

Climate-Related Disclosures 2025-26



Powering a
Bright Future

Acknowledgement of Country

TasNetworks respectfully acknowledges the Palawa (Tasmanian Aboriginal community) as the original owners and custodians of Lutruwita (Tasmania).

TasNetworks acknowledges the Palawa have maintained their spiritual and cultural connection to the land and water. We pay respect to Elders past and present and all Aboriginal and Torres Strait Islander peoples.



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About us

Our purpose

We are powering a bright future to deliver safe and sustainable essential services while maximising value for all of Tasmania.

We have more than 300,000 residential, business, commercial, and industrial customers. We are committed to working with our community to make a meaningful difference to the lives of Tasmanians through the delivery of electricity, as well as telecommunication services.

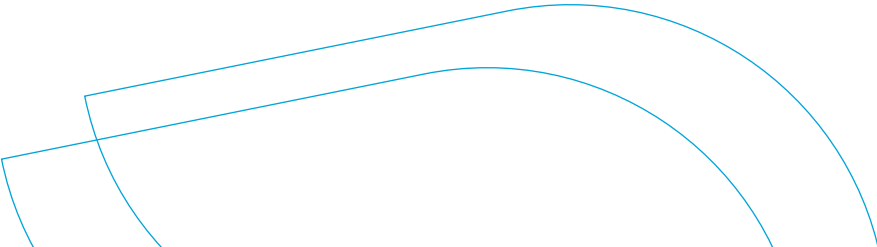
Our vision

We want to be trusted by our customers to deliver today and create a better tomorrow.

As Tasmania's provider of electricity transmission and distribution services, we are committed to providing our customers with electricity at the lowest possible price and helping Australia transition to cleaner energy sources.

What we do

We own, operate, and maintain the electricity transmission and distribution networks in Tasmania. This involves, but is not limited to:

- Keeping our people and our customers safe while operating the network on a day-to-day basis, including all power outage restoration
 - Maintaining and replacing network infrastructure to ensure a safe, reliable service for our customers
 - Serving as Tasmanian jurisdictional planner in the National Electricity Market
 - Connecting new customers to the network (including small and large-scale generators)
 - Investing in the network to support capacity growth (such as the North West Transmission Developments)
 - Providing telecommunications, data centre, and information technology services to customers, including those in the Tasmanian electricity supply industry.
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About this report

This report presents Tasmanian Networks Pty Ltd's Climate-Related Disclosures for the 2025–26 financial year and covers the reporting period ending 30 June 2026.

This report outlines the potential impacts of climate change on TasNetworks, the actions we are taking in response, and how climate-related risks and opportunities are considered in decision-making. It provides information about our governance, strategy, risk management processes, and our approach to developing metrics and targets to monitor progress.

Climate change presents both challenges and opportunities for our business, our customers and the communities we serve. Understanding and managing these impacts helps us maintain reliable electricity services while supporting Tasmania's transition to a lower-emissions economy.

This report has been prepared in accordance with the Australian Climate-related Financial Disclosure Requirements (AASB S2). It is intended to provide transparency for our customers, investors, regulators, employees and other stakeholders about how climate-related matters are managed across our business.

The report covers the operations of Tasmanian Networks Pty Ltd and its subsidiaries, TasNetworks Holdings Pty Ltd (a non-trading subsidiary) and Fortytwo24 Pty Ltd.

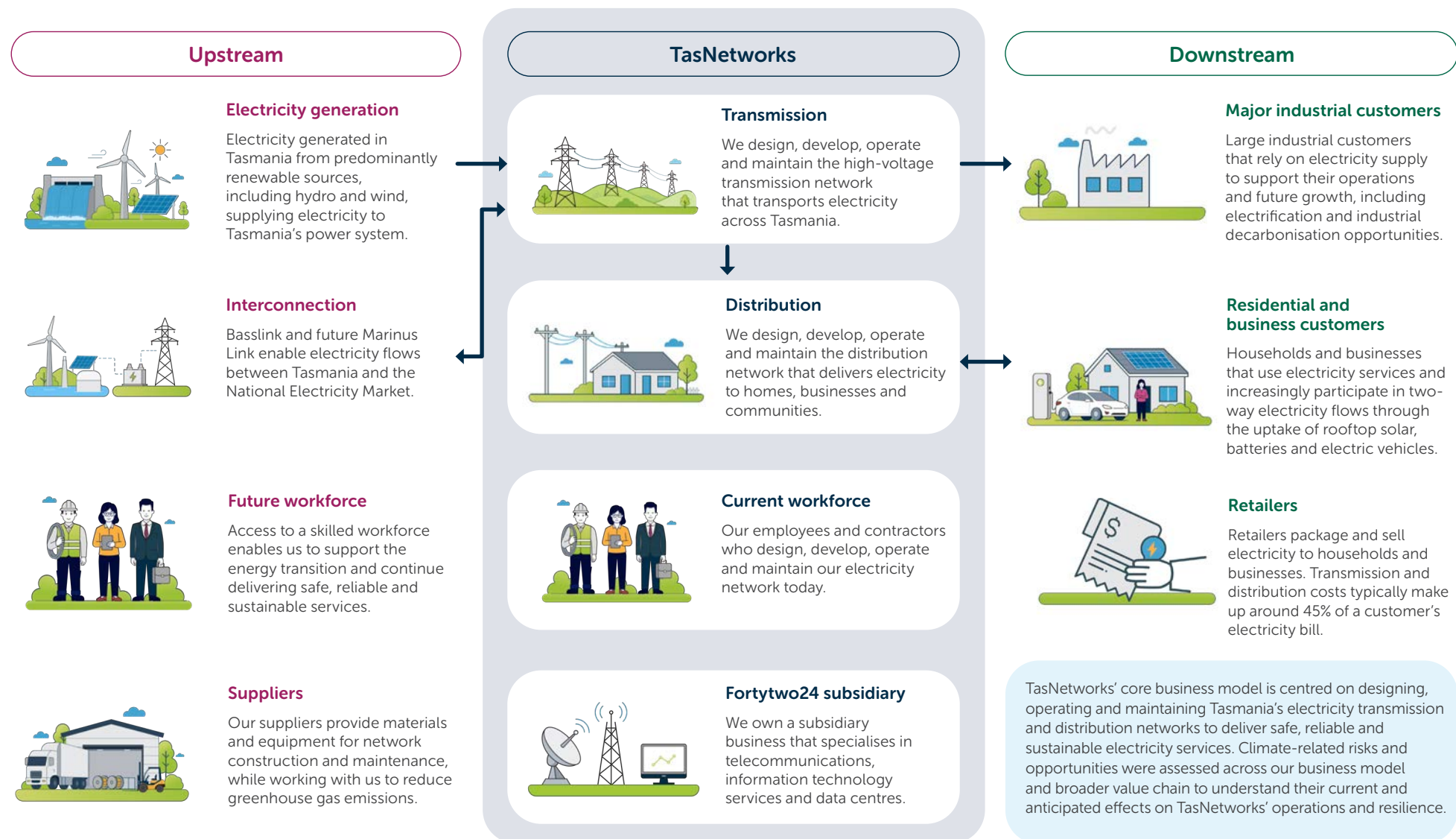
We have applied transition arrangements specified in AASB S2. Specifically, as this is our first climate-related disclosures report, we have not disclosed comparative information from prior years as per clause C3, nor Scope 3 greenhouse gas emissions as per clause C4(b).

Upgrades to the Burnie–Port Latta–Smithton transmission line are strengthening a critical part of Tasmania's electricity network. The project is replacing ageing infrastructure along the 71 km corridor to support reliable electricity supply for major industry, renewable energy generation and regional communities in Tasmania's North West.



Our business model and value chain

→ Arrows represent electricity flow

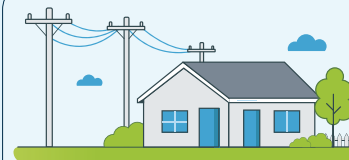


Our location

Our field-based crews are based in the major resource centres of Cambridge, Rocherlea, Devonport, Burnie and Lenah Valley and regional depots across the state. Our training centre is in Mornington, and we have administrative offices in Lenah Valley and Rocherlea.



What it takes to deliver your power



Distribution

15,415
Kilometres of high-voltage powerlines

4,502
Kilometres of low-voltage powerlines

2,797
Kilometres of high- and low-voltage underground cables

233,471
Poles



Telecommunications

More than
2,000 kilometres
of fibre optic cable

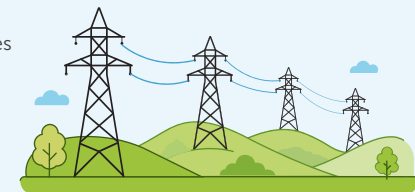
2
Data centres

3,312
Circuit kilometres of transmission lines

7,700
Transmission line support towers

11,176
Hectares of easement

49
Substations



Transmission



People

1,180
Employees

75.5% Male	24.4% Female	0.1% Non-binary
195 North	154 North-west	831 South
10 Average years of service		

From the Chair

Tasmania is uniquely positioned to play a leading role in Australia's transition to a lower-emissions future. With abundant renewable energy resources, significant storage capability and strong community ambition, our State has an opportunity to contribute to emissions reduction at a national scale while supporting economic activity, energy security and a more sustainable future for generations to come.

As Tasmania's electricity transmission and distribution network provider, TasNetworks has a critical role in enabling this transition. The infrastructure we plan, build and operate supports the connection of renewable generation, electrification of transport and industry, and stronger interconnection with mainland markets. Projects such as the North West Transmission Developments will help unlock Tasmania's renewable energy potential, support participation in the National Electricity Market and strengthen the State's role in Australia's future energy system.

At the same time, Tasmania's electricity system is becoming more complex. Climate change, ageing infrastructure, new technologies and changing patterns of energy use are reshaping how the network must operate. Increasingly frequent and severe weather events are already affecting communities, infrastructure and the reliability of our services, reinforcing the importance of building a network that is resilient,

adaptable and prepared for a changing climate. We are continuing to strengthen our operations, response capability and planning, with a strong focus on the safety of our people and the public, while embedding lessons learned from recent events.

The Board recognises that climate change is both a defining challenge and a strategic issue for TasNetworks. It is central to our strategy and influences how we plan the network, invest in infrastructure and manage risk over the long term. As Chair, I see leadership in responding to climate change as a core responsibility of the Board, and one we take seriously.

This year marks TasNetworks' first climate-related financial disclosure prepared in accordance with AASB S2. While TasNetworks has been considering climate-related risks for many years, the implementation of AASB S2 has provided an opportunity to further strengthen governance, processes and transparency. It has also supported a more structured approach to assessing climate-related risks and opportunities, including undertaking climate scenario analysis to better understand how different future conditions may affect our network, operations and investment decisions.

Strengthening network resilience remains a key focus and is reflected in TasNetworks' long-term asset planning. At the same time, we are continuing to build our capability to respond to major events and improve how we safely and efficiently restore services to customers during prolonged outages.

Responding to climate change is an ongoing and evolving process. TasNetworks will continue to adapt and strengthen our approach to ensure we are well positioned for a changing energy system, contribute to a more sustainable environment, and continue to keep the lights on for the communities we serve.

We remain committed to delivering long-term value for Tasmanians and playing our part in addressing climate change for future generations.



A handwritten signature in dark ink, appearing to read 'Roger Gill'.

Roger Gill
TasNetworks Chair



Strategy

Climate resilience and the energy transition continue to shape our strategic direction.

Our company strategy focuses on delivering safe and sustainable electricity services, while ensuring the business remains adaptable and prepared for the changing needs of customers, communities and the energy system.

The strategy is informed by key market forces including decarbonisation, decentralisation, digitisation and changing workforce dynamics. Through our strategic planning processes, we regularly assess our operating environment, alongside emerging risks and opportunities, to consider any changes and their impact on our strategic direction.

We continue to strengthen our approach as climate modelling, forecasting and scenario analysis capability evolves, supporting a more resilient, flexible and future-ready network.

Our assessment identified four material climate-related risks and opportunities:

- Energy transition opportunity
- Skills shortage transition risk
- Bushfires physical risk
- Windstorms physical risk

Details of these risks and opportunities are provided in the relevant sections of this report. The processes used to identify, assess and prioritise them are described in the Risk management section from page 42.

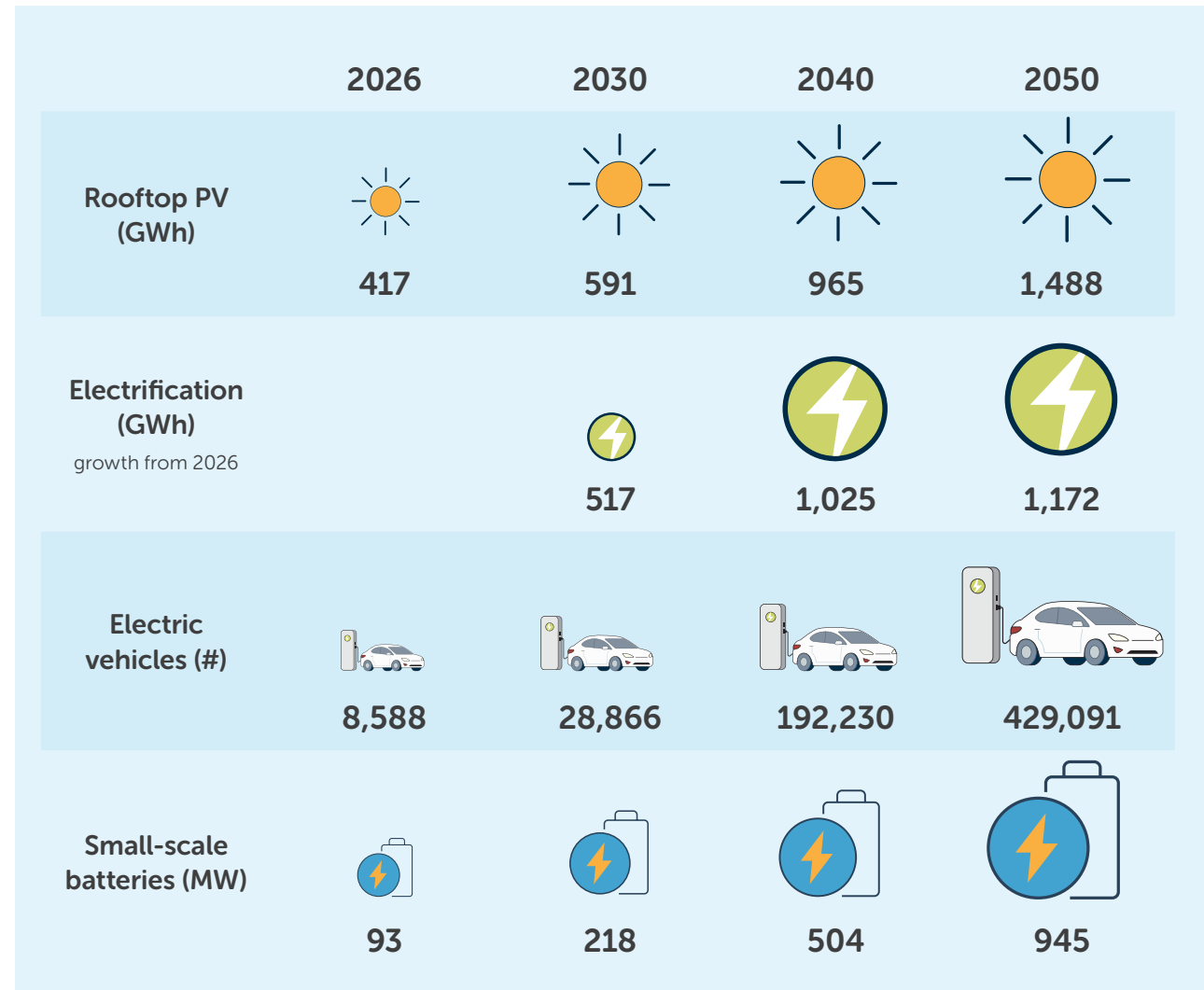
Transition risks and opportunities

Electricity networks are enabling imported fossil fuels to be replaced with local renewable energy to power our vehicles, homes, businesses, and industries. This reduces greenhouse gas emissions and improves energy security.

Tasmania has a strong vision for its renewable energy future. New renewable generation will come from both large-scale renewable energy projects and more than one hundred thousand rooftops across Tasmania. This electricity will power hundreds of thousands of electric vehicles, while tens of thousands of batteries will help ensure energy is available when needed. Surplus renewable energy will be exported via the Basslink and Marinus Link interconnectors, supporting decarbonisation across the rest of Australia.

Striving to realise this vision presents opportunities and risks for TasNetworks. We are responding through major projects such as the North West Transmission Developments (NWTN), evolving the distribution network to support distributed energy resources and trialling new technologies. These projects will help unlock Tasmania's renewable energy potential and realise a more connected and resilient future.

Projected changes to key energy transition metrics in Tasmania
(source: AEMO 2025 Inputs and Assumptions Workbook, Step Change scenario)



Building our transmission capacity

TasNetworks is helping Tasmania to realise opportunities presented by the energy transition by investing in enabling infrastructure that will support a more connected, resilient and renewable future.

The NWTD project is a cornerstone investment that will strengthen Tasmania's transmission network, unlock renewable energy opportunities and deliver long-term value for customers, communities and the broader energy system.

Stage 1 of NWTD includes approximately 130 km of new overhead transmission lines across North West Tasmania, connecting Cressy, Sheffield and Burnie through a diverse range of regional communities and land uses. This stage of the project will support the efficient connection and operation of Stage 1 of Marinus Link, including a new 750-megawatt (MW) high voltage direct current undersea cable between Tasmania and Victoria.

NWTD will help position Tasmania to play a larger role in the National Electricity Market by enabling the export of surplus renewable energy, supporting existing and emerging industries, and contributing to emissions reduction at a national scale. In addition to enabling greater renewable energy connection, it creates opportunities for regional investment, workforce participation and economic growth.

We are committed to delivering sustainable outcomes across all phases of the project through the Infrastructure Sustainability Council's (ISC) Rating Scheme. This includes initiatives aimed at minimising the project's construction and operational footprint.

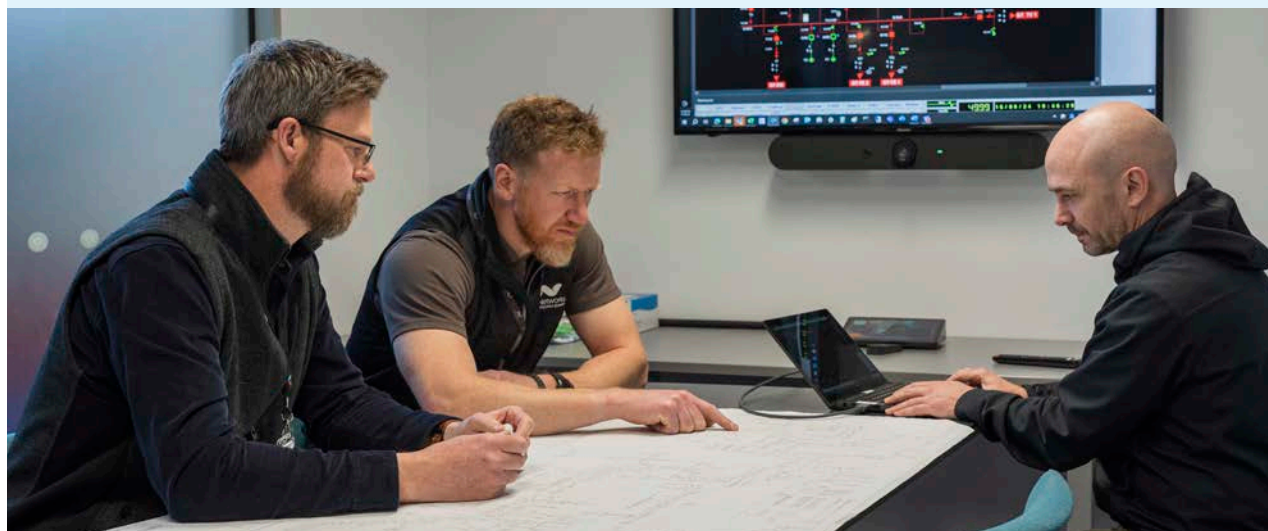
Planning our network

We continuously review our transmission and distribution networks to ensure they can support changing customer and energy system needs. Our integrated network planning considers factors such as electricity demand, distributed energy resources, renewable generation, asset condition, emerging technologies and future energy market scenarios.

Each year, we publish a combined transmission and distribution Annual Planning Report (APR), which identifies network limitations, future development needs and potential investment pathways over a

10-year planning horizon. The APR also considers factors associated with climate-related risks and opportunities, including network resilience, changing weather conditions, electrification, distributed energy resource uptake and future energy transition pathways.

The APR assesses network capability to support new renewable energy developments, interconnection and major network upgrades identified through the Australian Energy Market Operator's (AEMO) Integrated System Plan (ISP). Network planning is also informed by state and national policy objectives, including emissions reduction and net zero targets, which support renewable energy development, electrification and economic growth through the energy transition.





The North West Transmission Developments are a key enabler of the climate-related energy transition opportunity. This opportunity was assessed as Exceptional in 2030 and Pivotal in 2050 for TasNetworks (page 17).

In 2025-26, NWTD achieved several significant milestones as the project progressed toward construction, planned for late 2026. Key achievements included:

- Funding certainty: The Australian Energy Regulator (AER) approved revenue allowances for Stage 1 of the NWTD, providing funding certainty for TasNetworks.
- Approvals: A planning permit from the Tasmanian Planning Commission subject to conditions, and approval under the Commonwealth Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act).
- Landholder engagement and access: TasNetworks secured voluntary land access agreements with more than 97 per cent of private landholders along the route.
- Workforce and local participation: Strong engagement with local industry continued, with more than 200 expressions of interest received from businesses and suppliers.
- Community investment: TasNetworks launched the Bright Futures Fund in June 2026, committing \$10 million to support communities across Northern and North West Tasmania.

As NWTD moves closer to construction, TasNetworks remains focused on delivering long-term outcomes for customers, communities and Tasmania's future energy system. This includes continued engagement with landholders, communities and stakeholders, alongside the rollout of initiatives through the Bright Futures Fund.

NWTD will play a critical role in strengthening Tasmania's energy future by enabling renewable energy development, supporting economic growth, improving energy security, and helping deliver reliable, affordable and clean energy for Tasmania and the nation.

Unlocking new opportunities for electric vehicle charging infrastructure

Tasmania's transition to electric vehicles (EVs) is accelerating, bringing new opportunities and new challenges for our network.

More than 5,000 EVs were registered across the state by 2025. This number is projected to increase to 429,091 EVs by 2050 under the Australian Energy Market Operator's Step Change scenario. The need for accessible and reliable charging infrastructure is becoming increasingly clear, as EVs become a mainstream choice for households and businesses.

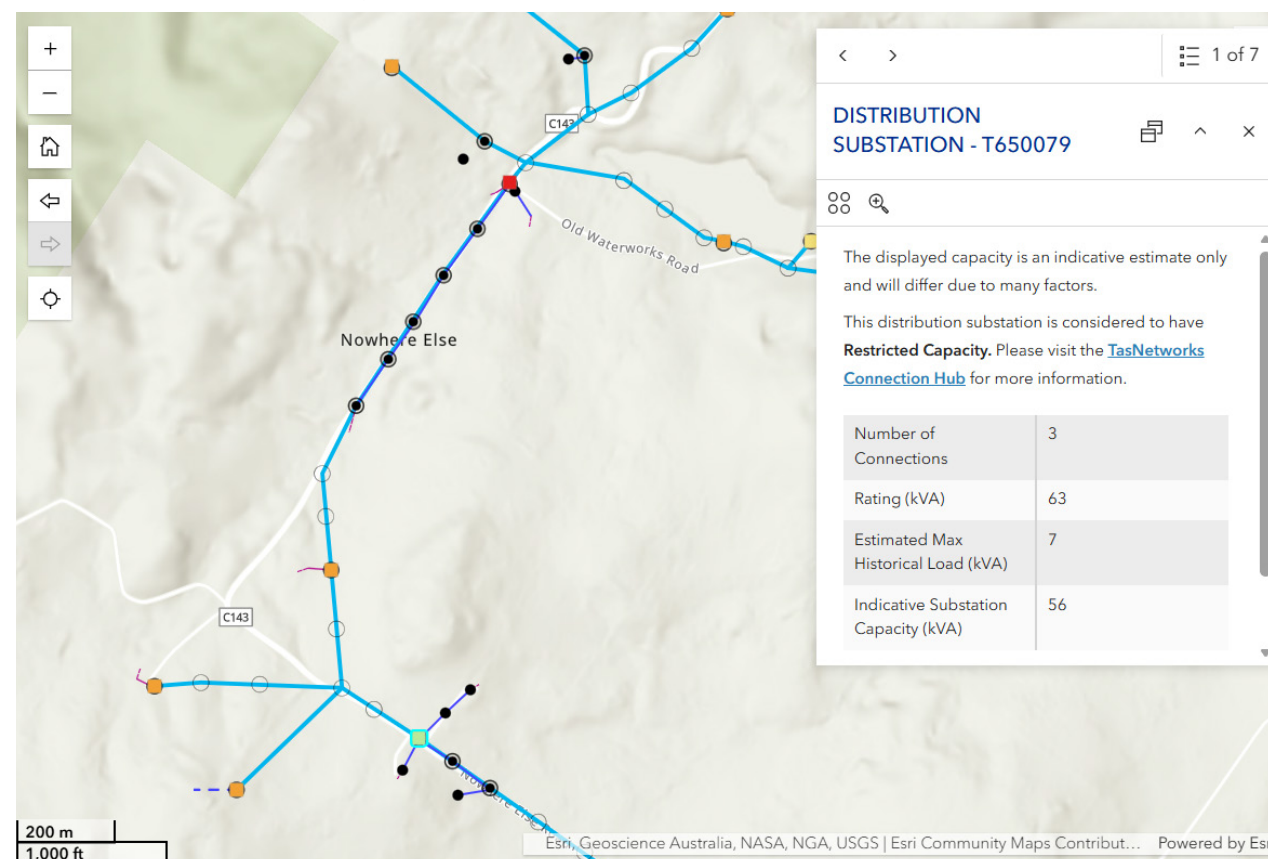
For councils, charging point operators and charging network planners, the challenge wasn't where to install chargers, but how to install efficiently at scale. Investment decisions were often made with limited understanding of the network capacity, creating uncertainty around site suitability and rollout of new infrastructure.

Our response was to create visibility and the tools required to support long-term growth of EV chargers. We created the Network Capacity Map to provide clear insight into feasible EV charging locations across Tasmania. The interactive map provides an indicative, location-based view of the spare capacity of distribution substations at key network points. This helps customers, developers and councils make more informed decisions about where to place EV chargers and other new loads to reduce network augmentation costs and connection delays.

At the same time, EV chargers can be challenging to install in some areas such as those with limited off-street parking. To enable easier access for stakeholders to our distribution network assets, TasNetworks updated its internal processes, policies and procedures. The result is a clearer, more coordinated approach to EV infrastructure deployment, helping expand charging access across Tasmania while supporting customer confidence in the transition to electric vehicles.

Supporting the increasing uptake of electric vehicles is central to realising the opportunities presented by the energy transition, which was assessed as Exceptional at 2030 and Pivotal in 2050 (page 17).

TasNetworks' Network Capacity Map



Community batteries supporting a smarter, more resilient network

We are trialling community batteries across Tasmania to explore how shared storage can support a cleaner, more flexible electricity system.

Batteries at Shorewell Park (Burnie) and Glebe Hill (Howrah, pictured) began operating in July 2025, marking the first time this type of asset has been integrated into the network. A further six batteries are planned to be installed at targeted locations across Tasmania in 2026–27. This includes a pilot project at Coles Bay, where a battery will be used to provide backup power to the local community centre during local network outages, helping to test how batteries can support community resilience.

Community batteries store excess solar generation and release it during peak periods, helping to reduce pressure on the network. By reducing peak demand, these assets have the potential to prolong the life of existing infrastructure and defer future network upgrades.

These trials are supported by improved data and network visibility. With smart meter adoption reaching 95.3 per cent by June 2026, more granular insights into demand, solar exports and constraints are enabling more effective operation of distributed energy resources in Tasmania.

Together, these initiatives demonstrate how data, innovation and targeted investment can support emissions reduction, improve resilience and manage the risks and opportunities of a changing energy system.

The integration of distributed energy resources, including community batteries, supports the energy transition opportunity, which was assessed as Exceptional in 2030 and Pivotal in 2050 (page 17).



Community Battery, Glebe Hill, Howrah

Ensuring we have the people to power the transition

The energy transition is increasing demand for skilled workers to design, operate, maintain and expand Tasmania's electricity network. This is happening around Australia and the rest of the world at the same time, leading to workforce shortages across energy trades and creating growing challenges.

Projects to increase network capacity and support clean energy systems are accelerating demand for electricians, electrical engineers, and transmission and distribution workers. While the energy trades workforce has grown in Australia by around 20 per cent since 2010, demand continues to outpace supply. Projections estimate a shortfall of 17,400 energy sector workers by 2030, increasing to 37,600 by 2050.¹

The growing role of digital systems to enable rooftop solar, batteries, and electric vehicles is also changing the skills needed. This is creating demand for skills in data analytics, software integration, network modelling, cyber security and outage communication alongside traditional engineering and field operations.

We are responding to these challenges by continuing to invest in workforce capability, training and recruitment. Our Strategic Workforce Plan is an important part of this response and includes 11 key workforce studies which identify long-term workforce risks and build sustainable technical career pipelines across operational and specialist roles.

This year, we introduced an accelerated learning pathway to efficiently upskill qualified electricians into line worker roles, while continuing to develop career pathways for technical specialist engineering roles.

Increasing workforce diversity also remains a priority. Women currently represent 24 per cent of the workforce. As a partner in the Girls in Power program, TasNetworks supports initiatives that raise awareness of career opportunities across the energy industry and encourage greater participation in non-traditional trades and technical careers.

Together, these initiatives are helping us to build a skilled, adaptable and sustainable workforce capable of supporting Tasmania's changing energy needs, while maintaining safe and sustainable network services for communities across the state.

¹ Source: Powering Skills Organisation (2024), Workforce Plan 2024 Summary Report: The New Power Generation.

Building a skilled workforce is essential to enabling the energy transition and managing the skills shortage transition risk (page 18).



Holly Frankcombe received silver in the Apprentice of the Year category at the 2025 Australian Training Awards. Her achievement, alongside TasNetworks being named Large Employer of the Year, highlights both Holly's dedication and our commitment to developing skilled, capable and future-ready employees.

Details of material transition risks and opportunities

We identified an initial list of 34 potential climate-related transition risks and 41 opportunities. Through desktop analysis, review of existing enterprise risks and previous climate risk assessments, and consultation with internal subject matter experts, these were refined to six transition risks and two opportunities. These were assessed through structured workshops using the scenarios, time horizons and assumptions described in the scenario analysis details section (page 33), with ratings assigned in accordance with TasNetworks' Risk Management Framework. Risks and opportunities rated in the highest two categories were considered material and included in this report. The assessment identified one material transition risk and one material opportunity, detailed in the table below.

Table 1: Details of material transition risks and opportunities

Title	Description and effects	Management response & controls	Residual ratings	
			2030	2050
Energy transition Opportunity	<p>Electrification, renewable energy, stronger interconnection with Victoria, and distributed energy resources (DER) integration present opportunities for us to transmit and distribute more energy, more efficiently through expanded electricity networks.</p> <p>Effects across our value chain:</p> <p>Upstream: Increased capacity and improved market conditions for large renewable energy projects. Increased demand for flexible generation and storage solutions. Greater coordination required between generation and network operations.</p> <p>TasNetworks: Higher energy throughput and improved asset utilisation. Opportunity and risk of peak demand changes from DER deferring or requiring capital expenditure. Increased operational complexity.</p> <p>Downstream: Customers may benefit from greater access to energy storage and technologies that enable more flexible electricity use. However, benefits may not be shared equally if affordability or other barriers limit access for some customers.</p>	<p>Delivery of the NWTD to increase network capacity and enable the connection of new renewable generation and Marinus Link.</p> <p>Advance planning to support the connection of renewable energy developments and large electricity loads.</p> <p>Enabling uptake of consumer energy resources by investing in network and non-network capabilities.</p> <p>Use of smart meter data and low voltage network modelling to improve network utilisation and inform planning.</p> <p>Our Annual Planning Report process helps quantify energy transition opportunities and challenges over a ten-year planning horizon and is updated annually as part of our planning cycle.</p>	 <p>Exceptional</p>	 <p>Pivotal</p>
			<p>The energy transition has already catalysed the NWTD; a once-in-a-generation upgrade to Tasmania's electricity transmission network. We anticipate Stage 1 to be completed in 2029, supporting increased renewable generation, greater interconnection, and electrification-driven demand.</p> <p>The opportunity is rated lower in 2050 because the major step-change associated with the delivery of NWTD is expected to have occurred by then. Subject to factors including future government policies, technological developments, and economic factors, we anticipate the opportunity to remain material, with TasNetworks continuing to play a central role in meeting changing consumer energy needs and supporting renewable generation.</p>	

Title	Description and effects	Management response & controls	Residual ratings	
			2030	2050
Skills shortage Transition risk	<p>Competing demand for skilled labour limits delivery capacity, increases costs, and delays projects and operational activities.</p> <p>Effects across our value chain:</p> <p>Upstream: Competition for skilled resources across all major energy developments, increasing labour costs and causing delays.</p> <p>TasNetworks: Delays to capital projects, augmentation, and system modernisation. Reduced capacity to rapidly mobilise additional resources during extreme events. Increased operating costs and dependence on contractors.</p> <p>Downstream: Potential for longer or more frequent outages. Delays in providing network capacity to meet new loads may constrain investment.</p>	<p>Strategic Workforce Plan: Identifies current and future workforce needs and actions to attract, develop and retain the capability required to deliver TasNetworks' strategic objectives.</p> <p>Learning and development programs to build workforce capability and future talent pipelines: Apprenticeships, upskilling and training initiatives delivered through TasNetworks' Registered Training Organisation (RTO) and external RTOs; graduate and career development programs.</p> <p>Initiatives to attract, engage and retain employees, including the Employee Value Proposition and partnerships with major contractors and workforce providers to strengthen workforce capability and retention.</p>	 High	 High

Short-term = 2030. Medium-term = 2050. Long-term = 2090. We do not expect transition risks or opportunities to extend beyond the medium-term, and so did not rate them for the long-term time horizon.

Physical risks

Tasmania's environment presents unique challenges for the operation and resilience of the electricity network. Much of the network traverses forested and heavily vegetated corridors, where high winds can bring down trees and branches, causing faults and equipment damage. Steep slopes, valleys, coastal plains and remote highlands also influence wind behaviour, fire spread, ground stability and access for crews.

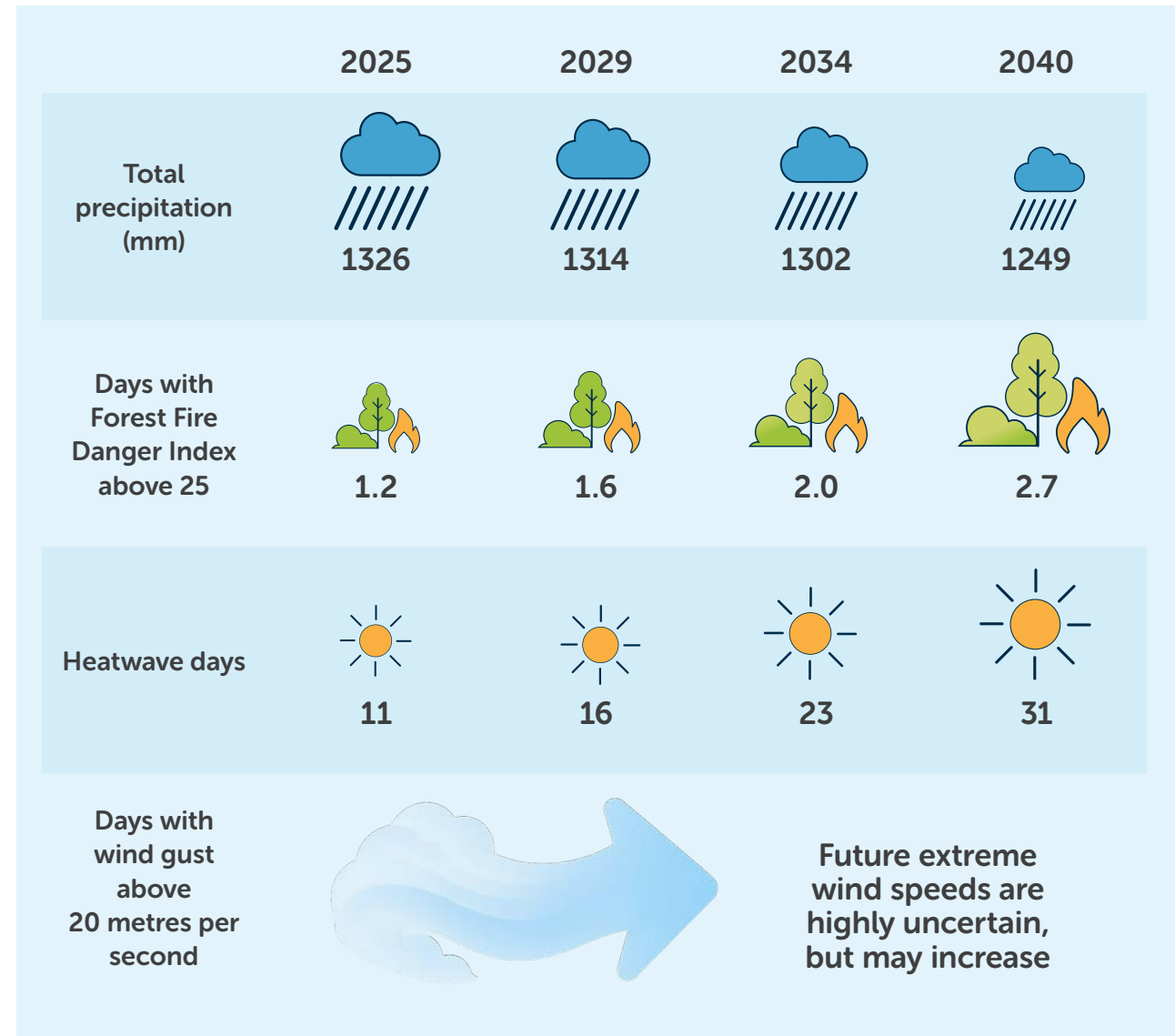
A changing climate is intensifying these challenges. Tasmania is already experiencing more frequent severe wind events, shifts in fire weather and rainfall variability that affects ground conditions and vegetation loads. Under TasNetworks' Central Planning scenario, Tasmania is projected to face more days of dangerous fire conditions, reduced average rainfall and more intense rainfall events over time.

TasNetworks is responding to these increasing climate-related risks by strengthening preparedness, response and recovery processes, and incorporating lessons learned from major events into operational practices and asset strategies.

TasNetworks has undertaken climate scenario analysis (page 33) to assess the resilience of our strategy and plans under a range of plausible climate futures. Insights from this work will inform network planning and prioritising investment to manage emerging risks.

Safety remains a core focus for our people and communities as severe weather events increase risks to infrastructure, emergency response activities and public safety.

Climate outlook for Tasmania under TasNetworks' Central Planning scenario
(source: NARClIM2.0 Regional Climate Projections)



Building resilience to bushfires

As bushfire risk increases across Tasmania, we are strengthening the resilience of our network by applying lessons from major events to operational practices and long-term asset planning.

In December 2025, a series of vegetation fires impacted Tasmania, highlighting the growing bushfire risk associated with a changing climate. The most significant event, the Dolphin Sands fire, caused extensive damage to the distribution network and disrupted electricity supply to over 400 customers. Of these, 56 properties were without power for five days or longer.

The broader community impact was severe, with 19 homes destroyed and a further 14 damaged. Across the network, critical electricity infrastructure was affected, including poles, transformers, and overhead lines requiring replacement. A second fire in St Helens followed shortly after, further stretching resources and reinforcing the need for coordinated response capability across multiple events. These events underscore the material financial and operational risks bushfires pose to the network and the communities we serve.

In response, TasNetworks is improving vegetation management (see page 23) and progressing targeted network resilience upgrades throughout the state to reduce bushfire risk and support faster recovery following fire events. This includes installing more fire-resistant materials, such as fibreglass-reinforced concrete poles, across critical assets and testing wrap mesh on wooden poles.



Bushfire is assessed as a high risk at both 2030 and 2050 (page 26).

Recovery efforts after the Dolphin Sands bushfire, December 2025.

These upgrades are designed to improve the performance of assets under extreme heat conditions, reduce the likelihood of assets failing, and support faster power restoration following fire events.

These initiatives form part of TasNetworks' broader efforts to understand, prepare for and respond to climate-related risks, recognising that bushfire frequency and intensity are expected to increase over time.

Strengthening our network against windstorms

We are improving network resilience, emergency response and community preparedness to better manage the impacts of windstorms.

In August 2024, a series of severe windstorms impacted Tasmania over nine days, bringing heavy rainfall, flooding and destructive winds of up to 156 km/h. At its peak, more than 47,000 customers were without power, with over 200,000 customer connections affected across the event. For some, restoration took up to 23 days, with remote communities experiencing extended outages due to safety and access constraints. The event was declared a natural disaster by both State and Federal Governments.

This event highlighted opportunities to strengthen operational preparedness and network resilience to better support community safety, reliability and essential services during severe weather events. In response, TasNetworks commissioned a Post Incident Review in September 2024 to identify lessons learned and strengthen preparedness, response and recovery capability.

Insights from the review have informed, and continue to inform, a range of operational improvements, including enhancements to regional fault management, materials forecasting and event cost tracking processes. Improvements implemented to date have helped streamline field operations, reduce delays associated with equipment preparation, support more efficient deployment of crews and resources during restoration activities, and improve TasNetworks' ability to quantify the operational and financial impacts of severe climate-related events. This work forms part of an ongoing



Windstorm is assessed as a high residual climate-related risk in both 2030 and 2050 (page 25).

process of implementing review actions, evaluating their effectiveness and incorporating lessons from future events into operational practices.

In October 2025, severe windstorms impacted all regions of Tasmania, causing widespread faults and outages. At its peak, around 21,000 customers were affected. The October 2025 windstorms provided an opportunity to test these improvements. While there were widespread outages across Tasmania, restoration outcomes and customer feedback indicated a stronger operational response, with 98.5 per cent of affected customers

reconnected within 48 hours and customer satisfaction reaching 7.8 out of 10.

TasNetworks is continuing to strengthen network resilience through targeted asset replacement, more resilient infrastructure designs, and ongoing improvements to emergency response and operational processes. These investments are intended to reduce the likelihood and duration of outages, improve restoration capability during severe weather events, and support a more reliable, secure and adaptable electricity network as climate-related risks continue to evolve.

Keeping our people and communities safe

Keeping our people and communities safe is central to how TasNetworks manages climate-related risks, particularly as extreme weather becomes more frequent and severe.

When faults occur, restoration outcomes depend not only on the condition of the physical network, but also on the systems, processes and people coordinating the response. TasNetworks' Network Control Centre monitors the network and coordinates switching operations to isolate faults, ensure the community is safe and restore supply as soon as possible. The Fault Centre receives reports from customers, monitors network alarms and dispatches field crews to identify faults, assess safety risks, repair damage and restore supply. Faults that present a risk to public safety, such as fallen powerlines, are prioritised for immediate response, while Customer Service teams also receive and log calls and keep customers informed through outage information and regular updates.

Restoration activities can be affected by weather conditions, road access, fire activity and the distance crews must travel, particularly in regional and remote areas of Tasmania. These conditions can increase exposure to safety risks, including fatigue and other hazards associated with emergency response activities. To support safe operations, we apply emergency response arrangements, incident management plans and fatigue and safety measures.

TasNetworks plays an important role in supporting community preparedness and public safety during severe weather and outage events. This includes providing outage updates, warnings and safety information through multiple channels, as well as delivering community awareness campaigns to help Tasmanians prepare for outages, electrical hazards and emergency conditions associated with bushfires, windstorms and other severe weather events.

Crews working at Mount Tim Shea in Tasmania's South West. Reconductoring works along Gordon River Road, improving maintenance access and enhancing safety in a location known for challenging weather conditions.

Managing vegetation to reduce risks

Heavily vegetated urban, regional and rural landscapes are what make the state unique, but they also present significant risks for our network, particularly as extreme winds and bushfire weather become more common.

For an overhead electricity network operating in a heavily vegetated environment such as Tasmania, strong winds increase risk. Vegetation, even outside regulated clearance spaces, can be blown into powerlines in severe weather, increasing the risk of outages, asset damage and potential fire ignition events.

To help manage these risks, we operate a cyclical vegetation management program, annually inspecting the network and undertaking targeted vegetation works to maintain required clearances around powerlines.

In 2025–26, we increased investment to uplift our vegetation management capability. This included introducing a new vegetation management system; strengthening planning, work scheduling and data across our network.

These improvements are helping us to better identify, prioritise and respond to vegetation risks and allow us to focus on higher-risk areas and locations experiencing repeated impacts.

Through continued investment in operational programs, systems and data capability, we are supporting a safer, more resilient network for customers and communities.



Vegetation management helps reduce the likelihood and impacts of bushfire, which remains a High climate-related risk in both 2030 and 2050 (page 26).



Details of material physical risks

We identified an initial list of 45 potential climate-related physical risks, which was consolidated and refined to 11 physical risks through desktop analysis, review of existing enterprise risks and previous climate risk assessments, and consultation with internal subject matter experts.

The 11 physical risks were assessed through structured workshops using the scenarios, time horizons and assumptions described in the scenario analysis details section (page 33), with ratings assigned in accordance with TasNetworks' Risk Management Framework. Risks rated in the highest two categories were considered material and are therefore included in this report. The assessment identified two material physical risks, which are detailed in the table following.

Table 2: Details on material physical risks

Title	Description and effects	Management response & controls	Residual ratings	
			2030	2050
Windstorms Physical risk	<p>Increasing frequency of severe windstorms may damage assets, particularly through falling trees and branches, and restrict safe field work, delaying repair and restoration of supply.</p> <p>Effects across our value chain:</p> <p>Upstream: Auxiliary services, such as telecommunications networks, may experience outages, which could in turn affect the ability of generators to feed into the network. Wind farms could be damaged by extreme winds.</p> <p>TasNetworks: Vegetation, debris or other access constraints may require emergency services to clear sites before repair crews can safely access assets, delaying repairs and restoration timeframes. Oil spills from transformers may also require specialist clean-up activities before repair works can commence, extending restoration timeframes.</p> <p>Prolonged or more frequent outages may result in lower performance against business metrics, reputational damage, and divert resources away from strategic project delivery, compromising our ability to deliver strategic priorities. Insurance availability and costs may also be affected.</p> <p>Downstream: Longer or more frequent outages may disrupt essential and public services, businesses and communities. Delays in safely accessing damaged assets may prolong public safety risks, including those associated with fallen or exposed powerlines. Costs may be passed on to customers.</p>	<p>Vegetation management program reduces risk of vegetation blowing onto assets which is the main driver of outages and damage (over structural asset failures).</p> <p>Weather forecasts are monitored to support preparedness activities and inform restoration plans.</p> <p>Emergency and business resilience frameworks including the Business Continuity Plans, Emergency Risk Management Framework, Incident Communications Activation Procedure, Incident Management Plan, Regional Fault Management Plans, and Risk Management Framework. Together, they support effective incident response, recovery and continuity of critical services. Asset planning, design and maintenance programs.</p> <p>TasNetworks Insurance Program.</p> <p>Ability to recover costs via regulatory mechanisms (see Financial effects page 27).</p> <p>Safe work procedures: Crews are stood down or conduct minimal work when conditions are unsafe.</p>	 <p>High</p>	 <p>High</p>
			<p>Ratings reflect the residual risk, assuming existing and planned management responses and controls remain in place. These measures are expected to reduce, but not eliminate, windstorm risk.</p> <p>We invest in resilience measures through regulatory funding mechanisms, balancing resilience with the delivery of safe, reliable and sustainable network services. The timing and extent of these investments depend on the policy and regulatory framework settings and funding approved by the AER. Reactive regulatory mechanisms allow for the management of unforeseen costs due to natural disasters.</p> <p>Current climate projections remain uncertain about future changes in severe wind conditions for Tasmania. If they were to worsen, we would expect more frequent outages, potentially resulting in higher operating costs due to fault response, asset repair and guaranteed service level payments, and capital costs due to asset replacements. Where prudent and efficient costs are approved for recovery by the AER, this may also influence future network charges.</p>	

Title	Description and effects	Management response & controls	Residual ratings	
			2030	2050
Bushfires Physical risk	<p>Increasing frequency of bushfire weather and active fire events damage assets and restrict safe field work, delaying repair and restoration. Bushfire smoke reduces visibility and air quality, limiting safe access and restoration activities.</p> <p>Effects across our value chain:</p> <p>Upstream: Auxiliary services, such as telecommunications networks, may experience outages, which could in turn affect the ability of generators to feed into the network.</p> <p>TasNetworks: Access constraints may require emergency services to first clear debris, delaying repair operations. Air quality from smoke is a substantial risk for workers.</p> <p>Prolonged or more frequent outages may result in declined business metric performance, reputational damage, and divert resources away from strategic project delivery. Insurance availability and costs may also be affected. Fires started by network assets may result in regulatory investigations, enforcement action, and legal liability, as well as broader social, environmental, and reputational consequences.</p> <p>Downstream: Longer or more frequent outages may disrupt essential and public services, businesses and communities. Fire damage to infrastructure may create public safety risks, including exposure to oil and fumes and hazards from falling infrastructure. Costs may be passed on to customers.</p>	<p>Continually evolving bushfire mitigation program, including vegetation management.</p> <p>Asset inspection program includes aerial inspection activities of assets and defects and thermal imaging.</p> <p>Participation in whole-of-state bushfire management activities.</p> <p>Network operating procedures are adapted during elevated fire danger conditions, including Total Fire Ban days, to reduce bushfire risk.</p> <p>Engagement with other Network Service Providers to incorporate industry learnings and leading practices into TasNetworks' Bushfire Mitigation Program.</p> <p>Move to fire-resistant fibreglass-reinforced concrete poles at critical network assets, including switches and major transformers, to improve resilience.</p> <p>Emergency and business resilience frameworks including the Business Continuity Plans, Emergency Risk Management Framework, Incident Communications Activation Procedure, Incident Management Plan, Regional Fault Management Plans, and Risk Management Framework. Together, they support effective incident response, recovery and continuity of critical services.</p> <p>Asset planning, design and maintenance programs. TasNetworks Insurance Program.</p> <p>Ability to recover costs via regulatory mechanisms (see Financial effects on page 27).</p> <p>Safe work procedures: Crews are stood down or conduct minimal work when conditions are unsafe.</p>	 <p>High</p>	 <p>High</p>

Short-term = 2030. Medium-term = 2050. Long-term = 2090. While climate science projects an increase in physical climate hazards over the long term, the resulting vulnerability and effects may be mitigated by advances in detection and protection technologies, changes to network architecture and future adaptation measures. As a result, physical risks were not rated for the long-term time horizon because the level of uncertainty is currently too high for the resulting information to be useful for decision-making.

Financial effects

As a regulated electricity network business, TasNetworks finances long-term network investment through a combination of regulated revenue, borrowings and, where available, concessional finance.

This includes investment to support the energy transition and improve network resilience, as well as expenditure associated with responding to and recovering from climate-related events.

For the 2025–26 reporting period, we have identified and disclosed material financial effects where they can be reasonably assessed. The assessment reflects the best available information at the reporting date.

Energy transition investment

The NWTD project is a key enabler of the energy transition opportunity identified in this report. Stage 1 of the project is being supported by \$1.2 billion of concessional finance from the Clean Energy Finance Corporation (CEFC) through the Australian Government's Rewiring the Nation Fund.

Access to lower-cost, long-term finance supports delivery of this significant network investment while reducing financing costs for customers. The concessional financing arrangement is forecast to reduce network charges associated with the project by around 55 per cent over the life of the project compared with standard regulatory financing, with the benefits shared with customers through the regulatory framework.

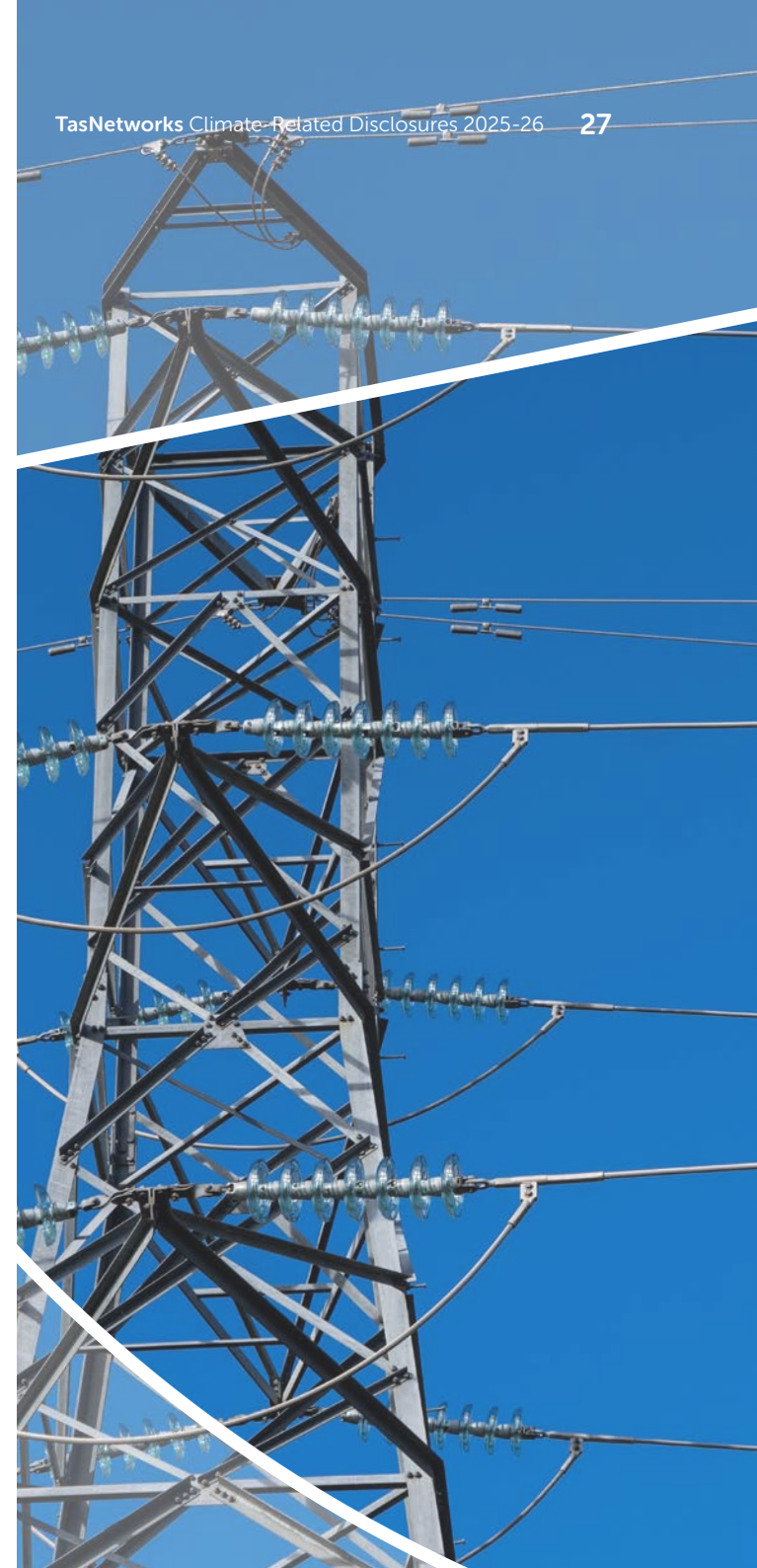
This investment demonstrates how TasNetworks is progressing the energy transition opportunity identified in this report while seeking to deliver long-term value for customers.

Regulatory considerations

As a regulated electricity network business, TasNetworks plans its capital and operating expenditure through five-year regulatory revenue proposals submitted to the AER. These proposals set out the investment required to operate, maintain and develop the network, including to support the energy transition and to maintain and improve network resilience. Proposed expenditure is subject to AER assessment and approval before it can be recovered through regulated network charges.

TasNetworks must demonstrate that proposed resilience expenditure is prudent, efficient and in the long-term interests of customers. We are continuing to develop our climate risk modelling, analysis and evidence base to better inform resilience investment decisions and support the justification of proposed expenditure. We engage with customers to understand their expectations regarding the balance between resilience, reliability, service outcomes and affordability, helping to ensure future investments reflect customer needs and priorities.

During a regulatory period, if the costs of a qualifying natural disaster event exceed the applicable materiality threshold, TasNetworks may apply to the AER to recover prudent and efficient incremental costs through a cost pass-through mechanism. This can reduce the long-term financial exposure to TasNetworks.



2024 windstorm natural disaster cost pass-through

In October 2025, the AER approved TasNetworks’ first natural disaster cost pass-through, relating to the severe windstorm that affected Tasmania in August-September 2024. The AER approved TasNetworks’ recovery of \$4.19 million from customers over three years starting in 2026-27: \$1.06 million in 2026-27, \$1.73 million in 2027-28, and \$1.40 million in 2028-29. The AER estimated the bill impact would be approximately \$3 per residential customer and \$11 per small business customer per year between 2026-27 and 2028-29.

Severe weather in 2025-26

Two significant climate-related physical events occurred during 2025-26, as detailed in the table below. Effects of smaller climate events were not separately identified.

All financial effects associated with these events occurred in the 2025-26 reporting period. There is no significant risk that these events will result in a material adjustment to the carrying amounts of assets or liabilities within the next reporting period.

Table 3: Details of significant climate-related physical events in 2025-26

Climate event	Windstorm	Bushfire
Location	Across Tasmania	Dolphin Sands
Date	October 2025	December 2025
Transformers replaced	9	6
Poles replaced	16	53
Emergency response cost	\$250,695	\$15,522
Repair & restoration cost	\$1,010,284	\$691,101
GSL payments	\$702,560	\$42,720
Total cost	\$1,963,539	\$749,344

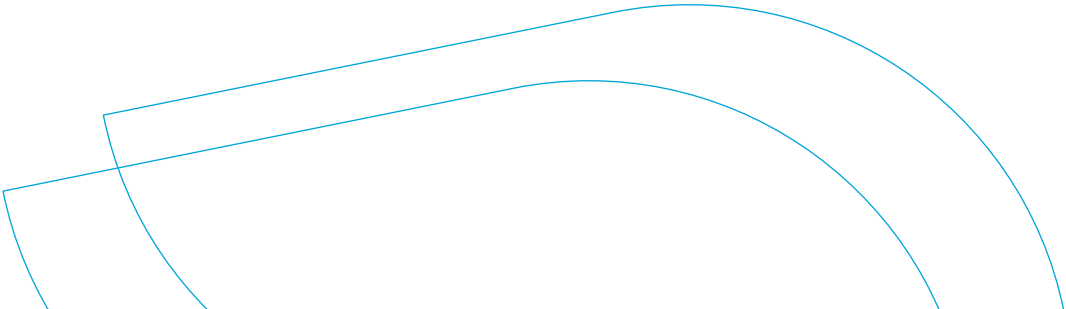
Anticipated effects of climate risks

Examples of items in our 2026-27 budget that may include climate-related costs include:

- \$11.38 million for fault response, some of which may be climate-related (e.g. responding to faults caused by windstorms)
- \$1.78 million for Guarantee Service Level (GSL) payments, some of which may be climate-related (e.g. for extended unplanned outages caused by windstorms or bushfires).

While we have not forecast these to increase beyond inflation next year, there are climate-related costs that are expected to increase as the climate changes.

We have not provided quantitative information on the anticipated financial effects of each material risk as we do not yet have the capabilities to do so. We are in the process of developing these capabilities. For example, we are developing models of the exposure and vulnerability of our assets to physical climate hazards under a range of climate scenarios and time horizons. These models will support future investment planning, inform future regulatory proposals and strengthen our assessment and disclosure of anticipated climate-related financial effects.



Climate resilience

We used three scenarios to evaluate the resilience of our strategy and business model to climate-related changes, developments and uncertainties.

These scenarios are not forecasts. They are plausible future pathways used to test TasNetworks' exposure to different combinations of transition and physical climate change. The scenarios vary across two main dimensions: the pace of the energy transition and the severity of physical climate change.

Table 4: Summary of scenarios used

Scenario	Global warming IPCC AR6 scenario alignment	Energy transition AEMO 2025 scenario alignment	Application
Fast Transition	SSP1-2.6 "Sustainability" 1.3-2.4°C	Accelerated transition	Stress test ratings of transition risks and opportunities
Central Planning	SSP2-4.5 "Middle of the Road" 2.1-3.5°C	Step Change	Standard ratings of all climate-related risks and opportunities
High Warming	SSP3-7.0 "Regional Rivalry" 2.8-4.6°C	Slower Growth	Stress test ratings of physical risks

Central Planning represents our primary planning case. It reflects an orderly but substantial energy transition that is broadly consistent with current policy objectives and the transition pathway considered most likely for the National Electricity Market. It assumes significant electrification, strong uptake of consumer energy resources and energy efficiency, and a central role for the electricity sector in decarbonising the broader economy. It is aligned with an intermediate global warming pathway that is broadly consistent with current global policy settings. Tasmania's economy grows at around 1.5 per cent per year, representing moderate but below-trend economic growth.

Fast Transition tests how well we could adapt to a faster and more coordinated transition, including rapid growth in renewable generation, interconnection and customer electrification. It assumes stronger global action to limit climate change, with lower increases in severe weather than the other scenarios. Electricity demand and electric vehicle uptake increase more quickly, and Tasmania's economy grows at around 2.2 per cent p.a., broadly consistent with its long-term average.

High Warming tests how well we could adapt to more severe physical climate change under weaker economic and transition conditions. It assumes higher global warming, with more frequent and severe extreme weather. The energy transition still occurs, including widespread electric vehicle adoption, but later and more slowly than in the other scenarios. Electricity demand in Tasmania is relatively flat, and Tasmania's economy grows at around 1.0 per cent p.a., well below the long-term trend.

Scenario assumptions and indicators

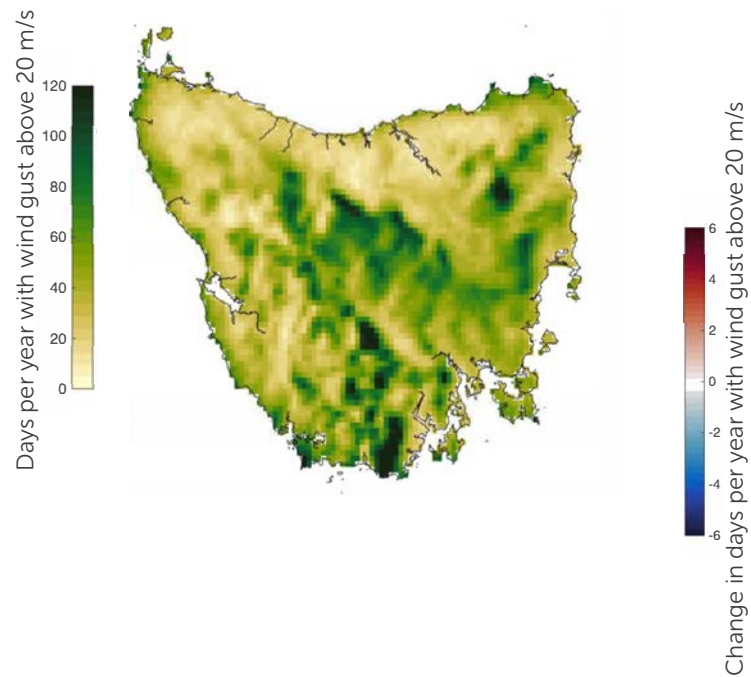
The information on the following pages illustrates selected quantitative assumptions and indicators used to distinguish the scenarios. Physical climate indicators show how hazard conditions may vary over time and between warming pathways, while economic growth, electric vehicle uptake and electricity consumption illustrate differences in the pace and scale of the energy transition.

These indicators, together with the scenario narratives and expert judgement, informed the assessment and ratings of climate-related risks and opportunities presented on page 33. They are illustrative rather than exhaustive and are not forecasts.

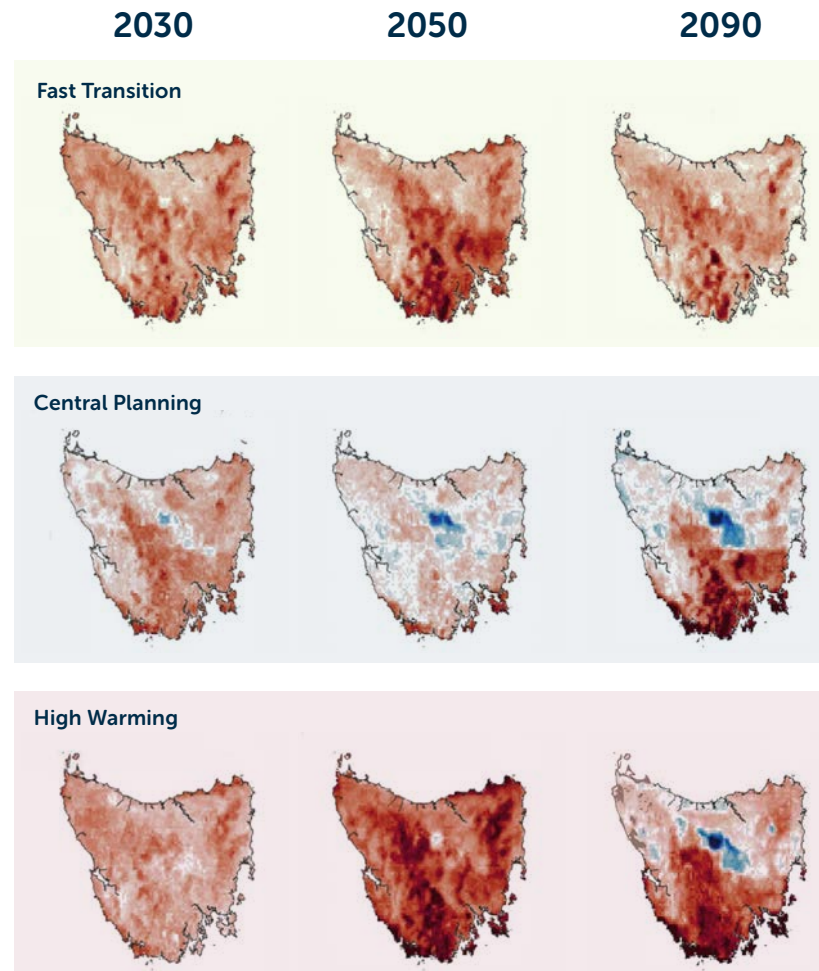
Days per year with strong wind gusts (above 20 metres per second)

(source: NARClIM2.0 Regional Climate Projections)

A. Historical (2001-2020 average)



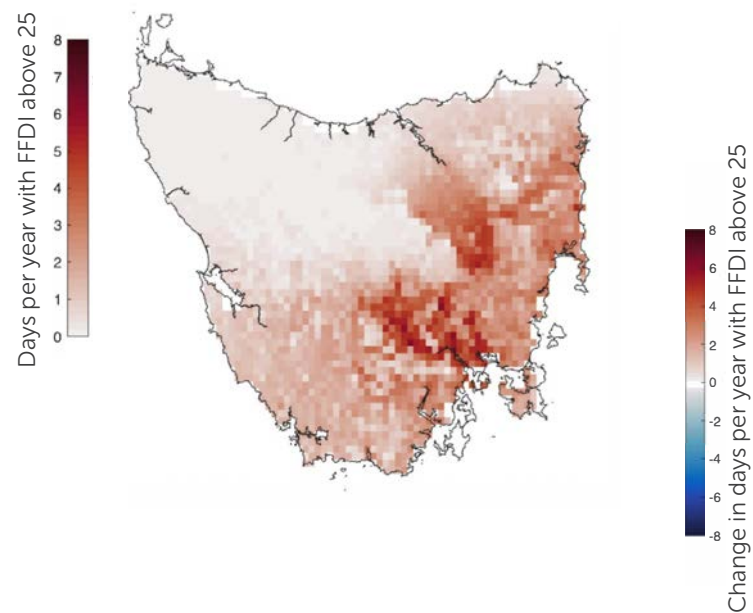
B. Projected change relative to 2001-2020



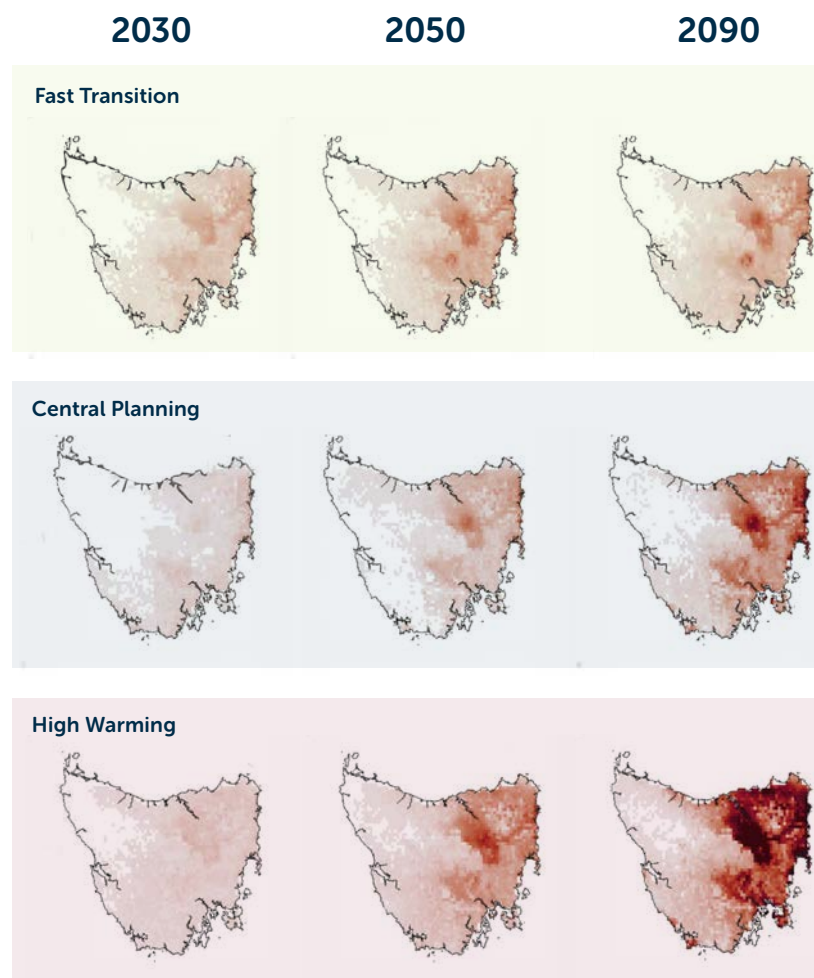
Days per year with dangerous bushfire weather (Forest Fire Danger Index (FFDI) above 25)

(source: NARcliM2.0 Regional Climate Projections)

A. Historical (2001-2020 average)

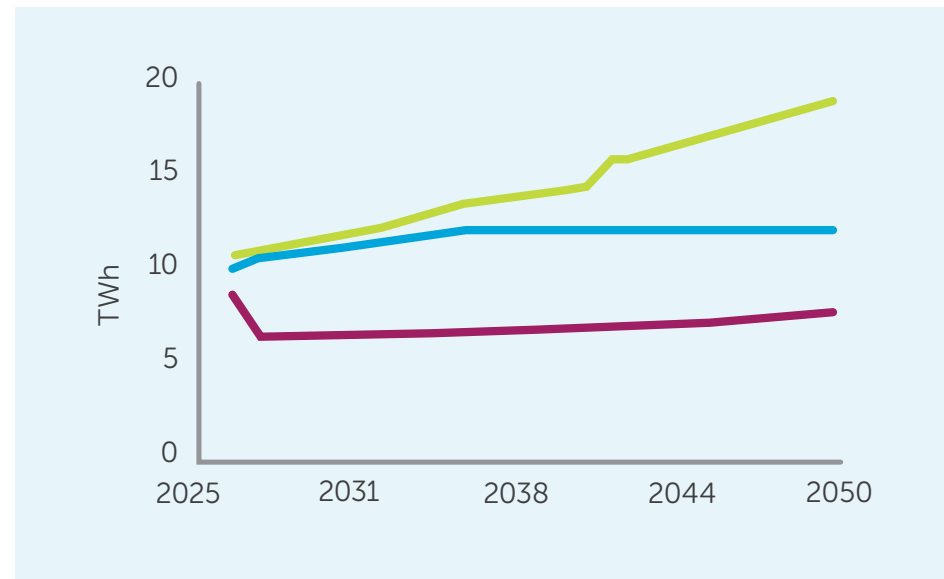


B. Projected change relative to 2001-2020



Annual electricity consumption

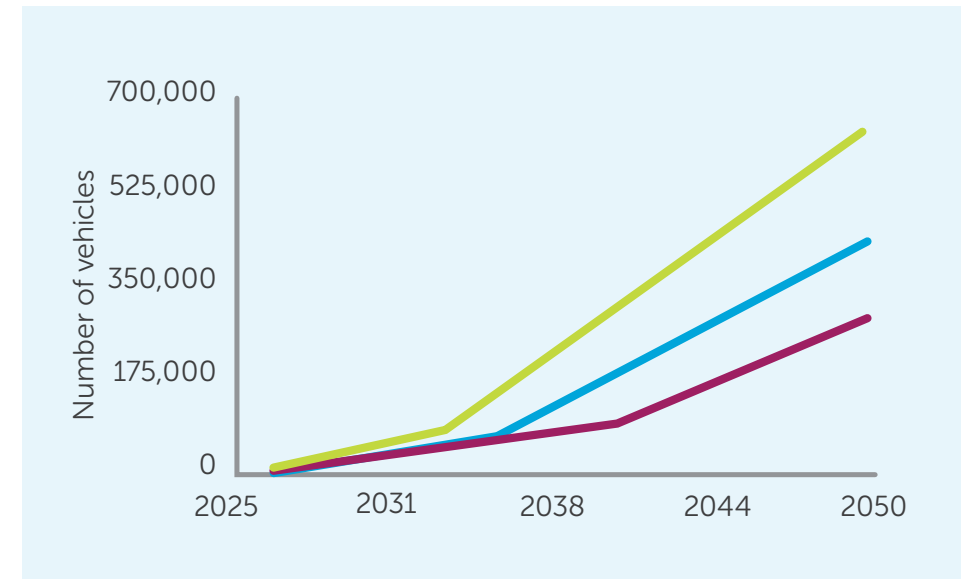
(source: AEMO 2025 Inputs, Assumptions and Scenarios Workbook)



Fast Transition
Central Planning
High Warming

Electric vehicle uptake

(source: AEMO 2025 Inputs, Assumptions and Scenarios Workbook)



Fast Transition
Central Planning
High Warming

Table 5: Residual risk and opportunity ratings under central and stress test climate scenarios

Scenario	Fast Transition		Central Planning		High Warming	
Time horizon:	2030	2050	2030	2050	2030	2050
Energy transition Opportunity	 Exceptional	 Exceptional	 Exceptional	 Pivotal		
Skills shortage Transition risk	 High	 Very High	 High	 High		
Bushfires Physical risk			 High	 High	 High	 High
Windstorms Physical risk			 High	 High	 High	 Very High

Fast Transition scenario

Under the Fast Transition scenario, the opportunity presented by the energy transition would be significantly greater. However, realising the potential benefits would be more difficult due to increased skills shortages and other non-material transition risks, such as supply chain constraints and technical challenges in rapidly integrating consumer energy resources.

While physical climate hazards would be less frequent and severe than under the Central Planning scenario, they would remain more severe than under the present-day climate. Further, recovery could be made more challenging by transition risks. For example, assets damaged by bushfires and windstorms could take longer to replace or be more expensive due to supply chain constraints driven by the fast transition.

In this scenario, we would adapt by seeking to accelerate network investment, digital capability and consumer energy resource management, while strengthening workforce planning, procurement and delivery partnerships. These measures would help us manage increased delivery risk while capturing the benefits of faster electrification and renewable energy growth. However, access to funding over a shorter timeframe could be constrained by regulatory planning cycles and affordability impacts.

Relative to the Central Planning scenario, the Fast Transition scenario presents greater opportunities with accompanying delivery challenges.

High Warming scenario

Under the High Warming scenario, our ability to adapt would be challenged by the compounding effects of more frequent and severe bushfires, windstorms and floods. These conditions could result in prolonged outages, workforce fatigue and increased expenditure requirements.

If faced with these conditions, we would respond by reallocating resources, prioritising critical services and deferring non-essential projects. We would seek to continue implementing longer-term adaptation measures, including asset hardening, vegetation management and digital network capability; however funding for these measures could become constrained due to affordability impacts of recovery costs from compounding climate events.

Relative to the Central Planning scenario, the High Warming scenario presents significantly greater challenges to maintaining reliable network services.

Overall resilience

Our qualitative analysis did not identify circumstances within the assessed scenarios and time horizons that would make TasNetworks' core business model of providing regulated transmission and distribution services unviable. Under these scenarios, we expect to continue delivering essential electricity transmission and distribution services. However, the costs of responding to and recovering from severe weather events, particularly if combined with skills shortages and supply chain constraints, could materially affect customer affordability. As our analytical capability develops, we will seek to quantify and report these potential impacts in greater depth.

Our strategy is designed to maintain safe and reliable electricity supply under evolving conditions, supported by established risk management processes, asset management programs, operational capability and ongoing network investment. Our resilience is supported by:

- Strong operational response capabilities, including incident management, restoration processes and workforce mobilisation.
- Strategic initiatives supporting electrification, network expansion, and system flexibility.
- A regulatory framework that enables prudent and efficient investment in network resilience.

Collaboration with customers, governments, regulators and industry will also remain important. Maintaining resilience will require continued adaptation and investment, supported by a stronger evidence base to demonstrate that proposed expenditure is prudent, efficient and in the long-term interests of customers.

Scenario analysis details

In 2025-26, we carried out a scenario analysis to qualitatively assess identified climate-related risks and opportunities across selected timeframes and scenarios across the entirety of our operations.

Narrative scenario development

In collaboration with several Tasmanian Government businesses, we contracted the University of Tasmania to develop a diverse set of detailed narrative scenarios. Using a consistent set of scenarios across participating Government businesses supported a shared understanding of potential impacts across Tasmania, including on communities, nature, infrastructure, and the broader economy.

The scenarios were designed to align with the requirements of the AASB S2 Climate-related Disclosures standard, Intergovernmental Panel on Climate Change (IPCC) scenarios, AEMO scenarios, and Australian and Tasmanian climate risk assessments. They were tailored to suit the specific operating environments, risks, and opportunities faced by Tasmanian Government businesses including TasNetworks.

We selected the two scenarios that would most amplify our (1) transition risks and opportunities, and (2) physical risks. The former is aligned with the IPCC's SSP1-2.6 "Sustainability" scenario, which the Australian Government's 2025 Draft National Climate Scenario Guidance describes as aligned with the goals of the Paris Agreement.

We identified that a central "most likely" scenario was required to support our planning and decision-making processes, including informing AER expenditure proposals. As a result, an additional Central Planning scenario was developed.

Scenario quantification

Key assumptions within each scenario were translated into quantitative parameters to apply measurable impacts and assumptions to the broader narrative descriptions.

Projections of physical climate hazards including extreme heat, drought and drying, bushfire weather, windstorm, extreme rainfall and flood, and sea level rise were quantified, including their direction of change, relative magnitude through time, main spatial patterns, confidence, and relevance to TasNetworks. Sources used were the 2025 National Climate Risk Assessment, the latest regional climate modelling datasets (NARClIM 2.0), which were bias-corrected and aligned with the Bureau of Meteorology's BARRA-C2 and Australian Gridded Climate Data (AGCD) and the IPCC Sixth Assessment Report Shared Socioeconomic Pathways (SSPs).

Projections of transition factors including electricity consumption; interregional transfer capacity; uptake of electric vehicles, batteries and solar; distribution network augmentation costs; hydrogen production; and workforce projections were quantified using data from the Australian Energy Market Operator 2025 Inputs, Assumptions and Scenarios Report, the 2025 Electricity Statement of Opportunities, and TasNetworks-specific forecasts from internal subject matter experts.

Time horizons

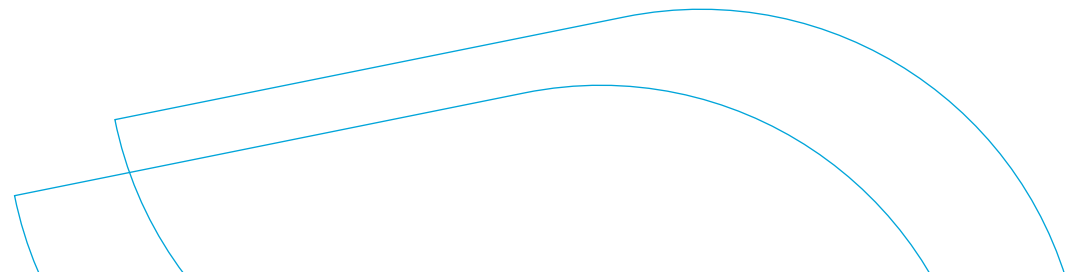
We have defined the time horizons used throughout this report to align with our planning horizons, asset lives, and the Tasmanian and Australian Climate Risk Assessments:

- **Short-term = 2030.** This reflects our short-term planning horizon. It will be one year into our 2029-2034 Regulatory Proposal Period, as well as the year we start developing our proposal for the following regulatory period.
- **Medium-term = 2050.** This aligns with the shorter end of the life span of some assets (e.g. switchgear, protection and control equipment), and so is a useful horizon when considering asset investment and replacement decisions.
- **Long-term = 2090.** This reflects the longer-term planning horizon over which network assets may be renewed, replaced and upgraded. While individual assets have finite useful lives, decisions made today regarding the location, configuration and resilience of the network can have enduring consequences over many decades. Accordingly, 2090 provides a useful horizon for considering long-term physical climate risks and adaptation.

Scenario workshops

Subject matter expert workshops were undertaken to assess how climate-related risks and opportunities may affect TasNetworks under different future scenarios. The workshop outcomes were subsequently reviewed and validated through a structured follow-up process.

The assessment captured climate-specific information alongside the standard risk information required under the enterprise risk management framework, including value chain impacts, existing controls, potential future mitigation actions, and residual risk ratings in the short-term and medium-term under the Central Planning scenario and relevant stress test scenario.



Risk rating categories

Risks and opportunities were rated using the categories shown below, as defined in TasNetworks’ Risk Management Framework. Only risks and opportunities rated in the highest two categories were assessed as being material and to be included in this report.

Areas of uncertainty

The assessment of climate-related risks and opportunities was informed by structured subject matter expert judgement, supported by the best available evidence, information and quantitative modelling available at the reporting date. While quantitative modelling informed the assessment where available, some aspects relied on qualitative judgement due to limitations in available data and modelling. As with any assessment involving expert judgement, a degree of estimation uncertainty remains. We are continuing to strengthen our climate modelling, data and analytical capabilities to improve the evidence base, increase confidence in future assessments, and support increasingly robust strategic decision-making and climate-related disclosures.

Areas of uncertainty in the assessment of our climate resilience arise primarily from:

- **The timing, magnitude and interaction of climate hazards, particularly under higher-emissions scenarios where non-linear and compounding events become more likely.**
- **Future policy settings, regulatory frameworks and economic conditions, which may influence the resources available to implement management responses and controls.**
- **The evolution of technology and customer behaviour, which materially influence transition risks and opportunities.**
- **Data and modelling limitations, particularly in translating scenario narratives into robust, decision-useful financial impacts across all risk categories.**

Table 6: Risk and opportunity rating categories and materiality

Risks		Opportunities		Materiality
	Very High		Exceptional	The two highest rating categories are considered material and are therefore included in this report.
	High		Pivotal	
	Medium		Considerable	The lower rating categories are not considered material and are therefore not included in this report.
	Low		Notable	
			Marginal	

Accordingly, this assessment provides a reasonable and supportable basis for understanding the resilience of our strategy and business model to climate-related risks and opportunities, based on the best available information at the reporting date. As our climate modelling, data and analytical capabilities continue to mature, we expect to refine our understanding of climate-related risks and opportunities, strengthen confidence in future assessments, and improve our understanding of their implications for strategy, investment decisions and future climate-related disclosures.

The frequency and severity of windstorms remain particularly uncertain. Modelling future wind conditions for Tasmania is challenging due to the state’s complex weather systems, terrain and limitations in available climate datasets.

Governance

TasNetworks' Board

TasNetworks' Board (the Board) has primary responsibility for risk oversight and risk management across all TasNetworks risks and opportunities. This includes reviewing and approving risk management systems and internal compliance and control.

The Board Charter sets out these roles and responsibilities.

The Board receives updates on climate-related risks and opportunities at least annually as part of its oversight role. A monthly risk report is provided to the Board from the Audit, Risk and Compliance Committee (ARCC) which details a spotlight risk and its treatment plan. Risks with a very high risk rating are also escalated to the Board.

The Board is accountable to the Shareholders for understanding the impacts of climate change on its business. In collaboration with the business, they develop and approve the company strategy, considering climate-related risks and opportunities and their potential impacts on the organisation.

The Board has six directors. As a state-owned company, TasNetworks' Shareholder Members, the Tasmanian Treasurer and the Minister for Energy and Renewables, appoint directors.

Audit, Risk and Compliance Committee

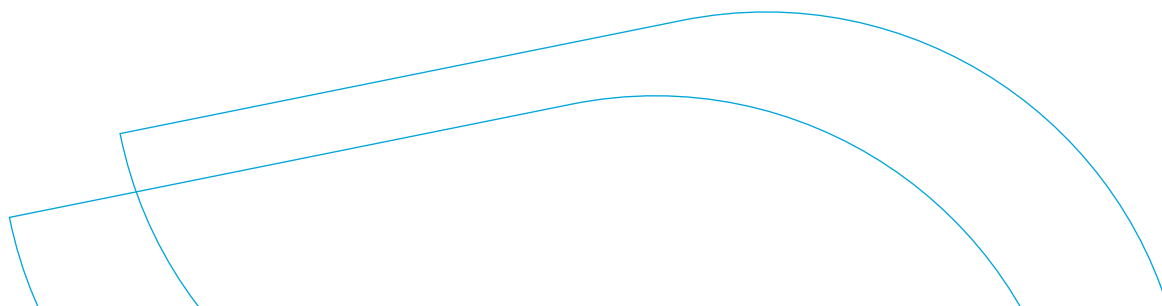
The ARCC assists the Board to fulfil its governance responsibilities relating to risk management, internal control, audit and reporting. This includes oversight of sustainability and climate-related disclosures, and monitoring the organisation's approach to identifying, assessing and managing material climate-related risks and opportunities.

The ARCC reviews the effectiveness of systems, processes and controls that support climate-related data collection, analysis and reporting, and ensures that climate considerations are appropriately reflected in financial reporting, strategy and risk management.

These roles and responsibilities are outlined in the ARCC Charter.

The ARCC reviews a quarterly Risk Report prepared by Executive Governance, which provides updates on the status of Enterprise Risks. The report includes updates relating to Environment and Sustainability as an Enterprise Risk, as well as any other escalated subordinate risks. The Key Business Risk register also identifies whether other Key Business Risks are classified as physical or transition climate-related risks.

Climate-related disclosures are also addressed through a standing agenda item at the ARCC meetings for sustainability items, which focuses on monitoring progress and capability uplift over time.



Executive Leadership Team and management

The CEO and the Executive Leadership Team are tasked by the Board with implementing and embedding the Risk Management Framework across TasNetworks, ensuring risk management supports strategic objectives and regulatory obligations.

Climate change is managed as a Key Business Risk within TasNetworks' broader Environment and Sustainability Enterprise Risk, which is owned by the Executive People and Stakeholder. Executives oversee management of Enterprise Risks to which they are specifically nominated as Risk Owner, including monitoring and reporting to the ARCC and Board as appropriate. Executives review Enterprise Risk registers at least every three months.

Executives appoint Heads of Function to own Key Business Risks. The Head of Health, Safety and Environment is the owner of the Climate Change Key Business Risk as well as the Climate-related Risk and Opportunity Register and reviews the register at least every three months. Management of the subordinate register is delegated to the Leader Environment and Sustainability and their team, who support the identification, management and escalation of climate-related risks and opportunities in line with the Risk Management Framework and scenario analysis process.

Enhanced escalation and monitoring processes apply to risks rated as high or very high.

These responsibilities are outlined in the TasNetworks Risk Management Framework.

Sustainability Committee

The Sustainability Committee is a management committee that provides strategic direction, decision-making endorsement, and advice to support the identification, assessment and management of all climate-related risks and opportunities.

The Sustainability Committee meets once every two months and reviews new or updated climate-related risks and opportunities and associated treatment plans as part of its ongoing role. The Committee supports management in climate-related decision-making and provides updates and advice to the Executive Leadership Team, the ARCC, and the Board.

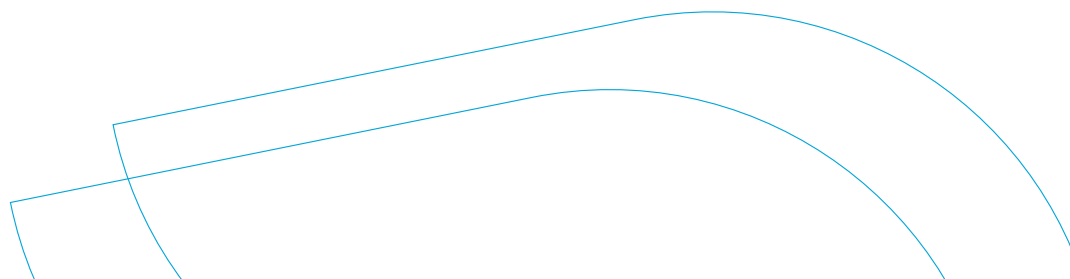
The Committee reviews the annual Climate-related Disclosures Report and other relevant legislative disclosures (such as National Greenhouse and Energy Reporting) prior to the ARCC's endorsement and Board approval, and guides the identification and progression of sustainability priorities and initiatives across the business. These responsibilities are outlined in the Sustainability Committee Terms of Reference.

Management controls

Management uses established enterprise risk management controls and procedures to support the identification, assessment, oversight and management of climate-related risks and opportunities. These controls are integrated within TasNetworks' broader Risk Management Framework and operate in accordance with the Three Lines of Defence model.

Under this model, all leaders, team members, trainees and contractors are responsible for identifying and managing risks within their areas of responsibility (First Line of Defence). Specialist business functions provide complementary expertise, oversight, support and monitoring for risk and compliance management (Second Line of Defence), while independent assurance is provided through internal audit activities, alongside external audit and regulatory oversight (Third Line of Defence and external requirements).

Risk assessment is embedded in business planning templates and Board paper templates so that risks are systematically identified, assessed and appropriately considered in decision-making processes.



Governance structure

Climate risk management embedded in governance and management structures

Board [meets monthly]

Accountable to the Shareholders for understanding the impacts of climate change on its business. Primary responsibility for risk oversight & management, including reviewing and monitoring risk management systems and internal compliance and control.

Audit, Risk & Compliance Committee [meets at least four times a year]

- Assists the Board to fulfil its governance responsibilities: overseeing approach to identifying, assessing and managing material climate-related risks and opportunities.
- Reviews key business risks through its regular quarterly meeting cycle including an enterprise climate change risk.
- Ensures climate-related considerations are appropriately reflected in reporting, strategy and risk management.
- Oversees the integrity and completeness of the annual Climate-related Disclosures Report.

Oversees

Informs & advises

Executive Leadership Team [meets monthly]

Risk Owners of Enterprise Risks and Emerging Risks. Escalates risks from operations or projects and any treatment plans that are not on time or budget.

Sustainability Committee [meets six times a year]

Provides strategic direction, decision-making endorsement and advice to support management of climate-related risks and opportunities. Reviews and supports delivery of the Climate-related Disclosure Report.

Heads of Functions

Risk Owners of Key Business Risks (including Climate Change risk). Manages and treats climate-related subordinate risks that are delegated to them by Executives.

Business Governance Team

Develops and improves the Risk Management Framework and supports risk management across the business.

Environment & Sustainability Team

Supports the identification and assessment of climate-related risks and opportunities in alignment with AASB S2. Delivers annual Sustainability Report and supports ongoing uplift against the standard.

All staff: identifies, manages and escalates risks in day-to-day operations in accordance with the Risk Management Framework.



Governance

Responsible for overseeing climate-related risk management.



Management

Responsible for monitoring, embedding, and implementing climate-related risk management.

Climate-related responsibilities

TasNetworks is guided by a Members' Statement of Expectations, issued by the Treasurer and the Minister for Energy and Renewables (Shareholding Members) following consultation with TasNetworks.

The Statement sets out the Tasmanian Government's policy expectations and requirements and includes the specific expectation that TasNetworks understands the impacts of climate change on its business, including identifying any risks and implementing risk mitigation strategies.

TasNetworks' Risk Management Framework sets out the principles, structure and processes used to implement the Risk Management Policy and manage risk across the organisation, including climate-related risks (See Risk Management on page 42 for further detail).

The Framework clarifies roles, responsibilities, and reporting lines of the Board, ARCC, CEO, the Executive Leadership Team, and management.

Within the business, a range of roles hold responsibility for managing and implementing treatments and actions associated with both physical and transition climate-related risks and opportunities. In the next reporting period, a formal review will be undertaken, with position descriptions updated where appropriate to ensure accountabilities are clearly defined and aligned with the effective management and oversight.

How climate-related risks and opportunities are considered when overseeing strategy

Climate-related risks and opportunities are integrated into TasNetworks' company strategy and annual business planning process, which are developed with, approved by, and overseen by the Board with input from the Executive Leadership Team and Heads of Function.

The current company strategy reflects key climate-related elements of our operating environment such as physical climate hazards, decarbonisation, grid decentralisation, customer participation and expectations, and workforce capability. TasNetworks' responses to physical and transition climate-related risks and opportunities are informed by these drivers.

During the reporting period, the business undertook a review of the company strategy over a 15-year horizon to assess risks and opportunities, including material climate-related drivers. This assessment informs strategic direction, decisions on major transactions, and investment priorities. In overseeing these decisions, the Board considers trade-offs associated with climate-related risks and opportunities through the evaluation of strategic development and delivery risks.

New or emerging risks arising from strategic choices are identified and incorporated into TasNetworks' risk management processes, policies, and ongoing monitoring arrangements.

On an ongoing basis, and in accordance with TasNetworks' Risk Management Framework, the Board monitors management's strategic responses and treatments to climate-related risks and opportunities and provides direction to adjust or develop strategies as required in response to changes in risk ratings or the emergence of new risks.

Targets and remuneration

TasNetworks sets annual key business targets through its Statement of Corporate Intent, which includes clear and measurable performance targets and forms a key element of accountability to Shareholders. Performance against these key business targets informs remuneration outcomes for the Chief Executive Officer, Executive Leadership Team and Leaders.

In addition to these targets, TasNetworks monitors more granular internal performance measures to support management oversight and decision-making.

At present, TasNetworks has not established specific climate-related targets or performance measures. The development of climate-related targets is being undertaken in consultation with relevant leaders and the Strategy team, with governance oversight provided by the Sustainability Committee, endorsement by the ARCC, and approval by the Board.

Oversight of approved climate-related targets will be undertaken by the Sustainability Committee in accordance with its Terms of Reference.

Skills and competencies

TasNetworks has developed a Climate-related Capability Roadmap to assess, uplift and maintain the capabilities required to effectively manage and oversee climate-related risks and opportunities at TasNetworks.

As climate-related risks and opportunities continue to evolve, we are progressively strengthening our knowledge and understanding of how climate change may affect the organisation. This includes building the skills, capabilities and awareness required to identify, assess and respond to climate-related impacts, and to support informed decision-making in a changing operating environment.

Climate-related skills and competencies are incorporated into TasNetworks' Board Skills Matrix and assessed through an annual gap analysis and Board performance evaluation process. The results are maintained by the People and Remuneration Committee.

During the reporting period, the Board undertook a self-assessment of climate-related capabilities and assessed its capability as ranging from generally proficient to advanced. The Board will continue to build its understanding of how these capabilities apply within the TasNetworks context as climate-related risk identification and management processes continue to evolve.

Education and awareness sessions were also delivered for people with climate-related responsibilities by internal and external specialists in climate science and climate-related disclosures.



Risk management

Climate-related risks are managed through TasNetworks' Risk Management Framework, supported by a Risk Policy and Risk Appetite Statement (RAS), which together provide a structured approach to identifying, assessing, prioritising and monitoring risks across the business.

The RAS, approved by the Board, defines the level of risk the organisation is willing to accept in pursuit of its strategic objectives. The RAS includes a specific risk appetite for climate change, with TasNetworks maintaining a high appetite for building resilience in its assets and workforce to support a sustainable operating model in an evolving climate. The RAS also includes a high appetite for investments in renewable energy, energy efficiency, and sustainable practices that clearly deliver environmental benefits, long-term financial returns and support for meeting the Tasmanian Government's renewable energy objectives.

Identification

Like other business risks, climate-related risks and opportunities can be identified through enterprise risk management processes and broader business activities. Risks may be identified at any level of the organisation, including by team members and business functions, through methods such as facilitated workshops, incident analysis and industry research.

During the reporting period, a dedicated Climate-Related Risk and Opportunity Register was established as a subordinate register under the existing Climate Change key business risk. Initial inputs to the register were informed by a 2022 scenario analysis, the Network Resilience Strategy and a cross-check of peer company disclosures.

Where relevant, risks captured in the Climate-Related Risk and Opportunity Register were compared against other business risk registers, including the enterprise risk register, key business risks register and the NWTG register. This process helped ensure alignment in risk ratings and controls, while applying judgement to reflect that the climate register only captured the climate-related components of each risk and opportunity. The development of the Climate-Related Risk and Opportunity Register and supporting scenario analysis did not identify wholly new climate-related

risks for the business. Rather, it provided a more detailed and climate-specific assessment of risks already being managed across the organisation, and will strengthen consideration of how climate change may influence existing business risks, operations and decision-making.

Assessment

Climate-related risks and opportunities were assessed through the scenario analysis process (see page 33).

We assessed the nature, likelihood and potential magnitude of climate-related risks and opportunities using a combination of qualitative and quantitative inputs. This included quantitative information derived through scenario quantification activities, qualitative outputs from scenario analysis workshops and validation processes, and the knowledge and experience of internal subject matter experts across the business.

TasNetworks recognises that climate risk quantification capabilities will continue to evolve and, in the next reporting period, we intend to strengthen this approach by further quantifying the potential impacts and financial effects of material climate-related risks and opportunities.

TasNetworks will refresh its climate scenario analysis periodically to ensure it remains aligned with changes in climate science, market conditions, policy settings and business priorities.

Monitoring

Climate-related risks and opportunities are monitored through existing risk management processes, with the subordinate Climate-Related Risk and Opportunity Register reviewed at least annually and the Climate Change Key Business Risk reviewed quarterly.

In addition to the Risk Management process, new or updated climate-related risks and opportunities are overseen by the Sustainability Committee (see Governance section on page 37).

In the next reporting period, we will strengthen ownership and oversight of climate-related risks and opportunities, to ensure enterprise-wide alignment and monitoring across business units and functions.

Materiality and prioritisation

A climate materiality framework was developed to identify material climate-related risks and opportunities from the full set of climate-related risks and opportunities on the Register.

- All risks and opportunities on the Climate-related Risk and Opportunity Register were rated at 2030 and 2050 under the Central Planning scenario.
- A threshold was set to define material risks as those that are rated High or Very High at 2030 and/or 2050 under the Central Planning scenario.
- Correspondingly, we define material opportunities as those that are rated Pivotal or Exceptional at 2030 and/or 2050 under the Central Planning scenario.

Risks and opportunities rated as material under this definition are those included in this report on pages 17, 18, 25 and 26.

This climate materiality framework aligns with the Risk Prioritisation, Escalation and Reporting Requirements outlined in TasNetworks' Risk Management Framework, where High or Very High risks require immediate attention from both the Risk Owner and the Executive with monthly monitoring and reporting to the Executive Leadership Team and the Audit, Risk and Compliance Committee.



Climate-related risk and opportunity hierarchy and management process



Metrics and targets

Climate-related metrics

Greenhouse gas emissions

Our most significant contribution to reducing greenhouse gas emissions is enabling the energy transition through electrification, renewable electricity generation, stronger interconnection, and distributed energy resources.

At the same time, we recognise our responsibility to reduce emissions generated through our own operations. We are committed to actively managing and reducing our corporate emissions and are taking practical steps to minimise and, where feasible, eliminate these emissions over time as outlined on page 46.

In 2025-26, TasNetworks' Scope 1 and 2 emissions were 88,341 metric tonnes of carbon dioxide equivalent. In accordance with the first-year transition relief available under AASB S2, we have not disclosed Scope 3 emissions in this report.

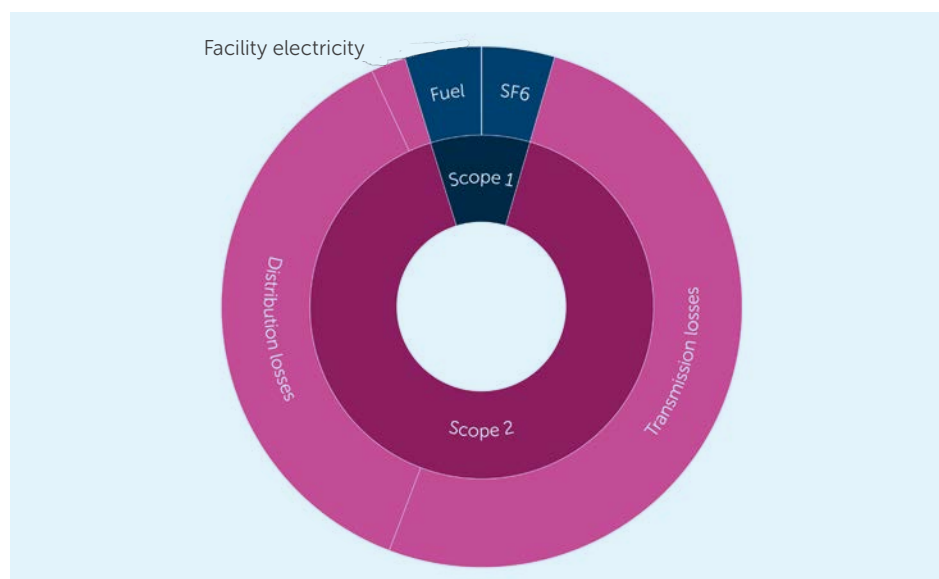


Table 7: Absolute gross greenhouse gas emissions for 2025-26

Scope	Emission source	Activity quantity	Activity units	Emissions (tCO2e)	NGER measurement approach
1 Direct	Generator diesel use	37	kL	99	2.4.2 Method 1, criterion A
	Transport diesel use	1,437	kL	3,905	
	Transport gasoline use	61	kL	146	
	Transmission SF6 leakage	135	kg	3,167	4.102 Method 1
	Distribution SF6 leakage	40	kg	929	
	Facility gas use	742	GJ	38	2.3.2 Method 1, criterion A
Scope 1 total				8,283	
2 Indirect from electricity	Facility electricity use	10	GWh	1,948	7.2 Method 1
	Transmission losses	225	GWh	45,078	
	Distribution losses	165	GWh	33,032	
Scope 2 total				80,058	
Combined Scope 1 and 2 total:				88,341	

Sulphur hexafluoride

Sulphur hexafluoride (SF6) leakage is one of our major sources of direct Scope 1 emissions. SF6 is a gas commonly used as an electrical insulator within switchgear. It is also a potent greenhouse gas. Despite being contained within sealed units and carefully managed, some leakage occurs during normal operations, maintenance, and disposal. We are actively seeking viable alternatives.

For example, we are currently procuring a non-SF6 110 kV circuit breaker to trial at our Bridgewater substation. In addition, a non-SF6 Ring Main Unit (pad-mounted substation) on the medium-voltage network will be installed next financial year as a trial.

We have also made 'live tank' extra-high voltage circuit breakers our standard for future purchases as these have significantly less SF6 than previous models.

Fleet

Fuel used in vehicles is our other major source of direct emissions. While improving fuel efficiencies has reduced these emissions, it is the transition to EVs that will ultimately eliminate them. We have been proactive in installing more than 50 chargers at our facilities throughout Tasmania to support our uptake of EVs.

Of our 45 light passenger vehicles, 12 are full battery electric and a further six are plug-in hybrids. We are closely monitoring the development of electric utes and trucks so that we can transition as suitable models become available.

Generators

Use of fuel in generators is a relatively small source of our emissions, mainly used as backup power during both scheduled maintenance and unplanned outages. While we are exploring alternatives such as solar and batteries, these options do not currently represent value given how infrequently they would be used.

Facility gas

We only use gas to supplement our electric heat pump at one of our facilities. We are aiming to eliminate gas use altogether by upgrading the electrical heating next financial year.

Transmission and distribution losses

The largest contributors to our overall emissions are transmission and distribution losses. These are the direct Scope 1 emissions of coal- and gas-fired power plants that feed electricity into our network. We attributed a portion of these as our indirect Scope 2 emissions according to how much energy is lost on our networks during transmission and distribution.

Options to reduce energy losses are very limited and generally too costly. However, the associated emissions will be eliminated as electricity generation transitions from fossil fuels to renewables; a transition that we are proactively supporting as described earlier in this report.

Facility electricity

We have implemented energy efficient lighting and heating at most of our facilities. The scope for further cost-effective reductions is limited. However, as with transmission and distribution losses, emissions from electricity used at our facilities will be eliminated as electricity generation transitions from fossil fuels to renewables.

How we measure our emissions

We measure greenhouse gas emissions using the operational control approach. For TasNetworks, this results in the same reporting boundary as the equity share and financial control approaches, with reported emissions comprising those of Tasmanian Networks Pty Ltd and its subsidiaries.

As an Australian reporting entity subject to the National Greenhouse and Energy Reporting (NGER) framework, we calculated our emissions using the methods and emission factors specified in the *National Greenhouse and Energy Reporting (Measurement) Determination 2008*, version F2025C01192 C20, which was in force at 30 June 2026.

Specific NGER methods and data source criteria used are shown in Table 7. Method 1 was chosen for each emission source because reliable activity data were available from operational systems and supplier records, and the prescribed NGER emission factors provide an appropriate and consistent basis for estimating emissions. More source-specific measurement methods would require additional sampling, analysis or direct measurement and were not considered likely to provide a material improvement in the accuracy of the emissions inventory relative to the additional complexity and cost.

Activity data were obtained from operational systems and supplier records, including fuel purchases, gas invoices, SF₆ inventory and electricity metering.

During the reporting period, we undertook a thorough verification of our SF₆ inventory. For transmission equipment, SF₆ masses were assigned to individual assets using equipment nameplates or engineering records. For distribution equipment, SF₆ masses were generally assigned using manufacturer documentation or sampling of equipment nameplates for the relevant model. Where asset-specific information was

unavailable, legacy records or data for comparable equipment were used.

Sampling showed SF₆ mass varied between RM6 ring main units – the most common SF₆-containing model in our distribution network. Analysis of 49 nameplates found that manufacturing year was the strongest predictor of SF₆ mass per bay. Units were grouped into manufacturing-year cohorts and representative values fitted to the sample results. Assuming sampled units were representative, these values were applied to the wider RM6 population, using installation year as a proxy for manufacture year. Units installed before 2004 (representing 8% of RM6 units) were assigned the 2004 value because earlier nameplates did not state SF₆ mass.

Scope 2 emissions are reported using the location-based method.

Distribution losses were estimated using annual distribution loss factor calculations prepared in accordance with the National Electricity Rules because they cannot be comprehensively measured directly. The resulting loss factors are independently verified and approved by the Australian Energy Regulator.

The methodology assumes forecast network flows, loads, generation and network conditions reasonably represent the reporting period and includes both technical and non-technical losses.

Other cross-industry metrics

Physical risks

We estimated the number and percentage of our physical network assets potentially vulnerable to windstorm, bushfire and riverine flooding under present-day climate conditions.

Table 8: Amount and percentage of assets vulnerable to climate-related physical risks

Hazard	Vulnerable assets	Percentage
Flood	19,909	2%
Bushfire	789,621	86%
Windstorm	532,195	58%
Any physical risk	829,228	90%

These metrics were developed for TasNetworks by Risk Frontiers, an external physical-risk modelling specialist, and have not been independently validated. They are not derived by adjusting other metrics.

Risk Frontiers assessed 918,582 distribution and transmission asset records across more than 60 asset types. Hazard information derived from Risk Frontiers' FloodAUS, FireAUS and StormAUS models was spatially matched to asset locations and combined with asset attributes and vulnerability assumptions based primarily on our Asset Vulnerability Matrix. An asset was classified as potentially vulnerable where it was both within a relevant modelled hazard area and considered susceptible to damage from that hazard. Assets vulnerable to multiple hazards are included in each applicable row but counted only once in the total.

The metrics assume that asset locations and classifications are sufficiently accurate, the hazard models appropriately represent present-day hazard conditions, and the Asset Vulnerability Matrix appropriately identifies susceptible asset types.

The results are screening-level estimates of potential vulnerability, not predictions of damage, failure, service interruption or financial loss. They are subject to

uncertainty arising from asset data, hazard modelling and vulnerability assumptions, which have not yet been fully calibrated against observed damage and outage records. The assessment excludes other physical hazards and changes under future climate conditions.

The asset counts represent individual physical asset records, not the number of assets recognised in our financial statements.

Transition risks and opportunities

Our risk assessment indicates that 100 per cent of TasNetworks' assets and business activities are potentially vulnerable to climate-related transition risks and aligned with climate-related opportunities in some way, as the energy transition applies across the entirety of the business rather than being confined to a discrete subset of activities or assets.

Capital deployment

We deployed more than \$69 million of capital expenditure towards climate-related risks and opportunities during the year, including transmission expansion, strategic innovation and bushfire mitigation.

This is an absolute metric, comprising the net expenditure recorded during the reporting period across eight capital functional areas (expenditure categories) that were assessed as wholly related to climate-related risks or opportunities. It excludes functional areas that may contain both climate-related and non-climate-related expenditure. For example, feeder capacity upgrades were excluded because they may have been undertaken in response to the energy transition, population growth or a combination of these factors. The amount is therefore expected to understate total climate-related capital expenditure.

The methodology was developed by Taylor Fry, an external actuarial and analytics consultancy. It has not been separately validated by a third party.



Remuneration

Climate-related considerations were not factored into executive remuneration for the reporting period.

Internal carbon pricing

We use the Value of Emissions Reduction (VER) as a shadow carbon price. Introduced by Australia's Energy Ministers in 2024 for use in proposals to the AER, the VER specifies an emissions reduction value for each year to 2050. For emissions reductions occurring in 2026, the applicable value is \$80 per tonne of carbon dioxide equivalent (tCO₂e), expressed in 2023 Australian dollars.

Climate-related targets

The Tasmanian Government has legislated an emissions reduction target to achieve net zero greenhouse gas emissions, or lower, in Tasmania from 2030. TasNetworks plays an important role in supporting this target by enabling electrification, renewable electricity generation, stronger interconnection, and distributed energy resources.

Alongside our role in enabling the energy transition, we are committed to reducing emissions from our own operations. During the reporting period, we continued to transition our fleet, improve emissions management and reporting, and actively seek viable alternatives to SF₆ used in network equipment. We are developing formal emissions reduction targets and transition plans to guide further reductions in our operational emissions over time.

As our emissions data, modelling and decarbonisation pathways mature, we expect to develop and progressively strengthen our targets and transition planning over future reporting periods.

Glossary

Term / Acronym	Description
Australian Accounting Standards Board Climate-related Disclosures (AASB S2)	Climate-related disclosure standard issued by the Australian Accounting Standards Board, requiring disclosure of climate-related governance, strategy, risk management, metrics and targets.
Assessment Report 6 (AR6)	The IPCC's Sixth Assessment Report on Climate Change.
Australian Energy Market Operator (AEMO)	Responsible for operating Australia's electricity and gas markets and systems.
Australian Energy Regulator (AER)	Responsible for the economic regulation of electricity networks and energy markets.
Audit, Risk and Compliance Committee (ARCC)	Oversees risk management, financial reporting and assurance activities.
Bureau of Meteorology Atmospheric high-resolution Regional Reanalysis for Australia (BARRA-C2)	A high-resolution climate dataset that combines weather observations with atmospheric modelling to provide a consistent record of historical weather conditions.
Distributed Energy Resources (DER)	Small-scale energy resources connected to the electricity network, including rooftop solar, batteries, electric vehicles and demand response technologies.

Term / Acronym	Description
Guaranteed Service Level (GSL) payments	Payments TasNetworks makes to eligible customers following prolonged or repeated outages.
Integrated System Plan (ISP)	AEMO's long-term plan for the development of the National Electricity Market.
Intergovernmental Panel on Climate Change (IPCC)	The United Nations body for assessing the science related to climate change.
Marinus Link	Proposed undersea and land-based electricity interconnector between Tasmania and mainland Australia.
Materiality	The significance of information that could reasonably be expected to influence decisions made by users of general-purpose financial reports.
National Electricity Market (NEM)	The interconnected electricity market operating across eastern and southern Australia.
National Greenhouse and Energy Reporting (NGER) scheme	Australia's national framework for reporting greenhouse gas emissions, energy production and energy consumption.



Term / Acronym	Description
NSW and ACT Regional Climate Modelling Project (NARClIM)	Regional climate modelling data used to project future climate conditions across Australia.
North West Transmission Developments (NWTd)	TasNetworks' major transmission infrastructure development supporting Tasmania's renewable energy transition.
Paris Agreement	International agreement aimed at limiting global temperature rise and strengthening the global response to climate change.
Shared Socioeconomic Pathways (SSPs)	Plausible future pathways used in IPCC climate modelling that describe different combinations of social, economic and emissions trends.
Sulphur hexafluoride (SF₆)	A potent greenhouse gas used as an insulating medium in some high-voltage electrical equipment.
Value of Emissions Reduction (VER)	A monetary value used to represent the benefit of reducing greenhouse gas emissions in economic assessments, cost-benefit analysis and regulatory decision-making processes.

AASB S2 Disclosure Index

AASB S2 disclosure area		Recommended disclosure	Pages
Governance		Describe the governance processes, controls and procedures used to oversee, manage and monitor climate-related risks and opportunities, including the roles of the Board, its committees and management.	37-41
Strategy	Climate-related risks and opportunities	Describe the material climate-related physical risks, transition risks and opportunities that could reasonably be expected to affect the organisation's prospects over the short, medium and long term.	11-26
	Business model and value chain	Describe the current and anticipated effects of climate-related risks and opportunities on the organisation's business model and value chain, including where effects are concentrated.	6-7, 11-26
	Strategy and decision-making	Describe how the organisation has responded, and plans to respond, to climate-related risks and opportunities through its strategy and decision-making.	10-26
	Financial position, performance and cash flows	Describe the current and anticipated effects of climate-related risks and opportunities on the organisation's financial position, financial performance and cash flows, including how these are considered in financial planning.	27-28
	Climate resilience	Describe the resilience of the organisation's strategy and business model to climate-related changes, developments and uncertainties, informed by climate-related scenario analysis.	29-35
Risk management		Describe the processes used to identify, assess, prioritise and monitor climate-related risks and opportunities, and how these processes are integrated into the organisation's overall risk management processes.	42-44
Metrics and targets	Climate-related metrics	Disclose the metrics used to measure and monitor climate-related risks and opportunities and performance, including greenhouse gas emissions and other cross-industry metrics.	45-48
	Climate-related targets	Describe the climate-related targets set by the organisation, and those required by law or regulation, including the metrics used to monitor progress and performance against those targets.	48

Note: This index provides a high-level mapping of the principal AASB S2 disclosure areas and is not a complete checklist of every requirement in the Standard.

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Directors' declaration

In accordance with a resolution of the Directors of TasNetworks, I state that in the opinion of the Directors, the entity has undertaken reasonable steps to ensure that the climate statements and accompanying notes for the entity and its subsidiaries (the "Group"):

- a. present a true and fair view of the Group's climate-related disclosures as at 30 June 2026 and of its performance for the financial year then ended 30 June 2026; and
- b. have been prepared in compliance with Australian Accounting Standard AASB S2 *Climate-related Disclosures* and the requirements of the *Corporations Act 2001* (Cth).

On behalf of the Board



Roger Gill

Date 28/08/2026





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3 September 2026

The Board of Directors
Tasmanian Networks Pty Ltd
LENAH VALLEY TAS 7008

Auditor's Independence Declaration

In accordance with section 307C of the *Corporations Act 2001*, I provide the following declaration of independence.

As the auditor of the Climate-Related Disclosure report of the Tasmanian Networks Pty Ltd for the financial year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review.
- (b) any applicable code of professional conduct in relation to the review.

In accordance with the *Corporations Act 2001* a copy of this declaration must be included in the Directors' Report.

Yours sincerely

Martin Thompson
Auditor-General



Independent Auditor's Limited Assurance Report on specified Sustainability Disclosures of Tasmanian Networks Pty Ltd

To the Members of Tasmanian Networks Pty Ltd

Review conclusion

I have conducted a limited review engagement of the following specified Sustainability Disclosures in the Sustainability Report of Tasmanian Networks Pty Ltd (TasNetworks) for the year ended 30 June 2026 as required by Australian Standards on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

Sustainability Disclosures	Reporting requirement of Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D)	Location in Sustainability Report / Climate-Related Disclosures report
Governance	Paragraph 6	Governance section on pages 37 to 41
Strategy (Climate-related risks and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Strategy section, Table 1 and 2 on pages 17 to 26
Scope 1 and Scope 2 greenhouse gas emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Climate-related metrics section on pages 45 to 47

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

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

Basis for conclusion

My limited assurance review has been conducted in accordance with the Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. This includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

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

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

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

Independence and Quality Management

I am independent of the TasNetworks in accordance with the applicable ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board (the Code), together with the ethical requirements in the Act, that are relevant to my limited assurance review of the specified Sustainability Disclosures and public interest entities in Australia. I have also fulfilled my other ethical responsibilities in accordance with these requirements and the Code.

Audit Tasmania applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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

Other information

The directors of the TasNetworks are responsible for the other information. The other information comprises the financial and non-financial information included in the Financial Report and Directors report.

My conclusion on the specified Sustainability Disclosures does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my limited assurance review of the specified Sustainability Disclosures, my responsibility is to read the other information identified above and, in doing so, consider

whether the other information is materially inconsistent with the specified Sustainability Disclosures, or my knowledge obtained when conducting the limited assurance review, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities for the specified Sustainability Disclosures

The directors of the TasNetworks are responsible for:

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

Inherent Limitations in Preparing the specified Sustainability Disclosures

Climate-related reporting is an emerging area that relies on evolving data, assumptions and methodologies. The Sustainability Report contains forward-looking information, including climate scenarios, targets, projections and forecasts, which are subject to uncertainty. We do not provide assurance on the achievability of this information.

Greenhouse gas emissions data involves a degree of uncertainty. This may be higher where measurement systems and processes are still maturing or where data for certain emission sources is incomplete or unavailable. In these cases, estimates and assumptions are used, which may affect comparability over time and between organisations.

Auditor's responsibilities

My objective is to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes my conclusion.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

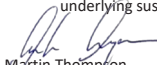
As part of a limited assurance review in accordance with ASSA 5000, I exercise professional judgement and maintain professional scepticism throughout the engagement. I also:

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

Summary of the work performed

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

- Inquiries and reviews of policies and procedures for preparing the specified climate-related disclosures to understand the process on how the entity's applied the requirement of AASB S2.
- Reviews of management's processes on materiality and identification of material climate-related risk and opportunities.
- Reviews of key documentation and conducting inquiries to assess the allocation of responsibilities, oversight mechanisms, and supporting competencies for:
 - governance frameworks and associated disclosures
 - processes and controls established to identify, assess, monitor and manage climate-related risks and opportunities across Tasnetworks and its component entities.
- Reviews of processes used to identify, assess, and manage climate-related risks and opportunities for strategy (risks and opportunities) disclosures.
- Inspections of strategy-related documents to assess whether the disclosures relating to material topics and performance are appropriately reported and supported by adequate documentation.
- Reviews of Scope 1 and Scope 2 emissions disclosures through:
 - Enquiring and understanding the approach for collecting, collating, and reporting emissions, including boundaries, data sources, and applied criteria.
 - Assessing the reasonableness of estimation methodologies, emission factors, and key assumptions used in calculations.
 - Performing analytical procedures on the reported greenhouse gas emissions.
 - Reviewing previous disclosures made to the Clean Energy Regulator.
- Reviews of the climate-related disclosures in the Climate-Related Disclosure 2025-26 to assess compliance with AASB S2 disclosure requirements, including the adequacy of presentation and consistency of the disclosed information with the underlying sustainability information.


 Martin Thompson
 Auditor-General
 3 September 2026
 Hobart





www.tasnetworks.com.au