-Medium Overall transition risk exposure: Medium-High

Short term - 2027	Medium term - 2028-2034	Long-term 2050
Physical risk exposure: Low-Medium Transition risk exposure: Medium-High	Physical risk exposure: Low-Medium Transition risk exposure: Medium	Physical risk exposure: Low Transition risk exposure: Low
The immediate impacts of climate change are beginning to affect physical mining operations in Australia and throughout our global operations, though these risks remain relatively manageable and confined to certain assets. Physical risks include minor disruptions from extreme weather events and days lost due to extreme heat impacting the workforce. Operations in regions prone to extreme weather events such as Australia and dry zones in Africa may experience occasional disruptions. Governments and regulatory bodies continue to introduce more rigorous emissions standards for the mining sector, including reduction targets. International governments adopt rapid climate response supported through stringent policy commitments. Petroleum suppliers and vehicle manufacturers collaborate with governments to co-develop polices to support an orderly transition away from internal combustion engines. There is strong pressure from policy makers to reduce metallurgical coal production for steel making. Early reductions in demand begin to emerge. Capital investments in metallurgical coal reduced and focus is placed on efforts to supply lower-ash coal to maximise efficiency in traditional blast furnace steel making. Demand for low-carbon minerals is growing as an essential element to clean energy technologies, which may also prompt our competitors to shift their asset investments. Traditional carbon-intensive operations are facing higher costs to comply with emerging regulations. High risk rises for a carbon tax or increased carbon price.	As climate change intensifies, more frequent and severe weather events such as floods, cyclones, and prolonged droughts will increasingly impact mining operations in the medium term. In Australia, mining facilities may face risks from rising temperatures, putting stress on workers and equipment, and increasing operational costs. Global mining regions, particularly those in ecologically sensitive areas, may encounter significant biodiversity degradation, leading to stricter environmental constraints and possible loss of social license in vulnerable communities. Policy-driven demand for low-carbon minerals intensifies, with many governments imposing strict carbon caps and incentivizing green energy use across industries. Producers face a significant shift in demand due to widespread electrification and the growing demand for sustainable fuels. Large scale deployment of technology becomes technically and economically feasible to offset emissions from residual petroleum activities. Sharp decline in the demand for metallurgical coal as a result of hydrogen-based and electric arc furnace technologies. Carbon pricing schemes are expected to expand globally, raising costs for carbon-intensive operations. International markets may increasingly establish "green standards" that penalize high-emission products, further challenging traditional mining methods. Concurrently, pressure mounts from investors, consumers, and local communities for transparency in sustainability practices and contributions to a low-carbon economy.	Australia and the rest of the world has achieved strong momentum in the transition towards low-carbon products. In a 1.5°C world, climate mitigation efforts have slowed the rate of global warming, somewhat stabilizing physical risks. However, extreme weather events may still occur, albeit with less frequency and intensity. Certain geographic areas may still experience physical risk challenges, such as water scarcity and biodiversity impacts. Companies that fail to diversify to renewables could face losses in the long term. It is possible for any remaining petroleum operations to be carbon neutral, achieved through full adoption of new technologies, renewable power integration and nature-based carbon offsets. Decommissioned mines are rehabilitated and some are being repurposed for renewable energy installations. Renewable energy is widely implemented across the Group, and technological advancements enabled near-zero emissions in our processes.

High-warming world		
Failure of current policies and commitments that are in place under 'the Group's view of the world' - resulting in no robust climate-action regulations or policies installed. Leading to extreme climate change.		
Governments response to climate change is slow and adaption measure to reduce emissions are halted. In this scenario there is an absence of policy in various jurisdictions leading to high warming outcome.		Overall physical risk exposure: Very High Overall transition risk exposure: Low-Medium

Short term - 2027	Medium term – 2028-2034	Long-term 2050
Physical risk exposure: Low-Medium Transition risk exposure: Low	Physical risk exposure: Medium-High Transition risk exposure: Low-Medium	Physical risk exposure: Very High Transition risk exposure: Low Medium
Governments remain divided on climate action policy, leading to a lack of co-ordination action on emissions reductions. Some governments roll back on emissions reduction polices resulting in weakened environmental standards. While transition risks remain low, physical impacts of climate events begin to compound. Increased frequency of extreme weather events such as floods, cyclones and bushfires impact both mining operations and logistics, particularly within vulnerable regions where infrastructure is less developed. Without sufficient investment in climate adaptions measure mining companies face rising operational disruptions. Water scarcity and heat stress play a greater toll on worker productivity and increase operational costs. There is minimal pressure to decarbonise mining operations. Companies focus on incremental efficiency improvements as opposed to transformational changes. Global markets for portfolio minerals remain high due to the lack of large-scale adaptation. Petroleum demand continues to grow as countries delay energy transition efforts. It is increasingly difficult to get alternative energy projects approved or to continue to invest in emerging low carbon technologies.	A lack of robust transition polices keeps transition risks low, but due to rising costs and potential scarcity, the industry may face pressure to secure alternative water and energy sources to continue operations. Carbon markets remain undeveloped with limited pressure from stakeholders and customers to shift to sustainable mining practices. Physical climate change impacts intensify with more frequent severe weather events such as flooding, droughts, bushfires and heat stress. These events result in an increase in operational downtime and damage to critical mining infrastructure. Flooding and extreme weather events particularly affect mining operations in tropical and dry regions. Rising sea-levels and coastal erosion pose additional risk for offshore mining operations and ports requiring costly adaptions or relocation of operations. Economies globally could experience more frequent recession due to climate-related disruptions, slowing the overall demand for certain minerals. Investors and stakeholders pressure companies to reduce emissions from petroleum and metallurgical coal even though regulatory frameworks remain weak. Global petroleum demand may begin to plateau as electrification and renewable energy adaptation efforts begin to gain traction in advanced economies. Demand for metallurgical coal peaks due to continued reliance on blast furnaces in developing nations.	Governments focus on short-term adaptation measures as opposed to decarbonisation, keeping transition risks relatively low. The mining industry remains vulnerable to climate impacts. Resilience measures, such as technologies to recycle water or autonomous mining become essential to sustaining operations but come with high associated costs and difficulties to implement and upscale. Without robust emissions reductions policy global temperatures rise significantly, amplifying extreme weather events and destabilizing ecosystems. Mining regions suffer from chronic physical risks such as frequent extreme weather events, water shortages and intense heat, making it challenging to maintain mining operations. Infrastructure decay and inadequate adaption measures lead to rising repair and operations costs. Mining companies could face financial strain as the cost of dealing with physical risks continues to grow.

Significant areas of uncertainty considered in the assessment of climate resilience

S2.22(a)(ii)

As part of the climate resilience assessment, the Group has used scenario analysis to evaluate key areas of uncertainty that could impact its ability to adapt and respond to climate-related risks and opportunities that the Group has identified. These uncertainties are critical in understanding how climate scenarios may impact its business model and business strategy.

Capacity to adjust/adapt the Group's strategy and business model to climate change

The Group's capacity to remain resilient to climate change is influenced by maintaining financial flexibility to allocate capital efficiently towards emerging climate priorities. This enables the Group to respond should risks and opportunities change as a result of shifting global action. The key areas of potential changes to capital allocation are as follows:

If a low-warming world scenario were to eventuate, the Group has capacity to:

S2.22(a)(iii)

- Increase capital allocation to the Renewable Energy Development Fund in the short term
- Aggressively seek JV opportunities in green hydrogen and green ammonia projects in the short to medium term (contingent on the expected government policies)
- Accelerate investment in CCS at key oil and gas assets

Alternatively, if a high-warming world scenario were to eventuate, the Group has capacity to:

- Increase in capital for adaptation projects responding to increased exposure to changing weather
- Moderate capital investment in alternative energy projects, in particular CCS, due to lower carbon pricing impacting the business case for large scale GHG emissions abatement projects.
- Balance capital investment in Renewable Energy Development Fund to focus on jurisdictions with more mature renewable energy markets

The Group's ability to redeploy, repurpose, upgrade or decommission existing assets

Low-warming scenario

- Evaluate timing of the exit of our oil and gas assets where CCS is unlikely to be viable through divestment or decommissioning
- Accelerate implementation of electrification of mining operations particularly in jurisdictions with significant exposure to carbon pricing
- Prioritise investment in nature-based solutions and direct air capture facilities
- Accelerate expansion of critical minerals assets

High-warming scenario

- Consider shifting production across the portfolio to assets less exposed to physical risks of climate change
- Establish and implement climate resilience plans for exposed assets and decommission any assets where physical impacts of climate change would render the assets unprofitable

The above actions will be implemented should it become clear that a pathway more aligned to the above scenarios is emerging. Further detail on the outcomes of the scenario analysis is provided in the table in section "Building resilience through scenario analysis".

Effect of the Group's current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience

S2.14(a)(i)-(iii)

Mitigation:

Under the Group's current strategy, the Group aims for 50% renewable energy capacity by 2030, focusing on solar, wind, and new clean technologies. This will include the implement CCS and efficiency measures in petroleum operations. In a low-warming scenario, mitigation investments must increase significantly, with 70% of total energy generation shifting to renewables by 2030. Additional funds will go to innovative technologies such as CCS. Alternatively, under a high-warming scenario, slower renewable adoption would lead to increased investment in physical climate adaptation, such as infrastructure upgrades and climate-proofing assets, resulting in higher costs over time.

Adaptation Investments:

The Group's strategy includes investing in improving asset resilience to physical climate risks. These adaptation measures include flood and heat protection for operational sites, supply chain diversification to mitigate risks from weather disruptions, investment in early warning initiatives with enhanced digital systems to monitor and predict climate-related impacts. The effects of these adaptation measures are expected to be similar under a low-warming scenario. Under the high-warming world, adaptation becomes a dominant focus, with physical risk expenditure projected to rise by X% over the expected time horizon, reducing funds available for transition investments.

Opportunities for Climate Resilience:

Under a low warming world, the Group would need to prioritise opportunities in low-carbon technologies and emerging energy markets, such as expanding its renewable portfolio and piloting green energy production hubs. Under the Group's current strategy, a balanced pathway for gradual investment growth will be followed, enabling the Group to capture long-term returns from renewables while phasing out high-emission operations. Alternatively, under a high warming world as global transition efforts are stalled, the Group focuses on operational resilience and capturing demand for transitional fuels, recognising short-term revenue opportunities but increasing long-term exposure to carbon transition risks.

EY Commentary

The following illustration has been detailed with a focus on risks that arise as a result of our scenario analysis. This illustration is not complete and does not consider all implications on the entity's strategy and business model. A similar approach may apply to analyse climate-related opportunities, noting that this has not been illustrated in this publication.

2.8 Climate Resilience

S2.22(a)

EY Commentary

This illustration does not present a complete assessment to understand all implications for the Group's climate resilience. Noting this example, a similar concept could apply to other climate-related risks and opportunities.

The Group uses scenario analysis to help understand the impacts of climate-related risks and opportunities on the Group's operations, strategy, and financial planning and the Group has incorporated this understanding into our strategy and business planning. This approach empowers it to implement effective measures that mitigate risks while maximising opportunities. The Group has identified promising solar and wind power projects that will expand on its already implemented projects and decrease its reliance on petroleum-based solution within its mining operations.

The Group anticipates that technological advancements will accelerate in the coming years. The Group plans to re-assess its emissions targets by 2027 to incorporate new strategies, including nature-based solutions. Notably, electricity is the largest source of emissions at its mine sites.

The decarbonisation strategy establishes clear objectives and commitments aligned with the Paris Agreement on Climate Change. This policy guides the Group to implement effective sustainability practices. The Group aims for a XX% reduction in emissions intensity by 2030, in line with a climate scenario that limits warming to XºC, which is what the strategy and business model is based on.

3. Governance

EY key notes

For the section “Governance”:

- The illustration of governance disclosures does not intend to address the disclosure requirements of AASB S2.7, “avoiding unnecessary duplication”. Refer Section 6 ‘Disclosure requirements that are not illustrated’.

3.1 Business Governance

The Board of Directors (the Board) has ultimate responsibility for setting and overseeing the Group’s strategy, business plans and annual budgets, and the risk management approach. Climate-related risks and opportunities are considered by the Board in relation to performing each of these responsibilities. *S2.6(a)(i)*

The Board’s Charter specifies that the Board’s oversight of climate-related risks and opportunities will be supported by several established functions throughout the organisation. The committees prepare a report that is provided to the Board each quarter on the key issues discussed, including specifics on climate-related risks and opportunities. The Board discusses the report as a recurring Board meeting agenda item each quarter. Each committee has its own terms of reference which describes the scope of decision-making related to the matter. *S2.0(a)(i)* *S2.6(a)(iii)*

3.2 Roles and responsibilities for Governance

Board Oversight

The Board brings a wealth of experience and expertise across diverse sectors, products, and geographic regions, bringing effective guidance for climate-related strategy. To view detailed biographies of board members, please visit the Governance section within the Director’s report (refer section X). *S2.6(a)(ii)*

The Board receives quarterly updates through comprehensive business and operational risk reporting on all climate-related issues, including areas of progress, emerging trends, and updates on climate-related risks and opportunities that could reasonably be expected to affect the Group’s prospects in terms of its impact on cash flows, access to finance or cost of capital over the short, medium or long term. This structured information flow arranges that the Board is well-informed about climate-related risks and opportunities to monitor and assess implications for the Group’s strategy and business model and to re-consider its climate-related targets. *S2.6(a)(iii)*

Climate is a recurring agenda item discussed at each Board meeting. During 2025, the Board met four times during the year (i.e., each quarter) with climate-related issues on the agenda, including progress towards the company's targets, the incorporation of climate-related risks and opportunities into the strategy and approving investment requests as they pertain to infrastructure developments for the mitigation of climate-related physical risks.

During 2025, the Board attended an annual Strategy Day where climate-related risks and opportunities were considered and discussed in the context of the Group's strategy. S2.6(a)(iv)

Committees in place to support Board oversight

Audit and Risk Committee

Oversight of climate-related matters is the responsibility of our Audit and Risk Committee. This Committee assists the Board in overseeing and reviewing emerging and strategic risks, including climate-related risks, risk management and internal controls over climate-related data. The Audit and Risk Committee meets monthly and is responsible for overseeing the Group's risk management and internal control systems, alongside reviewing whether internal control systems over climate-related data are effective. The Board receives all Audit and Risk Committee meeting minutes for review, which include details on risks, opportunities and internal controls as they pertain to climate. S2.6(a)

Responsibility for identifying and managing climate-related risks and opportunities extends throughout the organisation, with strategic direction and oversight provided by the Climate and Risk teams. Additional oversight is facilitated by the Chief Financial Officer (CFO), the General Manager of Risk and Compliance, and the General Manager of Corporate Affairs, Investor Relations, and Sustainability.

The Audit and Risk Committee plays an important role in overall risk management. The Committee uses a risk matrix to determine risk exposure and appetite, considering both likelihood and impact of climate-related risks. The Committee performs an annual review of the Group's risks and related mitigation and adaptation plans, including consideration of acceptable risk appetite levels for the Group. Each of the Group's risks (including emerging risks) are reviewed in detail by the Board, Audit and Risk Committee or the ESG Committee throughout the course of the year, considering the detailed risk description, the controls and mitigating actions in place, the level of internal and external assurance obtained, and the resultant residual risk exposure.

ESG Committee

The ESG Committee assists the Board with overseeing climate performance including in respect to risk management, monitoring implementation of the Group's strategy, targets and processes as it pertains to climate matters. The ESG Committee is responsible for reviewing frameworks for the identification, management and reporting of climate risks and opportunities, developing the Group's climate transition plan, and reporting on the progress towards targets as tabled at the Board meeting. The ESG Committee meets quarterly. The Chief Sustainability Officer and CFO attend each ESG Committee meeting to provide an update on climate, including detailed coverage of the progress towards the Group's net zero strategy, transition planning and metrics relating to climate-related risks and opportunities.

People and Remuneration Committee

The People and Remuneration Committee assists the Board in overseeing measures and outcomes against measures as they pertain to executive remuneration, which includes climate-related measures.

Nominations Committee

The Board Nominations committee assists the Board with the overseeing matters in relation candidate succession planning and determining criteria required for Board membership which includes experience and skills relating to climate-related related matters and effective energy transition allowing for effective governance and oversight of matters relating to climate change and our transition to net zero.

Management Responsibilities

The Board delegates day-to-day responsibility of executing strategy, including climate-related matters, to the appointed management roles through role descriptions specifying mandates. The Board has oversight over the relevant roles through the above-mentioned board committees. The CEO is supported by a team of management executives, which have been detailed below in the key roles in executive management of climate-related matters that are delegated to support Board oversight. *S2.6(b)* *S2.6(b)(i)*

Key roles that are delegated to executives to support Board oversight include: *S2.6(b)(i)*

Chief Executive Officer (CEO): is responsible for climate-related matters at highest level and is responsible climate-related matters are embedded into the Group's core values and long-term strategy.

Chief Financial Officer (CFO): responsible for incorporating climate-related matters into financial practices, responsible for financial reporting (including climate-related financial disclosures) and disclosure activities for alignment to financial reporting.

Chief Sustainability Officer (CSO): is responsible for developing and implementing the Group's climate-related strategy including development of policies and frameworks, overseeing ESG reporting and disclosures and coordinating stakeholders. The CSO prepares a Climate Progress Report to be tabled to the ESG Committee quarterly. The Report details progress against the emissions reduction targets, detail on the strategy and an overview of the specific climate-related risks and opportunities in the period, including any relevant metrics and its progress. The ESG Committee (and Remuneration Committee) uses this report to evaluate the performance of the Executive Leadership Team, comprising the CEO, CFO, COO, CRO, CSO and business unit leaders, on management of climate-related risks and opportunities.

Chief Risk Officer (CRO): is responsible for identifying, assessing and managing risk across the Group, including those related to climate, and for integration of climate risk into overall RMF to reduce the potential magnitude and consequence.

Chief Compliance Officer (CCO): is responsible for integrating climate-related matters into the Group's compliance framework to help mitigate risks and enhance reputation.

Chief Operating Officer (COO): is responsible for embedding of climate-related matters into the Group's operations focusing on efficiency, resilience and overall alignment with all other areas of operations.

Group Head of Finance, Sustainability and ESG: oversees Group's sustainable financing and holds responsibility for overseeing its decisions on major transactions.

Training for executive management and staff

All executive management including the CEO have received formal climate training, including on topics XX and XX. Climate training is mandatory for all executive management, with specific training required for certain roles and teams, such as the Sustainability Team which is required to attend an annual workshop on GHG emissions reporting.

Controls and procedures used by management to support oversight of climate matters

S2.6(b)(ii)

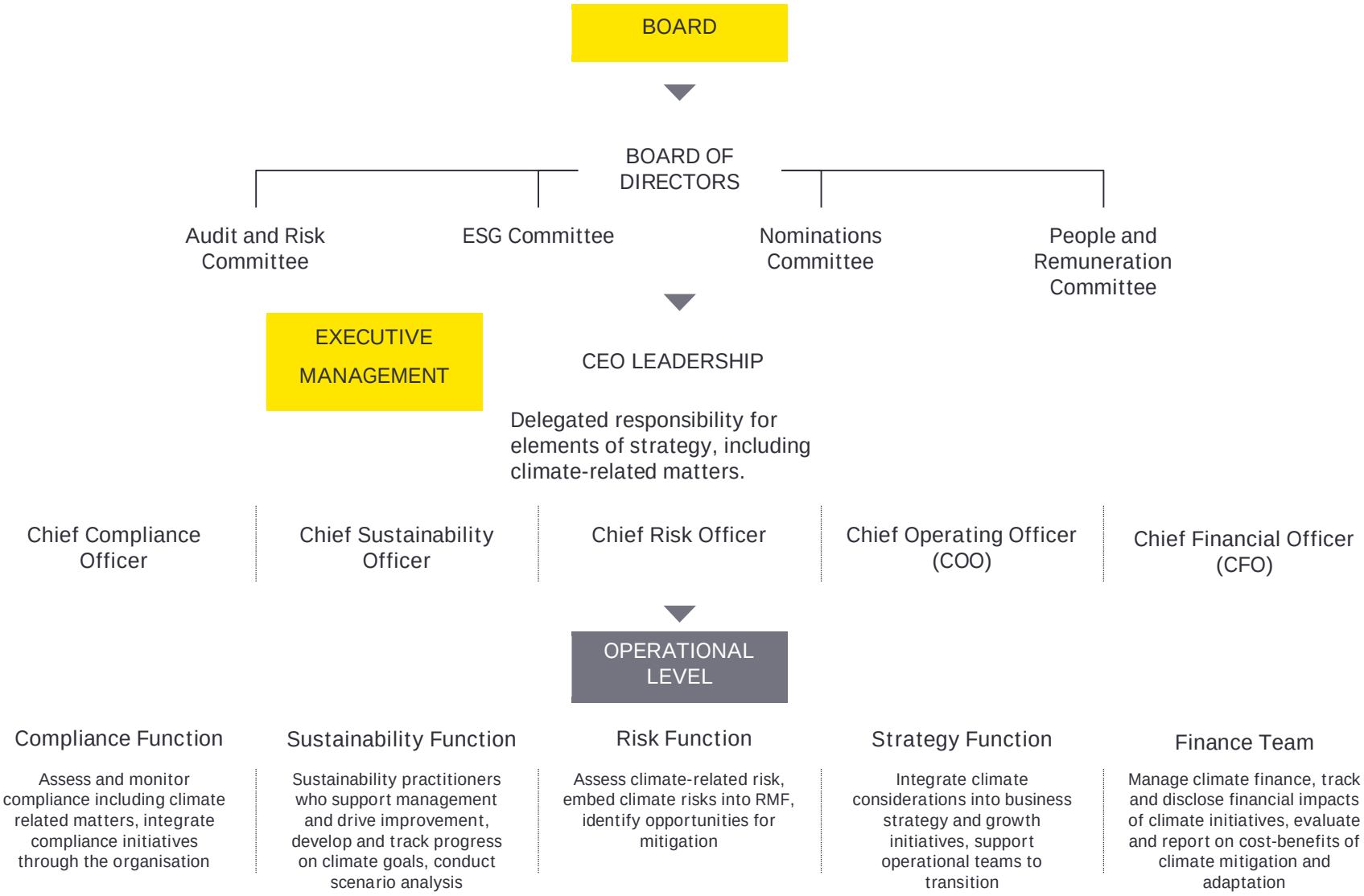
Management's oversight of the Group's climate-related risks and opportunities is supported by the use of controls and procedures relating to the identification of climate-related risks and opportunities (such as through investment business cases and approval for major transactions) and the monitoring of performance in managing those risks, including controls and procedures for the measurement of GHG emissions and for monitoring progress towards achieving targets. These controls form part of the Group's risk management processes and are integrated throughout business functions.

Executive management plays a key role in implementing and monitoring the effectiveness of governance processes, controls and procedures including oversight of all key activities conducted in the business including setting climate-related targets and strategies, net-zero (and other target) aligned operations, sustainable financing policies, and tracking progress against set strategies. Management holds responsibility for daily implementation of governance frameworks and controls to support compliance and stakeholder communications.

The Group's Climate Governance Structure

S2.6(a)

The diagram below illustrates the framework of the Group's climate-related governance structure and highlights the relationship between its board structure, executive committees and supporting governance levels. Please note that this diagram focuses on governance in relation to climate only and therefore does not depict the Group's complete governance structure.



3.3 Governance of climate strategy and targets

The Board is responsible for overall climate-related leadership including setting and overseeing strategies designed to respond to climate-related risks and opportunities, approving targets and ongoing risk management. Targets set by the Group are monitored by the Board in quarterly meetings to track progress. Updates to targets are made at least annually with the Board being the ultimate approver. *S2.6(a)(v)*

S2.6(a)(v)

The People and Remuneration Committee is responsible for setting climate targets that are included in executive remuneration arrangements.

S2.6(a)(iv)

The Board has set a policy that requires climate risk and opportunity assessment to be performed and documented before either an investment business case with a value in excess of $Xm can be approved or a long-term supply or customer contract (i.e., greater than X years) can be entered into. The climate risk and opportunity assessment is required to identify and consider the implication of any trade-offs between climate-related risks and opportunities and future financial performance.

The climate risk and opportunity assessment will be considered by the approver of the investment business case or transaction as per the Group's existing delegated approval procedures. This means that, for the largest investments and transactions, the Board is the approving authority and so the Board will consider the climate risk and opportunity assessment directly before approving the investment or transaction. At the end of each year, the Audit and Risk Committee and the ESG Committee review all of the climate risk assessments to assess the effectiveness of the policy and make revisions as necessary.

3.4 Climate-related skills and experience

S2.6(a)(ii)

Frequent and deliberate consideration is given to experience, qualifications, background and skills. Each year, Directors including the Chair self-assess their individual skills and experience. The self-assessment ratings inform the Board's Skills and Experience matrix, which is developed and maintained by the People and Remuneration Committee. The Skills and Experience Matrix identifies the skills and experience that Board either has or aims to acquire from new appointments or to develop through continued education and training. The matrix is considered in the context of the Group's strategic priorities and the external environment within which the Group operates. The matrix is considered essential to the effectiveness of the Board and its Committees and is revised annually and approved by the Board.

The Board has significant experience in oversight of strategy in response to risks and opportunities and more recent experience in understanding climate-related risks and opportunities. Many of the skills outlined in the matrix are critical for the oversight of strategies to respond to climate-related risks and opportunities. However, in 2025, the Board concluded that further skills were required to better understand the underlying factors for climate-related risks and opportunities and the effect they may have on the Group and its value chain, which resulted in further training and development activities being undertaken during the reporting period. In 2025, additional training involved external experts presenting to the Board twice during the year on emerging topics, which included the use of scenario analysis to assess climate-related risks and opportunities and on factors to consider when setting targets on Scope 3 emissions.

EY Commentary

In many cases, the Skills and Experience Matrix would be located within the Annual Report and therefore may be mentioned in the climate disclosure via cross-reference. We have included the broader Skills and Experience Matrix within the illustrative example, as we consider many are relevant for the effective oversight of climate-related risks and opportunities. Where information has been included by cross-reference, entities are required to clearly identify the report within which that information is located and explain how to access that report. Further, entities are required to precisely specify which part of the that report the information is located within AASB S2 [D] 47

S2.6(a)(ii)

Skills and experience	Examples of skill experience	Relevance to the Group
Leadership 	Held senior positions such as CEO, or similar position in an organisation	Setting strategy and evaluating performance of senior leaders.
Financial expertise 	Proficiency in financial accounting and reporting	Assessing complex financial initiatives and policies.
Governance 	Experience as a Non-Executive Director (NED) of a listed company and/or understanding of legal frameworks.	Understanding local and offshore legal and regulatory frameworks.
People and culture 	Understanding of organisational culture, succession planning, and remuneration frameworks.	Overseeing culture of the Group and upholding code of conduct.
Risk Management 	Experience in identifying, assessing and monitoring existing and emerging nonfinancial and financial risks.	Monitoring risk appetite, assessing overall risk profile and adapting emerging trends.
Digital and technology 	Experience in technology, use of data and analytics, digital transformation and innovation and cyber security.	Supporting the Group's cyber strategy.
Customer experience 	Understanding changing needs of customers and managing relationships.	Arranging customer needs are met.
Climate 	Experience, qualifications and understanding oversee strategies designed to respond to climate-related risks and opportunities	Understanding climate-related risks and opportunities, the relevance to the business and oversight of strategies to respond. Oversight of setting climate targets, policies and decisions over climate related risks and opportunities

	High competency, knowledge and experience (i.e., qualifications)
	Direct experience
	Awareness

3.5 Remuneration systems

The People and Remuneration Committee is responsible for setting climate targets that are included in executive remuneration arrangements. The People and Remuneration Committee plays a critical role in overseeing the annual reviews, and approval of the incentive scheme for executives to secure they are aligned with the Group's strategic objectives, ethical standards and regulatory requirements. The committee arranges that all remuneration policies are reviewed for effectiveness and all incentive schemes undergo rigorous risk assessments. This includes regular monitoring and reviewing through ongoing internal audits, training and transparent communication. The Remuneration Policy was approved at the AGM held on 1 May 2023 and applies for three years from that date. *S2.6(a)(v)*

To support delivery of the strategy, both short-term and long-term incentives have been included in executive remuneration. In 2025, all executives were entitled to a short-term cash incentive of $X each if management delivered a climate transition action plan to the Board and the plan was approved by the Board. At its meeting in December 2024, the Board approved the Group's climate transition action plan.

Following the approval of the climate transition action plan, the Board has agreed a revised long-term incentive plan with the CEO that is aligned to commitments made in the climate transition action plan. The long-term incentive has a total shareholder return component (weighted at x%) and a climate transition component (weighted at y%). The performance metrics for the climate transition component, which are measured at the end of a five-year period starting in 2025, are as follows: *S2.29(g)(i)* *S2.29(g)(ii)*

Reduction in Scope 1 and Scope 2 emissions (% reduction compared to 20XX)	% of performance shares that vest
X% reduction	50%
Y% reduction	75%
Z% reduction	100%

Full details of the Short-Term Incentive and Long-Term Incentives are reflected in the Remuneration Report and Remuneration policy for executive directors can be found in the Remuneration Report section of the annual report on page <XX>.

Executive remuneration *S2.29(g)(i)*

The remuneration arrangements for the CEO, CSO and the COO include a bonus of $x if the emissions intensity of [XX] is x or less. For 2025, this bonus represents x% of the CEO's remuneration, x% of the CSO's remuneration and x% of the COO's remuneration and X% of the total remuneration pool for the Group's executive management team which comprises the following roles CEO, CFO, CSO, CRO, COO and CCO.

The other executives in the management team are entitled to XX% bonuses for achieving some general ESG criteria based on stakeholder survey results. This survey includes questions on stakeholders' perception on the Group's performance on climate, but the entitlement to a bonus is based on a total survey score that reflect stakeholder sentiment on all types of ESG matters.

EY Commentary

AASB S2 requires the reporting entity to describe their oversight of the setting of targets and tracking progress against those targets. As part of this disclosure, entities need to explain whether and how related performance metrics are included in remuneration policies.

Further AASB S2.29(g) requires the reporting entity to disclose a description of whether and how climate-related considerations are factored into executive remuneration and the percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations. AASB S2 does not define 'executive management'. As such, entities will need to exercise judgement in determining which management roles will represent 'executive management' and are, therefore, within the scope of this disclosure requirement.

The disclosure would allow primary users to understand whether, and to what extent, the managers of an entity that have the authority and responsibility for managing the activities of the entity are incentivised through remuneration for their performance in managing the entity's climate-related risks and opportunities. In that context, to identify the management roles that represent 'executive management', an entity could consider the definition of 'Key Management Personnel' in AASB 124 *Related Party Disclosures*, which states that "Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity".

AASB S2 also does not define 'remuneration'. In our view, the ordinary meaning of 'remuneration' would be sufficient to apply this disclosure requirement. In determining what constitutes 'remuneration', an entity could also consider referring to the definition of 'compensation' in AASB 124, which includes short-term employee benefits (e.g., wages), post-employment benefits (e.g., pensions), other long-term employee benefits (e.g., long-service leave), termination benefits and share-based payment.

4. Risk management

EY key assumptions

For the section "Risk management", the following assumptions are taken:

- The Group operates an enterprise-wide RMF which incorporates climate-related risks and relevant opportunities. This document is cross-referenced in this section.

4.1 Risk Management

The Group's identification and management of all risks is performed in accordance with our RMF, which is summarised in the Risk section of the annual report on page <XX>. Climate-related risks are integrated within our broader RMF, aligning with other principal risks and providing a holistic approach to identifying, assessing and managing risks. The identification and assessment of climate-related risk is an iterative process that is performed by a cross-functional team lead by the CRO and the CSO. The start of each strategic planning cycle triggers the commencement of a new process to identify and assess the Group's exposure to climate-related risks. Between each strategic planning cycle, the climate-related risks that have been identified are reviewed on an annual basis and will be reassessed if and when a significant event has occurred or there has been a significant change in circumstances (such as introduction of a new climate-related regulation or the acquisition or disposal of a business). *S2.25(a)* *S2.6(b)(ii)*

Potential climate-related risks are identified by gathering and analysing entity-specific evidence (such as specific risks or uncertainties that are factored into budgets or investment business cases and changes in the terms and conditions in customer, supplier or banking arrangements) and external evidence (as such industry peer disclosures, industry-specific or jurisdiction-specific business outlook commentaries, topics identified in disclosure standards). *S2.25(a)(i)*

This process enables the understanding and identification of risks exposures and risks across the business that involves a quarterly review of key climate-related risks with the potential to disrupt our ability to maintain our core operations such as serving customers or affecting our earnings, liquidity, capital, or operating model. These climate-related risks, whilst driven by climate factors, are recorded in our risk register and integrated in our RMF. Risk management enables the Group to both protect and create value which is crucial to achieving our strategic objectives. The Group's RMF is focused on risk governance, risk strategy and risk processes. Our Group's RMF and internal controls address the potential threats to our business model and overall business strategy. The Group acknowledges that climate-related risks are drivers of other existing financial and non-financial risks and should not only be a standalone risk type. The decision to identify climate-related risks as principal risk helps to evaluate both the likelihood and magnitude of these risk compared to other principal risks. RMF is embedded in throughout the decision-making processes and captured within our policies, operating procedures and delegated authorities, with ongoing review by the Board Governing bodies. *S2.25(c)*

Our internal controls aim to arrange the accuracy, reliability, and integrity of financial and non-financial information, as well as compliance with laws, regulations, and policies. The Group quarterly monitors and reviews its control environment to reduce deficiencies, address weaknesses, and identify new risks early. The Group notes changes in how its manages the process used to identify, assess, prioritise and manage climate-related risks compared to the prior period have been detailed below in <Continuous Improvement and re-assessment>. *S2.25(a)(vi)*

4.2 Risk Governance *S2.6(a)*

The RMF integrates risk governance, strategy and processes into business decision making. By adopting a three-line defence model the Group establishes accountability and effectiveness in managing risk while enhancing compliance with regulation. An outline of the three-line defence model has been noted below:

Line	Includes	Responsibilities
Operational management (first line)	Includes employees making decisions in line with the overall strategy, those deploying resources within the entity and those who contribute to overall business outcomes	Responsible for both assisting in the identification and management of associated risks, including climate risks.
Executive Risk Committee (second line)	Includes those responsible for providing expert knowledge, support and monitoring on risk-related matters in line with the RMF.	Responsible for managing organisation-wide risks including the review and approval of RMF climate risk, appetite, and strategy
Internal Audit (third line)	Includes evaluating risk assessment and mitigation strategies, monitoring controls, providing advisory services, monitoring compliance, and facilitating communication.	Provides assurance assessment to the Board over the control environment within the Group, including on climate matters

Further details on the Group's overall governance and strategy for risk management can be found within the Governance and Strategy sections of this report.

4.3 Risk Processes

Processes for identifying, prioritizing, assessing and monitoring climate risks

The Group's comprehensive and systematic approach to identify, assess, prioritize, and monitor climate-related risks is guided by the Group's RMF operated throughout the organisation. This process is underpinned by a set of policies designed to arrange transparency, stakeholder engagement, and ongoing improvement. Within the business, the Group uses climate scenarios associated with global temperature increases to identify emerging risks within the Group's RMF. The Group has considered these scenarios to understand the possible short, medium, and longer-term impacts to the organisational strategy, major projects and operational assets. Through the implementation and use of scenario analysis, a consistent set of assumptions inform the risk assessment and management process. Each of the scenarios also present opportunities across the various time horizons. These include asset efficiencies through improved design, sustainable finance, adoption of innovative technology, the use of low carbon materials, and uptake of electric-powered vehicles. *S2.25a*

Our risk management process has been outlined below: S2.25a(i)

Risk and Opportunity Identification

Potential climate-related risks are identified by gathering and analysing entity-specific evidence (such as specific risks or uncertainties that are factored into budgets or investment business cases and changes in the terms and conditions in customer, supplier or banking arrangements) and external evidence (as such industry peer disclosures, industry-specific or jurisdiction-specific business outlook commentaries, topics identified in disclosure standards). The Group's identification of opportunities is embedded within the risk identification process and as a result of risks identified during this process opportunities may be identified. Further, opportunities may be identified through stakeholder engagement and monitoring of climate related trends. S2.25(a)(i) S2.25(b)

The Group utilizes climate modelling data from internal data sources (ABC, XYZ) and external sources, such as the IPCC and local meteorological agencies to assess regional climate impacts. Additionally, industry reports from organisations such as Commonwealth Scientific and Industrial Research Organisation (CSIRO) to inform risk identification related to transition factors. The identification process covers all geographic locations and operational sites, including all mining, petroleum, renewable energy, processing, and transportation facilities, providing a comprehensive understanding of risks across the entire value chain. By leveraging climate modelling, the Group evaluates potential outcomes under varying warming trajectories and identifies emerging markets for low-carbon products and technologies, as well as any potential climate-related risks. Regular consultation with regulatory, industry bodies, investors and communities help anticipate market shifts to align opportunities and anticipate risks. The Group fosters innovation through cross-functional teams who explore sustainable mining solutions while monitoring advancements in renewable energy and carbon capture projects. S2.25(a)(v) S2.25(b)

The Group employs climate-related scenario analysis to identify risks as well as opportunities and test the resilience of climate strategy. Climate-related scenario analysis is performed for each strategic planning cycle. Different climate scenarios are analysed to provide insight into the magnitude and likelihood of different climate-related risks. Scenario analysis is also used to determine whether there are other climate-related risks (or climate-related opportunities) that could potentially affect the Group's business performance and prospects. This might include risks that are concentrated in the Group's value chain or risks and opportunities that are correlated with other risks and opportunities. This includes examining potential outcomes under different temperature scenarios (low-warming and high-warming) to evaluate the potential impacts on assets and operations. The Group's use of scenario analysis assisted in the identification of physical and transition climate risks, which has been used to stress test those risks against different time horizons and temperature scenarios and lastly, to perform a resilience assessment of the Group's strategy and business model. S2.25a(ii) S2,25(b)

EY Commentary

An entity is not required under AASB S2 to use climate-related scenario analysis for risk and opportunity identification, however AASB S2.25(a)(ii) requires entities to disclose whether and how the entity has used such scenario analysis to inform its identification.

Risk and Opportunity Assessment

When assessing climate-related risk (as for all risks identified through the RMF), the Group assesses the nature, likelihood, and magnitude of the impact on the Group's business performance and prospects, using both qualitative and quantitative criteria. This impact may be in the form of increased operating or capital costs, increased funding costs, reduced revenue, asset impairment, or brand or reputational damage. The likelihood of the risk occurring may consider industry or market trends and forecasts as well as the Group's own estimates. Other factors that may be considered in the assessment of risk is a 'risk premium' given the degree of uncertainty associated with the assessment. *S2.25a(iii)*

The Group assesses opportunities through a comprehensive project evaluation process incorporating financial viability, environment and social impact and compliance with regulations. Projects undergo a cost-benefit analysis, including the application of internal carbon pricing to reflect the true cost of associate emissions. Refer to "How internal carbon pricing has been used", in this report, for further details on how internal carbon pricing is applied. Environmental and social impact assessments provide alignment with climate-related strategic goals, while regulatory and technological assessments safeguard against risk due to policy changes or market disruption. Projects must be planned and executed in accordance with the Group's strategic business planning cycle. *S2.25(b)* *S2.29(f)(i)*

Scenario analysis provides inputs that may be used to quantify the impact of transition risks and chronic physical risks. Where relevant, these quantified risks as well as the cost of any associated mitigation or adaptation activities are reflected in the Group's budgets, investment cases or other business decisions. This may be quantified in terms of future cash flows or in adjustment to discount rates or rates of return. The likelihood and magnitude of acute physical risks are typically assessed using either directional quantitative factors or qualitative factors. However, when making decisions about whether to insure or self-insure some assets against loss or damage, the Group may perform a more detailed quantitative assessment of the risk. *S2.25(a)(ii)* *S2.25(a)(iii)*

The Group's strategy and business planning assumes a future that is consistent with a specific warming scenario expectation ('The Group's view of the world'). For more information on the scenario assumptions and why the Group considers this as a meaningful prediction of the future, please refer to the "Strategy" section of this report. The Group has analysed its exposure to climate-related risks and opportunities and identified all climate-related risks and opportunities that could reasonably be expected to affect the Group's cash flows, access to finance or cost of capital. As such, decisions on the Group's strategy and business planning consider the physical impacts of climate change and the policy, legal, market and technology responses related to the transition to a lower-carbon economy based on this pathway. 'The Group's view of the world' also reflects the company's commitment to global climate goals, including the Paris Agreement, which aims to limit temperature rise and mitigate climate change impacts. The Group is proactively addressing potential regulatory changes and market shifts towards sustainability, enhancing resilience against physical climate risks, and positioning itself for long-term value creation in a transitioning low-carbon economy. *S2.14*

The Group defines a risk or opportunity in line with the likelihood impact thresholds within the RMF. This approach is used across the business to assess all types of risk, embedding climate risk into the broader RMF. Risks are evaluated by the combination of its potential impact (i.e., financial and reputational) and its likelihood. *S2.25(c)*

Risk evaluation matrix

S2.25(a)(iii)

	Low	Medium	High
Financial Impact thresholds ($)	Less than $Xm	$Xm to $Ym	Greater than $Ym
Likelihood thresholds (chance of occurrence)	Less than A%	A-B%	Greater than B%
Reputational impact thresholds	Limited reputational impact	Significant temporary or limited sustained impact	Significant sustained impact

The Group has assessed the likelihood and consequence utilising the RMF for the period, which has detailed the potential likelihood and consequence. In the climate reassessment, all climate-related risks and opportunities are considered when re-assessing.

A comprehensive risk assessment was conducted to assess both climate physical and transition risks for all geographical operations. This assessment involved a thorough analysis of current and projected climate conditions, international regulatory frameworks, market trends and sentiments, and stakeholder expectations. By systematically incorporating global data sources, and conducting global heatmapping analysis, the Group was able to establish climate-related risks and opportunities for all operational locations. The local climate mitigation and adoption actions vary. This approach not only addresses potential threats but also leverages emerging local climate mitigation and resilience trends to identify and drive long-term organisational value. For more information on the risk evaluation matrix, refer to our RMF.

Risk and Opportunity Prioritisation

S2.25(a)(iv)
S2.25(c)

The Group prioritises climate-related risks based on the risk tolerance set by the Board. To support the consideration of climate, the Group maintains a Risk Appetite Statement which provides that carbon emissions are considered within the decision-making process throughout the organisation. Risks that exceed the Group's tolerance levels are added to the Group's risk register. The Group prioritises those risks that are considered to potentially affect the Group's performance and future cash flows over the next strategic planning cycle. This may be the direct impact of the risk occurring or the impact of any related mitigation or adaptation activities. Climate-related risks are prioritized relative to other business risks based on their potential impact on operations and financial performance. The Group's risk matrix incorporates probability and severity, allowing resources to be focussed on the most pressing threats over multiple time horizons.

a. Risk Matrix: Identified risks are categorized using a risk matrix that considers both likelihood and impact, enabling prioritisation of climate-related risks alongside traditional operational and financial risks. This holistic approach arranges that climate risks are addressed relative to other critical business risks.

b. Scenario Analysis: The company conducts climate-related scenario analyses to "stress" its business strategy and financial planning, based on different temperature pathways to explore potential impacts on operations and supply chains in different time horizons.

c. Assessment Criteria: the Group re-evaluates risks using both qualitative factors (e.g., stakeholder sentiment, regulatory landscape) and quantitative thresholds (e.g., projected financial losses, operational downtime). A scoring system assesses the likelihood and magnitude of each risk, providing a clear picture of potential impacts.

Opportunities are prioritised based on their potential impact, feasibility and alignment with strategic business goals. Opportunities are evaluated based on their relevance to the Group's core business operations, stakeholder interest and potential to drive value creation. The Group prioritises initiatives that align with the Group's commitment to achieving net-zero emissions and expanding renewable energy capacity. Trade-offs between potential risk and opportunities are assessed according to their scalability of renewable projects versus market uncertainty. Opportunities into the short, medium and long-term horizons are categorised based on their expected return on investment and implementation timelines relative to strategic goals. *S2.25(b)*

Risk and opportunity monitoring

The climate-related risks that are added to the Group's risk register are reviewed quarterly by the Executive Leadership Team. The review considers whether any updates are required to the risk assessment and considers the progress of activities to mitigate or adapt to the climate-related risk. If targets relating to the risk are set, the progress towards meeting those targets is also reviewed. A summary of the Executive Leadership Team review is reported to the Board quarterly. Ongoing monitoring of climate-related risks and opportunities are integrated into business activities, e.g. through the RMF. This includes: *S2.25(a)(v)* *S2.34(c)* *S2.25(c)* *S2.25(b)*

- Quarterly review of all risk exposure and emerging trends in climate science. The Group utilizes ongoing monitoring protocols that include quarterly reviews of climate-related risks and opportunities, utilizing real-time data from weather monitoring systems and climate analytics platforms. This continuous monitoring arranges that emerging risks and opportunities are promptly identified and addressed.

- Key Performance Indicators (KPIs): KPIs track progress against specific climate risk mitigation initiatives, such as reductions in carbon emissions or improvements in water usage efficiency. Quarterly updates are provided to the executive team and board of directors, having climate risk metrics integrated into our existing risk management reporting processes (as part of RMF)

- Continuous engagement with stakeholders, including local communities and regulatory bodies, to stay informed about changes in climate policy and environmental conditions.

Climate-related opportunities are monitored on sustained performance and impact for implemented projects. The Group employs advance data analytics to track progress, measure emission reductions and adapt to evolving market conditions. Key performance indictors and digital monitoring tools enable real-time performance tracking. Through this integrated approach, the Group aims to effectively harness climate-related opportunities to achieve the climate goals and drive long-term resilience within the Group's portfolio.

Continuous Improvement and re-assessment

S2.25(a)(vi)

- Process Adjustments: The Group has refined its risk assessment processes compared to the previous reporting period by integrating quantitative climate risk assessment and including scenario analyses. This evolution reflects a commitment to enhancing the climate risk assessment as well as opportunities and climate resilience.
- Training Programs: Ongoing training initiatives aim to equip employees with the knowledge and skills to identify and respond to climate risks and opportunity effectively, fostering a culture of sustainability throughout the organisation.
- Understanding of climate-related issues is important for the Group and for its primary users. It reassesses climate-related risks and opportunities on the occurrence of a significant event or change in circumstances.

5. Metrics and targets

EY key assumptions

For the section "Metrics and targets", the following assumptions are taken:

- There were no revisions or replacements to metrics in the reporting period.
- The Group has elected to use the transitional relief in Appendix C (3) and does not disclose any comparative information.

5.1 Greenhouse gases: 2025 Results

Operational GHG emissions

S2.29(a)(i)

In FY25, the Group's total absolute gross GHG emissions were 485.3 million tonnes of carbon dioxide equivalent (MtCO2-e). This included 32 MtCO2-e Scope 1 and 13.3 MtCO2-e Scope 2 (location-based). For FY25, the Group has also measured market-based Scope 2 GHG emissions which were 11 MtCO2-e. GHG emissions are measured in accordance with the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD)'s GHG Protocol except for the Group's Australian assets and operations that are within the scope of the National Greenhouse and Energy Reporting Scheme ("NGERS"), which is a specific GHG regulatory reporting regime in Australia that applies to those assets and operations.

S2.29(a)(v)

S2.29(a)(ii)

For all its GHG emissions, the Group applies an operational control approach to define its organisational boundary for the purposes of calculating its GHG emissions. The Group believes that the use of the operational control approach is the most appropriate method to measure the Group's GHG emissions, considering that there are entities and assets outside the group's financial reporting group over which it has operational control. Operational control is also required for measuring GHG emissions in accordance with NGER. All current oil and gas, and mining operating assets are under the operational control of the Group, whilst approximately 60% of renewable energy assets are under its operational control. Joint venture partner, New Renew Co, operates the remaining 40% of renewable energy assets, and therefore excluded from reported emissions (noting that emissions from these assets are immaterial to our total inventory). All non-operated joint venture emissions are included in Scope 3 emissions.

S2.29(a)(iii)

40% of the Group's Scope 1 and 2 GHG emissions are in Australia and measured in accordance with NGERS. The remainder of the Group's Scope 1 and 2 GHG emissions are measured in accordance with the GHG Protocol, which relates to emissions from the Americas of 25% with Europe contributing 22% and the rest of the world 13%.

EY Commentary

In this illustration, the jurisdictional relief applies to some, but not all, of an entity's GHG emissions. In circumstances such as this, AASB S2 requires the entity to disaggregate the emissions measured by that jurisdictional-specific requirement and the balance of its emissions measured using the GHG Protocol if a disaggregated disclosure would provide material information to the primary users of the entity's general purpose financial reports.

A disaggregation of the GHG emissions has not been illustrated in this publication. In applying AASB S2, an entity will need to assess whether disaggregated GHG emissions would provide material information to its primary users based on the specific facts and circumstances relating to the entity. This illustration should not be interpreted as representing a fact pattern in which a disaggregation would not be required.

Operational GHG emissions fell 10% in FY25 attributed to significant emissions reduction programs across all assets, the commissioning of two new waste coal mine gas power generation facilities and the new supply of renewable energy from Power Purchase Agreements (PPAs) in Australia and South America. The accounting implications of the PPAs are addressed in note X of the Group's consolidated financial statements.

S2.29(a)(i) (1-3)

GHG Emissions (million metric tonnes of CO2-e)		
	Unit	2025
Scope 1 emissions*	mt CO2-e	32
Scope 2 emissions (location based) *	mt CO2-e	13.3
Total Scope 1 + 2 emissions	mt CO2-e	45.3
Scope 3 emissions	mt CO2-e	440
Total emissions	mt CO2-e	485.3

EY Commentary

AASB S2 requires an entity's disclosure of its GHG emissions to be measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). An entity applies the requirements in the GHG Protocol only to the extent that those requirements do not conflict with AASB S2.

AASB S2 does not require entities to disclose its Scope 3 greenhouse gas emissions (see paragraph 29(a)) in the first annual year of reporting (Appendix C, C4b). AASB S2 also does not require entities to provide comparative information for the first annual reporting period (Appendix C, C3).

Scope 1 GHG emissions refer to the direct GHG emissions that occur from sources owned or controlled by the Group. Scope 1 direct emissions primarily stem from transportation activities and the industrial processes conducted within the operational areas.

S2.29(a)(v)

Scope 2 GHG emissions refer to indirect GHG emissions from the generation of electricity acquired and consumed by the Group. The Group's Scope 2 GHG emissions are measured using the location-based method, which reflects the average emissions factors of the electricity grids on which the Group consumes electricity. The Group consumes energy generated from:

Location	Emission factor
Grid A	XX
Grid B	XX

As part of the Group's transition plan, the Group has entered into a 15-year PPA with the renewable energy supplier, that generates solar power. The supplier operates a XX MW solar farm in Australia. Under the terms of the agreement, the Group is entitled to an annual offtake of XXX GWh, which accounts for approximate X% of the total electricity consumption. This agreement is projected to assist in reducing the Group's Scope 2 GHG emissions and aligns with its net-zero and interim targets. The solar farm is connected to [Grid A]. The Group continued to improve its collation and reporting of our Scope 1 and 2 GHG data and for 2025, has expanded its reporting to include exploration activities and approved capital projects that are not yet in production.

S2.29(a)(iv)

The Group's disaggregated Scope 1 and Scope 2 GHG emissions:

GHG Emissions ((metric tonnes of CO2e)			
	Scope 1	Scope 2	Total
Consolidated Group	20	9	29
Investment in Joint Ventures (under operational control)	12	4.3	16.3
Total Scope 1 + 2 emissions GHG emissions (operational control basis)	32	13.3	45.3

S2.29(a)(vi)

EY Commentary

AASB S2.29(a)(iv) requires an entity to disclose disaggregated emissions between the consolidated accounting group and other investees (associates, joint ventures and unconsolidated subsidiaries).

Value chain GHG emissions

The Group's Scope 3 GHG emissions inventory considers 15 categories established by the GHG Protocol. The categories are reviewed whenever there is a significant event or a significant change in circumstances that affects the Group's value chain.

The Group's Scope 3 emissions for FY25 were 440 MtCO2-e. A breakdown by category is provided in the table below. The Group does not have Scope 3 emissions associated with upstream leased assets (category 8), end of life treatment of sold products (category 12), downstream leased assets (category 13) or franchises (category 14).

In the Upstream categories, the emissions associated with the suppliers of raw-materials, products and services are calculated, as well as their transportation, with the conclusion that they accounted for XX% of the Scope 3 emissions. The Downstream categories account for around XX% of the Group's Scope 3 emissions, relating principally to the processing, use and transportation of the products traded by the company. The Group continues to engage with partners within the value chain to focus on the reduction of Scope 3 emissions noting a decrease in these emissions.

S2.29(a)(vi)(1)

Scope 3 GHG Emissions (million metric tonnes of CO2e)			
Category	Description	Measurement method	GHG emissions
1	Purchased goods and services	Spend based	7
2	Capital goods	Spend based	11
3	Fuels	Direct	3
4, 9	Transport	Direct	12
5,6,7	Waste, business travel and commuting	Direct	1
10	Processing of sold products	Indirect	310
11	Use of sold products	Indirect	93
15	Investments	Indirect	3
Total	mt CO2-e		440

EY Commentary

AASB S2 requires an entity to measure its GHG emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) or a methodology required by a jurisdictional authority. An entity applies the requirements in the GHG Protocol only to the extent that those requirements do not conflict with AASB S2.

An entity is required to disclose the categories included within the entity's measure of Scope 3 GHG emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). AASB S2 provides a measurement framework for Scope 3 emissions (paragraphs B38-B57). Entities are required to apply the framework when determining measurement of Scope 3 emissions. Scope 3 GHG emissions can be quantified by either direct measurement (i.e., the direct monitoring of GHG emissions) or estimation (which involves approximate calculations of data based on assumptions and appropriate inputs). AASB S2 requires an entity to use a measurement approach, inputs and assumptions that result in a faithful representation of its measurement of Scope 3 GHG emissions.

Additional disclosures are required for Scope 3 'financed emissions' under AASB S2.29(a)(vi)(2), if an entity is engaged in asset management, commercial banking or insurance activities. For the purpose of this illustration, it assumed that the entity does not have any financed emissions.

AASB S2 does not require entities to disclose Scope 3 emissions for the first annual reporting period (Appendix C, paragraph C4(b)).

5.2 Methodology for the calculation of GHG emissions

Calculation Standard

S2.29(a)(ii)
S2.29(a)(iii)(2)

For the calculation of the Scope 1 and 2 GHG emissions, the Group follows the guidelines and methodologies contained in the Greenhouse Gas (GHG) Protocol: Corporate Standard Reporting Standard (2004) and NGERs. The Group has measured emissions via the operational control approach, as the operational control approach assumes accountability for emissions produced directly or indirectly through its activities. These boundaries reflect all the operations within the consolidated group and joint ventures where it has the authority to introduce and implement operating policies at those joint ventures. The Group follows the directives of the GHG Protocol in its selection of the emissions factors adopted in the calculation of the inventory, whilst the Global Warming Potential (GWP) values considered were taken from the Sixth Assessment Report (AR6) published by the IPCC.

EY Commentary

The National Greenhouse and Energy Reporting (NGER) Scheme in Australia requires entities to use global warming potential values from the IPCC Fifth Assessment Report (AR5). Entities using NGER to measure GHG emissions by adopting the jurisdictional relief granted in AASB S2.29(a)(ii) will need to convert GHG emissions into CO2-equivalent values using GWP values from the AR6 IPCC assessment. A discussion of the ISSB's Transition Implementation Group clarified that this requirement in IFRS S2, and therefore in AASB S2, applies regardless of whether the jurisdictional authority requires a different method for converting GHG emissions. Following the TIG discussion, the ISSB is currently deliberating whether to amend the IFRS S2 to address concerns about the applicability of the jurisdictional relief. We recommend that preparers monitor the deliberations of the ISSB and the AASB with respect to this issue.

Scope 1 and 2 emissions are measured by either internal or external data sources, factoring in the uncertainty measurement and data quality (see below for example of disclosure).

S2.29(a)(iii)(3)

Scope 3 emission combine direct measurement and estimates where necessary. The Group prioritises inputs and assumptions based on the Scope 3 measurement framework within AASB S2. The Group currently estimates certain Scope 3 emission categories using methodologies that rely on industry assumptions as opposed to supplier or customer specific data. The GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) establishes 15 categories of Scope 3 emissions sources, divided into 'Upstream' and 'Downstream' emissions. The Upstream emissions are classified as indirect GHG emissions related to goods and services purchased or acquired for use by the Group, being divided into eight categories. The downstream emissions, meanwhile, are related to goods and services that are provided by the reporting organisation (the Group), being divided into seven categories.

There were no changes in the measurement approach in the current period.

S2.29(a)(iii)(3)

EY Commentary

The below table is an illustration of the requirement in AASB S2.29(a)(iii) and how information could be disclosed by an entity. It is not intended to be complete illustration of the Group's GHG emissions. For instance, the illustration does not capture a complete assessment of all emission sources within each Scope category. Entities should further disclose why the entity has chosen a measurement approach, inputs and assumptions as well as any changes.

Scope	Emission category	Activity	Data Source	GWP and EF Source	Methodology, Data quality and uncertainty	Additional notes
Scope 1	Stationary combustion	Quantity of fuel used for stationary energy purposes	Invoices	Australian assets: GWPs from AR5; EF's sourced from the NGER (Measurement) Determination Non-Australian assets: GWPs from AR6; EFs sourced from IPCC	Methodology aligned to NGER (Measurement) Determination) Method 1, i.e. quantity of fuel consumed multiplied by the associated emission factor for each fuel type. High data quality, low uncertainty.	*NGER (Measurement) Determination 2008*, Compilation No. 18 Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories
	Transport combustion	Quantity of fuel used for transport energy purposes	Fuel purchase transaction history			
	Process emissions	Acid gas removal Lime production	Production data	Australian assets: GWPs from AR5; EF's sourced from the NGER (Measurement) Determination Non-Australian assets: GWPs from AR6; EFs sourced from IPCC	For acid gas removal at gas processing sites, CO2 releases are measured at point of release Small amounts of lime are produced at our copper facility in South America and emissions are calculated using limestone input data and emissions factors High data quality, low uncertainty.	*NGER (Measurement) Determination 2008*, Compilation No. 18 Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories
	Fugitive emissions	Coal seam methane release Well blow downs	Methane release, telemetry data	Australian assets: GWPs from AR5; EF's sourced from the NGER (Measurement) Determination Non-Australian assets: GWPs from AR6; EFs sourced from IPCC	Direct measurement for methane Estimate based on well telemetry data	*NGER (Measurement) Determination 2008*, Compilation No. 18 Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories
Scope 2	Purchased electricity	Electricity consumption	Invoices	Australian assets: EF's sourced from the NGER (Measurement) Determination Non-Australian assets: EF's sourced from the International Energy Agency (IEA)	Location-based method. High data quality and low uncertainty due to complete invoice sets	*NGER (Measurement) Determination 2008*, Compilation No. 18 IEA (2023) Emissions Factors
	Purchased steam	Steam for heating	Invoices	Australian assets: GWPs from AR5; EF's sourced from the NGER (Measurement) Determination Non-Australian assets: GWPs from AR6; EFs sourced from IPCC	Location based method. High data quality and low uncertainty due to complete invoice sets	*NGER (Measurement) Determination 2008*, Compilation No. 18 IEA (2023) Emissions Factors
Scope 3	Category 1: Purchased goods and services	Emissions from goods, services and capital goods purchased and used in operations	General ledger data	GHG Emissions Reporting: Conversion Factors 2024 (Freighting goods); UK Government Department for Energy Security and Net Zero; July 2024 Location based emissions factors	Department for Environment, Food & Rural Affairs - Greenhouse Gas Reporting: Conversion Factors 2023	DEFRA factors are used for categories of purchases based on general ledger line items. In some specific cases more specific local based factors have been used for significant capital purchases
	Category 3: Fuel and energy related activities	Fuel purchased	Historical transaction data	GHG Emissions Reporting: Conversion Factors 2024 (Freighting goods); UK Government Department for	Using the "fuel-based" method, emissions are estimated using two forms of calculation: (i) Fuel consumption applied to the corresponding emission factor; (ii) estimate of fuel consumption (based upon	GHG Protocol

S2.29(a)(iii)

Scope	Emission category	Activity	Data Source	GWP and EF Source	Methodology, Data quality and uncertainty	Additional notes
				Energy Security and Net Zero; July 2024	the distance travelled or time of the operation, considering the efficiency of the vehicle) multiplied by the associated emission factor for each fuel type.	
	Category 4: Upstream transportation and distribution	This includes emissions from transporting inputs, waste, and products under the Group's responsibility.	Estimated secondary data: (i) fuel consumption; (ii) distance travelled (total) and vehicle performance (km/L); (iii) operation time and vehicle performance (L/h); or, (iv) cargo and distance travelled (one way).	GHG Emissions Reporting: Conversion Factors 2024 (Freighting goods); UK Government Department for Energy Security and Net Zero; July 2024	Using the "fuel-based" and "distance-based" methods, data from the supplier can be analysed using three calculation methods: (i) applying fuel consumption to the emission factor; (ii) estimating fuel consumption based on distance travelled or operation time, considering vehicle efficiency, then applying the emission factor; and (iii) calculating the amount of material transported and the distance travelled, considering only the one-way journey, and then applying the corresponding emission factor.	
	Category 5: Waste generated in operations	Disposal and treatment of waste off-site but generated by the Group	Invoices Supplied provided data	GHG Emissions Reporting: Conversion Factors 2024 (Freighting goods); UK Government Department for Energy Security and Net Zero; July 2024	GHG Protocol Calculation Tools Supplier specific methodologies	
	Category 6: Business travel	Transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by the reporting company)	Invoices Supplier provided data	GHG Emissions Reporting: Conversion Factors 2024 (Freighting goods); UK Government Department for Energy Security and Net Zero; July 2024	GHG Protocol Calculation Tools. Air travel is calculated using a distance-based methodology. Land transport (e.g. car hire, trains, buses etc) use a spend based methodology.	
	Category 7: Employee commuting	GHG emissions from transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company).	Estimated secondary data: (i) fuel consumption; (ii) distance travelled (total) and vehicle performance (km/L); (iii) operation time and vehicle performance (L/h).	Industry-average emission factors (spend-based)	Using the "fuel-based" method, emissions are estimated using two forms of calculation: (i) Fuel consumption applied to the corresponding emission factor; (ii) estimate of fuel consumption (based upon the distance travelled or time of the operation, considering the efficiency of the vehicle) multiplied by the associated emission factor for each fuel type.	DEFRA PBGHG Tool
	Category 9: Downstream transportation and distribution	Covers the emissions arising from the transportation of inputs and waste, and from the transportation and distribution of products, when the contract is the responsibility of the suppliers and the clients.	Estimated secondary data: (i) fuel consumption; (ii) distance travelled (total) and vehicle performance (km/L); (iii) operation time and vehicle performance (L/h); or, (iv) cargo	GHG Emissions Reporting: Conversion Factors 2024 (Freighting goods); UK Government Department for Energy Security and Net Zero; July 2024	Using the "fuel-based" and "distance-based" methods, data from the supplier can be analysed using three calculation methods: (i) applying fuel consumption to the emission factor; (ii) estimating fuel consumption based on distance travelled or operation time, considering vehicle efficiency, then applying the emission factor; and (iii) calculating the amount of material	

Scope	Emission category	Activity	Data Source	GWP and EF Source	Methodology, Data quality and uncertainty	Additional notes
			and distance travelled (one way).		transported and the distance travelled, considering only the one-way journey, and then applying the corresponding emission factor.	

S2.29(a)(iii)(1)

EY Commentary

Entities are required to disclose the extent to which the entity's Scope 3 greenhouse gas emissions are measured using inputs from specific activities within the entity's value chain as well as the extent to which the entity's Scope 3 greenhouse gas emissions are measured using inputs that are verified (refer AASB S2.B56). These disclosures have not been illustrated in this publication.

Challenges for the measurement of emissions

Calculation of the Scope 1 and 2 emissions in the Group's inventory is disaggregated, with a combination of the 'top-down' and 'bottom-up' approaches (by business units and type of equipment when available), using mass balance and emissions factors for each type of input and activity, and for each of the countries where the Group operates. The majority of the data is collected and analysed on a monthly basis, including the use of fuel logs, electricity invoices, explosives invoices and delivery dockets relating to the industrial processes activities, which is also used for the calculation of Scope 3 categories 1 and 3.

No new Scope 1 or 2 emissions sources were included in 2025's inventory. The direct and indirect emissions relating to the processes of treating waste and effluents (sanitary landfills, biological treatment, composting, incineration), the direct emissions from acetylene fuel in the welding process, as well as the fugitive emissions of gases from fire extinguishers, are not reflected in the Group's GHG emissions on the basis of materiality.

5.3 Other cross-industry metrics

EY Commentary

The table below is an illustration of the requirement in AASB S2.29(b)-(e) and how information could be disclosed by an entity. It is not intended to be complete or accurately represent the fact pattern within the illustrative set. The below illustration does not include disclosures required for percentage of assets or business activities that are aligned with climate-related opportunities or the percentage of assets or business activities that are vulnerable to physical risks. Entities must consider the amount and percentage of assets or business activities aligned with climate-related opportunities AASB S2.29(d) and those vulnerable to climate-related physical risks under AASB S2.29(c).

Vulnerability of assets and business activities to climate-related transition risks

S2.29(b)

The Group has assessed the assets and business activities that are vulnerable transition climate-related risks.

Fossil fuels

Metric	2025		Explanation
	Petroleum	Metallurgical coal	
Petroleum and metallurgical coal revenue:			These metrics measure the Group's exposure to the risk of declining demand for fossil fuels. The metrics compare the Group's petroleum and metallurgical coal operations to its total energy business (which also includes renewable energy operations) and to its overall portfolio businesses. These comparisons provide an indication of the Group's progress in transitioning its energy business to renewables and the extent of revenue and assets that are at risk of being lost/stranded as the world decarbonises. Revenue from energy operations includes revenue from sales of petroleum, metallurgical coal and renewable energy sources that was recognised as revenue from contracts with customers in the Group's 2025 consolidated financial statements. Total revenue from contract with customers for 2025 was $Xm. Total assets from energy operations is calculated based on the carrying amount of all oil and gas and metallurgical coal assets including associated plant and infrastructure assets. Total assets for 2025 was $Xm. These metrics are aligned with the transition risk for changing customer demand – divestment from fossil fuels.
(a) total revenue from energy operations	$Xm	$Xm	
(b) total revenue from contracts with customers	$Ym	$Ym	
Petroleum and metallurgical coal assets as a percentage of:			
(a) total assets from energy operations	$Xm	$Xm	
(b) total assets	$Ym	$Ym	

Capital deployment

Metric	Amount of capital expenditure deployed towards climate related-risks and opportunities
Total capital expenditure for 2025	$XXX
Capital expenditure on flood mitigation activities	$X
Capital invested towards climate-related opportunities	$X

S2.29(e)

For further details on capital allocation and expenditure please refer to < How climate-related risks and opportunities are integrated into capital allocation >.

5.4 Climate-related Targets

EY Commentary

Entities need to disclose which climate-related targets the entity has chosen.

Below table is an illustration of the disclosures required for AASB S2.33-5 and how information could be disclosed by an entity. It is not intended to be complete or accurately represent the fact pattern within the illustrative set.

S2.33(a)-(h)

1 a)	Transition to Electric Mining Fleet	
Metric	Percentage (%) of mining fleet that is converted to electric-powered vehicles	
Objective	Mitigation of Scope 1 and 2 GHG emissions	
Scope	Applies to all operations (including international), and the entire mining fleet	
Period	2025-2030	
Base period	2023	
Milestones and interim targets	50% conversion by 2026; 100% conversion by 2030	*S2.36(d)*
Target type (absolute or intensity)	Absolute quantitative target	
Alignment with jurisdictional commitment	Informed by the latest international climate agreements (Paris)	
Validation	The target and methodology have been validated by [Third Party Validator Name].	
Review Process	This target is reviewed quarterly by the ESG committee and follows the escalation process of the ESG targets as set out in the Governance section.	*S2.34(a)-d)*
Metrics for monitoring progress:	▪ Percentage of fleet converted and to be converted (quarterly) ▪ Actual Scope 1 emission reduction (annually)	
Revision	Any revision to the target will be disclosed and explained in the annual climate-related report. No revisions have been made to the target in the current period.	
Progress achieved during the and status at year end	The Group has made significant progress towards achieving this target in the current period with 43% of the mining fleet being converted to electric-powder vehicles, compared to base year.	*S2.35*

1 b)	Target to reduce Scope 1 and 2 emissions by 30%	*S2.33(a)-(h)*
Metric	Portfolio-wide emissions (carbon dioxide, methane and nitrous oxide) reduction to net zero for Scope 1 and 2 emissions by 2050 with reference to the base line period 2023, measured in CO2-e	
Objective	Mitigation of Scope 1 and 2 GHG emissions	
Scope	Applies cross the portfolio within the reporting entity	

Period	2025-2050
Base period	2023
Milestones and interim targets	30% conversion by 2030
Target type (absolute or intensity)	Absolute quantitative target
Carbon credits	To achieve the interim target by 2030, some carbon credits are planned to be used (with a limit of XX% of planned carbon reduction), For the 2050 long-term target, there is no planned use of carbon credits to achieve this target. This approach is discussed further in the next section.
Alignment with jurisdictional commitment	Informed by the latest international climate agreements (Paris)
Validation	The target and methodology have been validated by [Third Party Validator Name].
Review Process	This target is reviewed quarterly by the ESG Committee and follows the escalation process of the ESG targets as set out in the Governance section.
Metrics for monitoring progress:	Portfolio-wide emissions reduction to net zero by year end 2049
Revisions	Any revision to the target will be disclosed and explained in the annual climate-related report. No revisions have been made to the target in the current period.
Progress achieved during the year and status at year end	The Group provides potential pathways it follows that will allow it to achieve the 2050 target. The Group continues to make progress towards this target noting a 15% reduction was achieved in the current year

S2.36(d)

S2.34(a)-(d)

EY Commentary

AASB S2 requires entities to disclose whether any targets were derived using a sectoral decarbonisation approach. (AASB S2 36(d)). For the Group's illustrative purposes, there are no sectoral decarbonisation approach derived targets.

AASB S2.35 requires an entity to disclose information about its performance against each climate-related target, including an analysis of trends and changes in the entity's performance. As this is the first year of reporting, no such analysis has been performed on trends.

S2.35

Target setting process and review approach

The Group's climate targets and the methodologies for setting these targets have been validated by independent third party XYZ Consultants in January 2025.

The Group conducts quarterly reviews of its climate targets. These reviews involve a comprehensive assessment by the ESG committee, which includes both internal experts and external advisors.

S2.34

Progress towards climate targets is monitored using a set of key performance indicators (KPIs), including GHG emissions intensity, renewable energy usage, and energy efficiency improvements.

Any revisions to the targets are made based on the outcomes of the quarterly reviews. For instance, if a target is found to be either too ambitious or not ambitious enough, adjustments are made accordingly. Each revision is accompanied by a detailed explanation and approval by the Board, highlighting the rationale behind the change. There have been no changes to previously set targets in the current period.

Performance Against Climate-Related Targets

The Group has made significant strides in reducing its carbon footprint. Over the past year, the Group has achieved a XXX% reduction in GHG emissions intensity, surpassing its annual target of XXX%. The analysis indicates a positive trend in the company's climate performance, driven by increased investment in renewable energy projects and the implementation of energy-efficient technologies across its operations. Additionally, there has been a notable shift towards more sustainable practices in supply chain management, contributing to overall performance improvements. *S2.35*

Planned Use of Carbon Credits to achieve its Targets

The Group's primary goal is to reduce operational GHG emissions through structural abatement measures. The Group aims to achieve its emissions reduction targets by implementing effective GHG mitigation strategies, noting that between now and the 2030 interim target, the Group plans to use voluntary carbon credits to bridge the shortfall, arranging it remains on track to meet its objectives.

The Group's approach to carbon credits is dynamic and evolves as it works toward meeting its broader emissions goals. The Group is committed to reducing its carbon footprint through direct abatement measures, with carbon credits playing a supportive role in strategy to meet emissions reduction targets. The Group prioritises high-integrity, nature-based projects and will continue to explore new opportunities in both natural and technological carbon solutions as they become commercially viable. The Group prioritises sourcing carbon credits from nature-based solutions wherever feasible and only if verified by the XYZ Government's Carbon Credit Scheme or are registered by any international standard. These projects, such as afforestation, offer broader environmental and community benefits. In the future, the Group may also explore technological carbon credits, such as those from direct air capture, once they become commercially viable and supported by the XYZ Government's Carbon Credit Scheme. *S2.36(e)(i)-(iv)*

EY Commentary

AASB S2 requires entities to disclose any other factors necessary for users of general-purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use (for example, assumptions regarding the permanence of the carbon offset) (AASB S2.36(e)(iii)).

Disclosure requirements that are not illustrated

This publication has not illustrated the following disclosure requirements:

Topic	AASB S2 Standard Reference	Disclosure Checklist Reference	For further guidance
Conceptual foundations: materiality	AASB S2.[D]17 AASB S2.[D]B32-B36	Q1-Q4	
Connected information	AASB S2.[D]21-24 AABS S2.[D]B42	Q6-Q13	
Governance: Avoiding unnecessary duplication	AASB S2.7	Q28	
Strategy: Applicability of cross-industry metrics (in identifying climate-related risks and opportunities as well as when assessing climate resilience)	AASB S2.12 AASB S2.23 Deleted by the AASB	Q34 Q76	Only required when preparing in accordance with IFRS S1/S2
Strategy: Strategy and decision-making	AASB S2.14(c)	Q46	
Strategy: Financial position, performance and cash flows	AASB S2.19-21	Q52-Q54	
Risk Management: Avoiding unnecessary duplication	AASB S2.26	Q87	
Metrics & Targets: General requirements	AASB S2.27 AASB S2/[D]53	Q88	
Metrics & Targets: General requirements	AASB S2. B56a and B57b	Q99-Q100	
Metrics & Targets: Greenhouse gas -financed emissions	AASB S2.29(a)(vi)(2) AASB S2. B61-B63	Q101-Q129	
Metric & Targets: Cross industry metrics	AASB S2.29(c) AASB S2.29(d)	Q131 – Q132	
Metrics & Targets: Entity specific metrics	AASB S2. [D]49 AASB S2 [D]50	Q141-Q146	
Sources of Guidance	N/A		Only required when preparing in accordance with IFRS S1/S2
Location of Disclosures	AASB S2.[D]60 AASB S2.[D]62 AASB S2.[D]B47	Q176-Q179	
Timing of reporting	AASB S2.[D]64-69	Q180-Q185	
Comparative information	AASB S2.[D]70 AASB S2.[D]B50-B54	Q186-Q194	
Judgements	AASB S2.[D]74	Q196	
Measurement uncertainty	AASB S2.[D]77-78	Q197-Q200	
Errors	AASB S2.[D]83 AASB S2.[D]B58-B59	Q201-Q205	

Glossary

Abbreviations	Full term
CO2	Carbon dioxide
CO2-e	Carbon dioxide equivalent
CEO	Chief Executive Officer
CTAP	Climate Transition Action Plan
GHG	Greenhouse gas
GWP	Global Warming Potential
IPCC	Intergovernmental Panel on Climate Change
NDC	Nationally Determined Contribution
PPA	Power Purchase Agreement

Terms	Description
Carbon capture	The process of separation of carbon dioxide from industrial and energy-related sources.
Carbon capture and storage	The process of carbon capture and the subsequent transport of captured carbon to a storage location where it is isolated from the atmosphere long-term. Refer to the definition of carbon capture.
Carbon credit	An emissions unit that is issued by a carbon crediting programme 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.
Carbon dioxide equivalent	The universal unit of measurement to indicate the global warming potential of each greenhouse gas, expressed in terms of the global warming potential of one unit of carbon dioxide.
Emissions factor	A factor that converts activity data into greenhouse gas emissions data (e.g. kgCO2-e emitted per GJ of fuel consumed, kgCO2-e emitted per KWh of electricity used).
GHG Protocol	Globally recognised and standardised frameworks to measure and manage greenhouse gas emissions from private and public sector operations, value chains and mitigation actions.
Global Warming Potential	A factor describing the radiative forcing impact (degree of harm to the atmosphere) of one unit of a given greenhouse gas relative to one unit of CO2.
Goals of the Paris Agreement	The central objective of the Paris Agreement is its long-term goal to hold global average temperature increase to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.
Greenhouse gas	The aggregate anthropogenic carbon dioxide equivalent emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF6) and nitrogen trifluoride (NF3)

Terms	Description
Intergovernmental Panel on Climate Change	The United Nations body for assessing the science related to climate change.
The Group's view of the world	One of three planning cases in the planning range, being the 'most likely' outcome, used for strategic planning
Paris Agreement	An agreement between countries party to the United Nations Framework Convention on Climate Change to strengthen efforts to combat climate change and adapt to its effects, with enhanced support to assist developing countries to do so.

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