RATCH Australia Corporation

# Year End 31 December 2025 Sustainability Report




RATCH Australia Corporation

# Table of Contents

RATCH Australia Corporation

# 1. Basis of preparation | Sustainability report

The Sustainability Report (**Report**) has been prepared for RATCH-Australia Corporation Pty Ltd (**RAC**) and its controlled entities (**RAC Group**) and should be read alongside RAC's consolidated financial statements. It covers Scope 1 (direct) and Scope 2 (indirect) greenhouse gas (**GHG**) emissions from all facilities under operational control, including power stations, renewable energy assets, and corporate offices where RAC has decision-making authority. Scope 3 emissions are not yet reported, with future integration planned for 2026.

This Report has been prepared in accordance with the *Corporations Act 2001* (Cth) and the Australian Sustainability Reporting Standards (**ASRS**), specifically Australian Accounting Standards Board AASB S2 – Climate-Related Disclosures (collectively referred to in the report **AASB S2**), for the reporting period from 1 January 2025 to 31 December 2025. As this is RAC's first-year Report, the Report has been prepared under the Appendix C transition reliefs of AASB S2, with emissions measured using the National Greenhouse and Energy Reporting Scheme (**NGERS**) framework to satisfy AASB S2.C4. No comparative information is disclosed, and Scope 3 emissions are not yet reported. This approach allows RAC to focus on Scope 1 and 2 reporting while preparing for future integration of Scope 3 emissions in 2026.

## 1.1. Judgement and assumptions

In preparing the climate-related disclosures, RAC applied judgment and assumptions to identify material climate-related risks and opportunities from a list of potentially relevant ones. Material Information is information about climate-related risks and opportunities that, if omitted, misstated, or obscured, may influence decisions made by primary users of general-purpose financial reports (investors, lenders and creditors).

Risks were assessed using data from the internal Enterprise Risk Management Plan (**ERMP**), external expert input and stakeholder feedback. Scenario analyses, conducted across high and low warming pathways, were used to evaluate short-term, medium-term, and long-term impacts, considering the respective timeframes of one year (2026), five years (2030), and 25 years (2050). The methodologies for defining operational boundaries and calculating Scope 1 and 2 emissions follow NGERS approved approaches, consistent with AASB S2.C4(a).

In addition to the judgments applied in relation to climate-related scenario analysis and forward-looking information, management judgment is also applied in the preparation of RAC's GHG emissions disclosures. Management judgment is required in determining the most appropriate approach to measuring Scope 1 and Scope 2 GHG emissions in accordance with NGERS. This includes judgment in selecting appropriate NGERS approved emission factors, choosing suitable measurement methods where alternative permitted approaches are available and determining how data limitations are addressed within the applicable methodological requirements. These judgments are made based on the best available information at the reporting date and in accordance with NGERS and AASB S2 requirements. Different, but acceptable, judgments or methodological choices could result in different reported emissions outcomes. Explicit disclosure of these judgments is provided to enable users to understand the judgment based elements underpinning RAC's GHG emissions disclosures.

The selection of climate scenarios and the development of key assumptions for each scenario were informed by professional judgment, drawing on information from the

Intergovernmental Panel on Climate Change (**IPCC**), peer reviewed models and regulatory guidance. Judgment was also applied to interpret how macroeconomic regulatory and market conditions might evolve under each scenario and how these changes could affect RAC's business model and value chain.

Judgment is applied in the scenario analysis to select assumptions about future energy demand and the generation mix over time, including the pace of transition toward lower emissions electricity generation and the deployment of renewable energy and storage assets. The scenario analysis applies management judgment to regional level variables, including assumptions about the severity and timing of local climate conditions, infrastructure resilience and resource availability at RAC's operating locations, to assess potential physical climate impacts on asset performance and operations.

RAC has considered multiple climate scenarios, including Representative Concentration Pathway (**RCP**) 8.5 (high-warming scenario) and RCP 2.6 (low-warming scenario). For Scenario 2 (low warming), the *Corporations Act 2001* (Cth) requires an assessment under a pathway that limits global warming to 1.5°C. Under the IPCC AR6 framework, Shared Socio-Economic Pathways (**SSP**), SSP1-1.9 / RCP 1.9 is the only scenario that achieves this outcome in the long term, making it the most appropriate reference scenario for RAC's analysis. However, due to limited data availability for SSP1-1.9 / RCP 1.9 for physical risk modelling and in alignment with AASB S2, RAC has applied a proportionate approach, conducting quantitative analysis under SSP5-2.6 / RCP 2.6.

## 1.2. Uncertainty and evolving practice

Scenario analysis is not a prediction or forecast; rather, it serves as a tool for exploring a range of plausible futures based on current knowledge and reasonable assumptions. These scenarios are used to evaluate climate-related risks and opportunities. However, the actual future may differ materially from any scenario considered due to unforeseen events, policy changes, technological advances, or shifts in market sentiment.

The Report may contain forward-looking statements, based on the best available information at the reporting date, along with assumptions, estimates and judgments about future events. Such forward-looking information is subject to inherent uncertainty, including uncertainty arising from future climate outcomes, regulatory developments and other variables beyond RAC's control. As a result, actual outcomes may differ from those anticipated.

In assessing measurement uncertainty in accordance with AASB S2 Appendix D.77–D.81, management also considered other forward-looking areas of estimation uncertainty. These include anticipated financial effects of climate-related risks and opportunities, as well as climate resilience assessments, which involve assumptions related to future electricity prices, policy settings and market conditions. These areas inherently involve uncertain future outcomes and they are addressed qualitatively through scenario analysis and narrative disclosures.

Since no quantified financial amounts or recognised balances are reported for these items, they are not considered material measurement uncertainties for the purposes of this report. Therefore, detailed measurement uncertainty disclosures are primarily provided in relation to greenhouse gas emissions, as these represent the primary quantified climate-related metrics disclosed.

Climate scenario analysis is an evolving field, and as new information, methodologies, and data become available, the outputs and insights will continue to improve. RAC will include relevant new information in future climate-related disclosures to ensure they remain robust and in line with accepted practices in climate-related risk and opportunity analysis.

# 2. Executive summary

RAC owns and operates renewable and thermal energy generation assets in the Australian market. RAC was acquired in 2011 by The Stock Exchange of Thailand listed RATCH Group PCL (**RATCH Group**). The RATCH Group owns power generation assets in Thailand, Indonesia, Vietnam, Philippines and Laos, with further capacity under construction or in development throughout Asia.

RAC currently has ten operational energy assets within the reporting boundary, including seven renewable generation assets and three power stations. In addition, RAC has other assets under development, including solar-BESS projects, wind generation assets and standalone BESS.

Figure 1 provides a location of the current operational assets for RAC, with blue numbering indicating gas fired power stations; green numbering indicating wind and red numbering for a solar asset. Yandin Wind Farm (**YWF**) is a joint venture between RAC and Alinta Energy whereby RAC has 70% ownership interest and Alinta Energy 30%. YWF is under Alinta Energy's operation control and does not fall within RAC's reporting boundary for the Report.

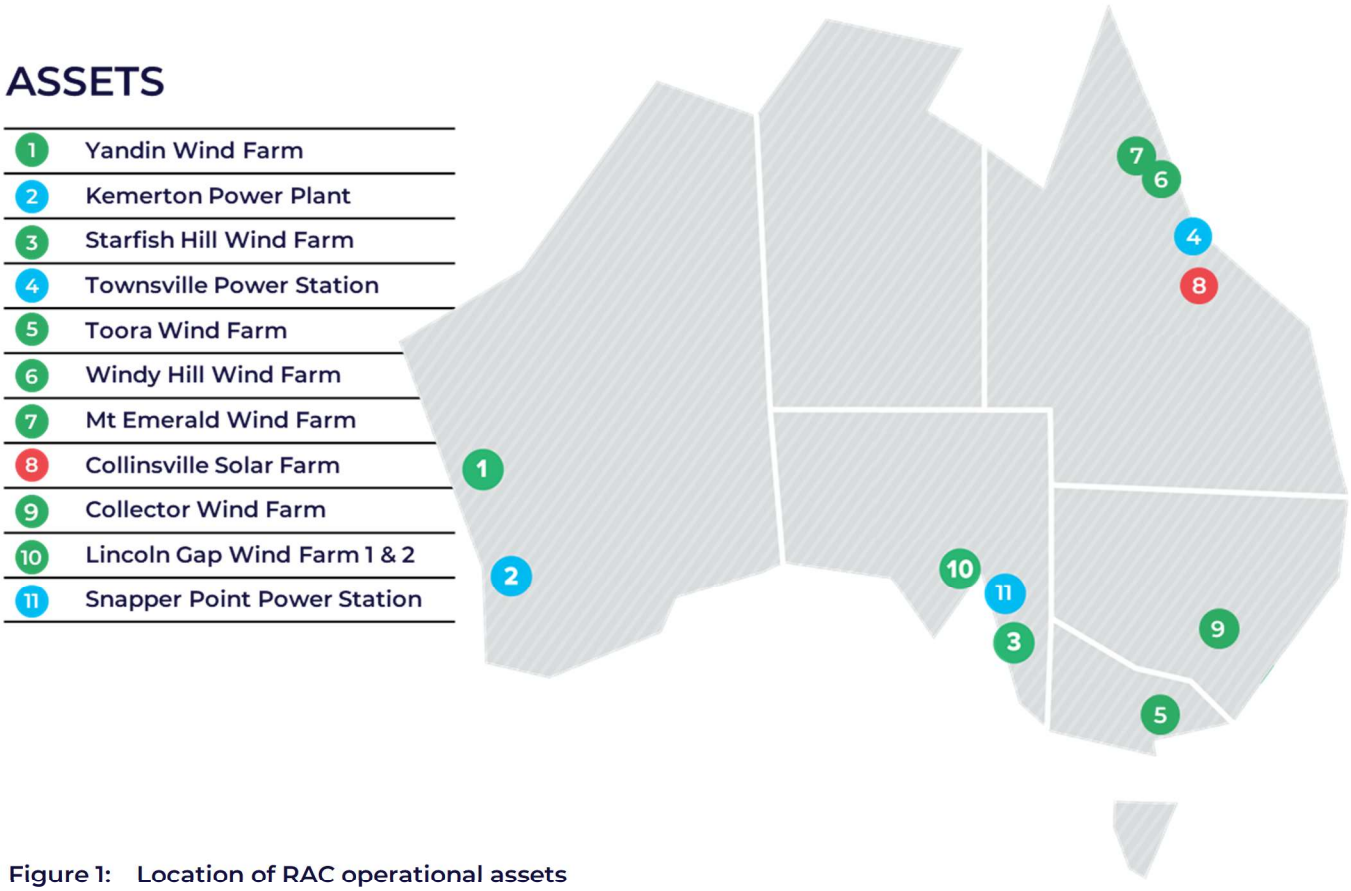


**Figure 1: Location of RAC operational assets**

RAC is committed to Australia's energy transition by operating, developing and investing in new renewable and low GHG emissions power generation and storage assets, to assist the RATCH Group achieve its long-term sustainability objective of achieving Net Zero Emission by 2050[1], noting RAC does not currently have a codified climate-transition plan.

[1] https://www.ratch.co.th/storage/content/investor-relations/downloads/sustainability-report/sustainability-report-2025-en.pdf

The table below provides a structured overview of RAC's approach to climate-related governance, strategy, risk management and reporting. It summarizes the mandatory sustainability reporting requirements under AASB S2, alongside RAC's disclosures and outcomes for 2025.

| AASB S2 Requirement | Summary of 2025 Sustainability Report Mandatory Reporting Requirements |
|---|---|
| **Governance** | The roles and responsibilities of the RAC Board, Environmental, Social and Governance (**ESG**) Committee and Executive Management Team have been disclosed in relation to overseeing climate-related risks and opportunities, including how these are integrated into the ERMP. **Outcome:** The RAC Board and management have confirmed that climate considerations are fully embedded in RAC's governance framework and ERMP with no material gaps identified (refer to Section 3). |
| **Strategy** | RAC has disclosed its sustainability goals, the current and anticipated effects of climate-related risks and opportunities on its business model and value chain, and how it plans to respond through renewable expansion and green financing. **Outcome:** Climate-related risks and opportunities do not require any material changes to its current business model or investment strategy (expressed throughout the Report). |
| **Climate scenario analysis & resilience** | Climate scenario analysis has been performed under a high-warming (RCP 8.5) and low-warming (RCP 2.6) pathway to 2050 as required by AASB S2. **Outcome:** RAC's strategy and business model are resilient under both scenarios, with existing mitigation measures sufficient to manage identified risks and capture opportunities. No material financial affects are expected under either scenario (refer Section 4). |
| **Risk management** | RAC has identified its climate-related risks and opportunities, assessed, prioritised and included them in the ERMP and business plan, which is RAC's process for identifying, monitoring and managing risks and opportunities. **Outcome:** RAC's existing ERMP and business planning processes are adequate to address all material expected climate-related risks and opportunities (refer to Section 4). |
| **Metrics and targets** | RAC reports its Scope 1 and Scope 2 greenhouse gas emissions using NGERS methodology (operational control boundary), outlines its planned growth in renewable generation capacity and confirms alignment with the RATCH Group's 2050 Net Zero Emissions goal. RAC does not have specific GHG reduction targets or internal carbon pricing due to majority of Scope 1 GHG emissions being a function of high demand and/or low supply in the National Electricity Market (**NEM**) and Wholesale Electricity Market (**WEM**). **Outcome:** RAC has reported its calendar year Scope 1 and 2 emissions for the first time and confirmed it remains on track to support the RATCH Group's 2050 Net Zero Emissions objective (refer to Section 6 ). |

## 2.1.Sustainability and climate goals

RAC's approach to sustainability and climate-related matters is informed by the broader sustainability objectives of its parent entity, RATCH Group and the incentives arising from price signals in the NEM and WEM. These objectives include a long-term aspiration to achieve Net Zero Emissions by 2050[2].

RAC does not currently maintain a standalone, codified climate strategy or transition plan. Instead, climate-related risks and opportunities are considered within existing frameworks, pricing signals and incentives arising in the NEM and WEM, the investment evaluation processes and the ERMP.

[2] https://www.ratch.co.th/storage/content/investor-relations/downloads/sustainability-report/sustainability-report-2025-en.pdf

# 3. Governance of climate – Related risks and opportunities

## 3.1. Overview of governance framework

RAC's ERMP incorporates climate-related risks and opportunities and assigns named custodians for key climate-related risks and opportunities, establishing clear management-level accountability. This governance framework ensures that material information about climate related risks and opportunities is evaluated, disclosed and communicated at the RAC Board level and across all business functions. RAC's governance structure is designed to ensure that business risks (which include climate-related risks and opportunities) are actively managed and effectively communicated.

Key features of
RAC's governance framework include:

- **RAC Board:** The specific duties and responsibilities of the RAC Board include monitoring the financial position of the RAC Group, the stewardship and protection of the RAC Group's assets and identifying and managing key risks in conjunction with Management. The RAC Board members skills and experiences enable the RAC Board to fulfil the responsibilities detailed in RAC's Charter of the Board of Directors. The RAC Board have training, workshops and education to strengthen and sustain skills and knowledge necessary for Directors to effectively abide by their duties as directors. The RAC Directors have extensive knowledge and experience in the international and Australian energy sector and dealing with climate-related risks and opportunities. The RAC Board delegates day to day responsibility for identifying, assessing and managing climate-related risks and opportunities to the Chief Executive Officer (**CEO**), who is supported by the Executive Management Team (**EMT**). The RAC Board has ultimate responsibility for the oversight of climate-related risks and opportunities, including oversight of how the climate-related risks and opportunities are assessed and managed. The climate-related risks and opportunities are documented in the ERMP and assigned to relevant corporate departments for action. As such, climate-related risks and opportunities are incorporated into business plans and investment proposals. The use of independent expert electricity market price forecasts[3] ensures that the financial effects of climate risks and opportunities are factored into long-term planning and investment decisions;
- **ESG Committee**: Chaired by the Chief Legal Officer (**CLO**). The ESG Committee is responsible for ensuring that climate risks are fully integrated into RAC's ESG strategy, aligning initiatives with RATCH Group's sustainability goals. The ESG Committee reports to the CEO and the RAC Board is updated on key activities as required; and

[3] These forecasts incorporate AEMO ISP assumptions, State and Commonwealth government policy initiatives, oil and gas prices, capital costs, generation and storage assets entering and exiting the NEM/WEM.

- **EMT**: These individuals are responsible for the day-to-day management of enterprise-wide risks, which include the climate-related risks and for integrating these risks into the ERMP.

## 3.2. Key governance bodies, responsibilities and frequence of engagement

RAC aligns its sustainability and climate governance with those of its parent, RATCH Group. RAC reports annually to the RATCH Group on its progress in ESG practices and outcomes. RAC also regularly reports to the RAC Board and RATCH Group, enabling sustainability and climate targets to be monitored and assessed, as summarized below:

### 3.2.1. RAC board: Oversight of strategic direction

The RAC Board oversees RAC's approach to climate-related risks and opportunities, with a specific focus on the company's alignment with RATCH Group's broader climate and sustainability goals.

- **Responsibilities**: Approves the RAC ESG strategy, major climate-related decisions and provide strategic direction based on climate-related risks and opportunities incorporated in the ERMP.
- **Frequency of Engagement**: The RAC Board meets quarterly to review and discuss risk and opportunities within the business, of which climate-related risks and opportunities are one element. The ERMP is reviewed quarterly and the ESG Strategy is reviewed annually, with updates made as needed based on emerging risks, business priorities, or other relevant developments.

The RAC Board considers climate-related risks and opportunities in major transaction approvals, as part of overall governance oversight. Investment proposals incorporate scenario analysis and strategic evaluation of potential climate impacts to ensure alignment with RAC's risk appetite and long-term strategy. Trade-offs between climate-related factors and other business objectives are embedded in the investment analysis via market price signals incorporated into the independent expert electricity market price forecasts. No new investment decisions were made in 2025, therefore no trade-offs were made. Climate-related risks and opportunities are integrated into decision making alongside other strategic and financial considerations, ensuring that all major transactions align with RATCH Group's long-term global sustainability goal of Net Zero Emissions by 2050[4].

### 3.2.2. ESG committee: Integration of climate-related risks and opportunities into corporate strategy

The ESG Committee, which meets quarterly, ensures the ESG strategy and climate-related risks and opportunities are incorporated into RAC's corporate strategy, business objectives, ERMP and operational practices.

- **Responsibilities**: Oversee the development and implementation of sustainability initiatives and strategies and ensure that RAC's sustainability objectives are monitored and reviewed.

[4] https://www.ratch.co.th/storage/content/investor-relations/downloads/sustainability-report/sustainability-report-2025-en.pdf

- **Frequency of Engagement**: Quarterly reviews, with additional meetings as required in response to emerging risks or opportunities.

### 3.2.3. Executive Management Team operational risk management

The EMT ensure that climate-related risks and opportunities are actively implemented, assessed and mitigated in accordance with the ERMP. RAC systematically assesses the impacts of climate-related risks and opportunities on its operations, including financial and physical risks. This allows the company to address emerging climate risks across its portfolio of assets and operations.

- **Responsibilities**: Ensure the integration of climate risks into the ERMP and implement risk mitigation strategies. Details are summarised below:

| Role | Responsibilities |
|---|---|
| Chief Executive Officer | Implementation of the overall climate-related strategies and reports to the RAC Board. |
| Chief Financial Officer | Ownership of financial results and financial reports of RAC, including financial reporting and preparation of AASB S2 disclosures. |
| Chief Legal Officer | Implementation of RAC's sustainability strategy, including management of RAC's ERMP. |

- **Frequency of Engagement**: Quarterly workshops ensure that climate risks are regularly reviewed and that any necessary adjustments are made to the ERMP.

# 4. Climate-related risks and opportunities assessment

RAC took a considered approach to identifying and assessing RAC's climate-related risks and opportunities (**CRROs**) that could reasonably be expected to affect the business over the short (1 year), medium (5 years) and long term (25 years). The reporting time horizons were selected on the following basis:

1. Short term: 1 year was selected to assess RAC's short term horizon to account for business budget and planning that takes place annually;
2. Medium term: 5 years was selected to assess RAC's medium terms horizon to align with RAC's business plan; and
3. Long term: 25 years was selected to assess RAC's long term horizon, aligned to the expected useful life of new and existing assets.

This approach integrates qualitative insights with, where available, quantitative data to provide a comprehensive understanding of potential impacts on RAC's business model, strategy and financial performance. The assessment drew upon RAC's existing ERMP framework, detailed site-level operational evaluations and scenario analyses across multiple warming pathways. Internal stakeholders from across business functions provided input into the process, ensuring that operational, regulatory and market considerations were captured. Additionally, consultation with independent experts supported the evaluation, enhancing the robustness and credibility of the findings.

Management judgment and assumptions were applied at multiple stages of the assessment to identify which climate-related risks and opportunities were most relevant and material to RAC and its stakeholders. CRRO materiality is evaluated considering the likelihood, potential financial and operational impacts and alignment with the goal of Net Zero Emissions by 2050[5]. The materiality of these risks and opportunities is further assessed by categorizing them into three levels of impact:

- **Low Impact / Improvement:** Risk exposure or opportunity impact expected to improve over time. Manageable within business-as-usual operations, unlikely to affect the business model, financial performance, or strategic objectives;
- **Moderate Impact / Limited Change**: Risk exposure or opportunity impact consistent over time and anticipated to remain material. Exposure will need to be actively monitored but is expected to be manageable within existing and planned approaches; and
- **High Impact / Deterioration**: Risk exposure or opportunity impact expected to worsen over time. Potential to significantly impact financial performance, financial position, or access to capital.

This approach is fully consistent with RAC's broader risk management practices and long-term strategic planning, ensuring that identified risks and opportunities are actionable, measurable and integrated into business decision-making.

The climate-related risks and opportunities were identified through this structured assessment process and scenario analysis. A detailed summary of the findings, including materiality assessments and scoring criteria, is presented below:

[5] https://www.ratch.co.th/storage/content/investor-relations/downloads/sustainability-report/sustainability-report-2025-en.pdf

- **Transition Risks**: Policy changes on decarbonisation; increased legal and compliance risk and increased input costs. These risks may affect financial performance and/or strategic objectives;
- **Physical Risks**: Extreme weather events and rising temperatures have the potential to reduce asset availability, power output and financial performance; and
- **Opportunities**: long duration energy storage and green financing opportunities are considered to be opportunities for RAC.

The scoring and prioritisation were informed by the CRRO scenario analysis and site-level assessments, ensuring that shortlisted CRROs represent the most significant climate-related risks and opportunities.

- **Material Information for Disclosure**: Some CRROs, while not having immediate financial impacts, are disclosed because they affect long-term strategy, resilience and capital allocation decisions. These climate-related risks and opportunities enable stakeholders to assess the RAC's preparedness for future climate impacts.
- **Financial Effects**: The financial effects of these CRROs were assessed on a risk-by-risk-and opportunity-by-opportunity basis to determine whether impacts could be meaningfully quantified. Where quantification was not considered decision-useful due to uncertainty, financial effects were assessed and disclosed qualitatively. The results informed the aggregated qualitative financial effects included in Section 5 below. Mitigation strategies, such as assets complying or exceeding Australian building standards, selection of equipment with operating tolerances to exceed the range of expected environmental conditions and appropriate insurances were then applied to each material CRRO.

## 4.1. RAC CRROs and climate scenarios

The climate-related scenario analysis applies to assets within RAC's operational control as they reflect plausible future climate pathways relevant to RAC's exposure to both physical and transition risks and are therefore appropriate for assessing the resilience of RAC's strategy and business model. For the 2025 reporting period, RAC has assessed the resilience of its strategy using scenario analysis across high-warming and low-warming pathways over short, medium and long-term time horizons (2026, 2030 and 2050) to comply with AASB S2.

- **Scenario 1**: High Warming assumes limited action on climate change, resulting in global warming is well in excess of 2°C by 2050. This scenario predicts a slower transition to renewable energy and increased physical risks over time, including more severe weather events such as heatwaves, floods and cyclones.
- **Scenario 2**: Low Warming assumes early coordinated action to limit global warming to around 1.5°C by 2050, with stronger policy signals and a more orderly transition to renewable energy. This scenario also anticipates some physical risks, but they are less severe compared to the high-warming scenario.

| Risk/Opportunity (Type and Description) | Value Chain Stage | Quantifiable (Y/N) | Justification | Quantification Approach | Current FY Effect (Qualitative/ Quantitative) | Anticipated Financial Effect (Qualitative /Quantitative) | Impact on Financial Statement | Time Horizon-Based Risk Rating | Current/ Planned Mitigation Strategies |
|---|---|---|---|---|---|---|---|---|---|
| Transition Risk: Policy changes on decarbonisation:<br><br>Policy changes related to decarbonisation are creating regulatory uncertainty and market shifts that can affect RAC's project viability, asset valuations and profitability. These include direct and indirect impacts of Safeguard Mechanism reform (e.g. | This particular risk affects all operating assets across the RAC portfolio | N | Regulatory risks increase with stricter decarbonisation policies, especially under low-warming scenarios. Under these conditions, RAC's operations will face higher transition costs due to more stringent regulatory requirements, including carbon pricing, compliance, and decarbonisation timelines. These regulatory | Qualitative: Regulatory changes are expected to increase over time, especially in low-warming scenarios. Quantification is difficult at present, as future policy uncertainty makes it challenging to predict specific financial impacts. | Qualitative: Higher regulatory costs expected under low-warming scenarios, but these are not yet individually material. | Qualitative: Future compliance costs may rise as decarbonisation targets become stricter. | The assessed financial impacts were immaterial over the short-medium and long term and therefore do not require disclosure. | Short-term: Low<br>Medium-term: Low<br>Long-term: Low | Monitor policy changes, invest in renewable energy projects, engage with policymakers, and plan for stricter decarbonisation requirements. |

| Risk/Opportunity (Type and Description) | Value Chain Stage | Quantifiable (Y/N) | Justification | Quantification Approach | Current FY Effect (Qualitative/ Quantitative) | Anticipated Financial Effect (Qualitative /Quantitative) | Impact on Financial Statement | Time Horizon-Based Risk Rating | Current/ Planned Mitigation Strategies |
|---|---|---|---|---|---|---|---|---|---|
| tightening baselines), Capacity Investment Scheme leading to preference for awarded projects, increasing development approval requirements and carbon pricing mechanisms. | | | pressures may result in increased costs for both current and future assets. | | | | | | |
| Transition Risk: Increased legal and compliance risk:<br><br>Increased legal and compliance risk arises from evolving climate-related regulations, heightened | This particular risk affects all operating assets across the RAC portfolio - wide | N | Legal and compliance risks are expected to rise, primarily due to evolving regulations, stricter reporting obligations and enforcement. However, quantifying the impact | Scenario Analysis: Uses regulatory uncertainty and modelling based on current and expected legal frameworks, but no quantitative metrics can be applied at this stage. | Qualitative: No immediate material financial impacts expected, but compliance costs are expected to rise over time. | Qualitative: Potential fines or penalties may increase with tightening laws. | The assessed financial impacts were immaterial over the short-medium and long term and therefore do not require disclosure. | Short-term: Low Medium-term: Low Long-term: Low | Strengthen compliance framework, conduct internal audits, maintain legal insurance. |

| Risk/Opportunity (Type and Description) | Value Chain Stage | Quantifiable (Y/N) | Justification | Quantification Approach | Current FY Effect (Qualitative/ Quantitative) | Anticipated Financial Effect (Qualitative /Quantitative) | Impact on Financial Statement | Time Horizon-Based Risk Rating | Current/ Planned Mitigation Strategies |
|---|---|---|---|---|---|---|---|---|---|
| reporting obligations and stricter enforcement (e.g. NGER, greenwashing laws, international disclosure standards). These changes increase compliance complexity and costs, expose RAC to potential penalties or litigation and may require significant investment in systems, processes and training to maintain regulatory alignment and protect project viability and reputation. | | | of legal risks at this stage is speculative due to uncertainties about future regulatory landscapes, including changes in climate-related legislation. | | | | | | |

| Risk/Opportunity (Type and Description) | Value Chain Stage | Quantifiable (Y/N) | Justification | Quantification Approach | Current FY Effect (Qualitative/ Quantitative) | Anticipated Financial Effect (Qualitative /Quantitative) | Impact on Financial Statement | Time Horizon-Based Risk Rating | Current/ Planned Mitigation Strategies |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |
| Transition Risk: Increased cost of inputs:<br><br>Increased cost of inputs arises from supply-chain tightness and volatility across fuel, materials and equipment, including gas, steel, solar components (polysilicon, aluminum, copper) and critical minerals (lithium, cobalt, nickel, rare earths), alongside freight and EPC | This particular risk affects all operating assets across the RAC portfolio (only during if repairs/maintenance onsite or during construction of a new asset) | Y | Input cost increases, particularly fuel and material costs, are modelled using Baringa's forecasts, which predict market volatility and price fluctuations in fuel and material inputs. This modelling suggests minimal long-term financial impact, as RAC's pricing strategy and market position will help absorb moderate | Sensitivity Analysis: Based on Baringa's market forecasts, an average of 5% (medium term) rise in fuel/material prices could impact margins, but overall, RAC is projected to remain profitable due to pricing adjustments in the wholesale electricity market. | Qualitative: Minimal financial impact expected in the short-term; any rise in input costs is expected to be manageable given NEM pricing forecast to increase at a higher rate. | Qualitative: Independent external price forecasts indicate increases in future electricity prices are expected increase at a faster rate than forecast gas and capital equipment costs. Sensitivity analysis demonstrates maintenance of profitability under moderate fuel cost stress scenarios. | The assessed financial impacts were immaterial over the short-medium and long term and therefore do not require disclosure. | Short-term: Low Medium-term: Low Long-term: Low | NEM prices and revenues to generators expected to compensate for input cost changes. |

| Risk/Opportunity (Type and Description) | Value Chain Stage | Quantifiable (Y/N) | Justification | Quantification Approach | Current FY Effect (Qualitative/ Quantitative) | Anticipated Financial Effect (Qualitative /Quantitative) | Impact on Financial Statement | Time Horizon-Based Risk Rating | Current/ Planned Mitigation Strategies |
|---|---|---|---|---|---|---|---|---|---|
| risk-sharing/ repricing. These pressures can delay schedules, strain working capital and compress margins—impacting RAC's project viability, contract profitability and overall returns. | | | cost increases. | | | | | | |
| Physical Risk - Acute: Extreme Weather Events:<br><br>Extreme weather events (e.g., floods, hail, wind, bushfire, lightning, | Specific sites in north Queensland (Collinsville Power Station (not operational for 13 years) and Collinsville Solar Farm, Mount Emerald | N | Extreme weather events pose risks to asset resilience, operational continuity and long-term planning. Although historical data | At present, RAC do not have a formal quantification model to estimate the financial impact of extreme weather events. RAC have | Qualitative:<br><br>No immediate material financial impact observed. However, there are risks for potential damage and | Qualitative: Increased frequency and severity of extreme weather events may lead to increased maintenance and insurance costs in the future. | The assessed financial impacts were immaterial over the short-medium and long term and therefore do not | Short-term: Low<br>Medium-term: Low<br>Long-term: Low | Resilient asset design, disaster recovery plans, insurance coverage for extreme weather events. |

| Risk/Opportunity (Type and Description) | Value Chain Stage | Quantifiable (Y/N) | Justification | Quantification Approach | Current FY Effect (Qualitative/ Quantitative) | Anticipated Financial Effect (Qualitative /Quantitative) | Impact on Financial Statement | Time Horizon-Based Risk Rating | Current/ Planned Mitigation Strategies |
|---|---|---|---|---|---|---|---|---|---|
| cyclones, drought) can damage assets, disrupt construction and operations, curtail output via network outages and drive higher insurance costs and exclusions. These events can delay commercial operation date and revenue, increase O&M and resilience spend and create site access, safety and incident-management costs | Wind Farm, Townsville Power Station) | | indicates no significant financial impact in the short term, future events could drive higher costs related to asset repair, insurance premiums and disaster recovery. These risks are particularly relevant at specific sites vulnerable to severe weather. | reviewed historical data on the impacts of past extreme weather events, but at this stage, RAC is unable to provide detailed financial estimates for future events. | operational disruptions in the long term | | require disclosure. | | |

| Risk/Opportunity (Type and Description) | Value Chain Stage | Quantifiable (Y/N) | Justification | Quantification Approach | Current FY Effect (Qualitative/ Quantitative) | Anticipated Financial Effect (Qualitative /Quantitative) | Impact on Financial Statement | Time Horizon-Based Risk Rating | Current/ Planned Mitigation Strategies |
|---|---|---|---|---|---|---|---|---|---|
| Physical Risk-Chronic: Rising Temperatures:<br><br>More frequent and severe heatwaves can reduce generation efficiency and capacity across solar, wind, gas and battery assets. High temperatures strain cooling systems, reduce output and may cause assets to fall short of nominal capacity during peak demand periods. Transmissio | Specific sites (Townsville Power Station and Collinsville Power Station (not operational for 13 years) and Collinsville Solar Farm, however still only low-moderate concern). | N | Rising temperatures could lead to operational inefficiencies and reduced output in certain assets, especially during peak demand periods. However, assets are designed to operate within wide temperature tolerances and no significant impact is expected in the short term. The long-term impact will depend on the regional variation in | RAC does not currently have a formal model to estimate the financial impact of rising temperatures. While historical data has been reviewed, the development of a full quantification approach is expected to be completed by the next reporting year to align with AASB S2 requirements. Temperature variations complicate | Qualitative: No material impact observed in 2024-2025. Future impacts expected to reflect previous years. | Qualitative: Potential for incremental increases in operating costs and minor efficiency reductions over the long term. Forward-looking market pricing is expected to offset increased operating costs, but the net financial impact is not expected to be material but remains uncertain. | The assessed financial impacts are immaterial over the short-medium and long term and therefore do not require disclosure. | Short-term: Low Medium-term: Low Long-term: Low | RAC to consider upgrades at facilities to minimize operational stress if higher temperatures observed over the long term. |

| Risk/Opportunity (Type and Description) | Value Chain Stage | Quantifiable (Y/N) | Justification | Quantification Approach | Current FY Effect (Qualitative/ Quantitative) | Anticipated Financial Effect (Qualitative /Quantitative) | Impact on Financial Statement | Time Horizon-Based Risk Rating | Current/ Planned Mitigation Strategies |
|---|---|---|---|---|---|---|---|---|---|
| n lines may also experience reduced carrying capacity. While assets are designed for extreme events, persistent temperature increases pose long-term operational and financial risks. | | | temperature rise. | reliable estimates and RAC is working to enhance its modelling capabilities. For now, we are focusing on qualitative risk evaluation. | | | | | |
| Opportunity - Market Transition: Green Financing:<br><br>Green financing can lower RAC's cost of capital, broaden funding sources and align with | Renewable Assets, specific mention of Mount Emerald Wind Farm; Collector Wind Farm; and Collinsville Solar Farm, part of a green | N | Green financing is expected to facilitate improved marketability in debt markets, although the magnitude of this benefit is uncertain and subject | Market Analysis: Based on market data and financing trends for green bonds and ESG-linked loans, this opportunity is assessed qualitatively. It is | Qualitative: Green financing is expected to provide improved access to debt markets and broaden funding sources. | Quantitative: Expected ongoing access to debt funding enabling the expansion of the renewable energy generation and storage portfolio. | The assessed financial impacts were immaterial over the short-medium and long term and therefore do not require disclosure. | Short-term: Low Medium-term: Low Long-term: Low | Issue green bonds, green bank loans and explore ESG-linked loans and engage with green focussed investors. |

| Risk/Opportunity (Type and Description) | Value Chain Stage | Quantifiable (Y/N) | Justification | Quantification Approach | Current FY Effect (Qualitative/ Quantitative) | Anticipated Financial Effect (Qualitative /Quantitative) | Impact on Financial Statement | Time Horizon-Based Risk Rating | Current/ Planned Mitigation Strategies |
|---|---|---|---|---|---|---|---|---|---|
| investor demand for credible transition assets. RACs existing green financing framework supports renewable asset funding and evolving opportunities under new government schemes are actively evaluated to secure potential concessional terms and enhance project competitiveness. | refinance portfolio. | | to point in time market conditions. | assumed that green financing will assist with access to capital for future renewable energy projects. | | | | | |
| Opportunity - Market Transition: Long-Duration | Future anticipated projects. | N | The opportunity for long-duration energy storage is | Scenario Modelling: Integration scenarios for energy storage | Qualitative: No immediate financial impact in the short | Qualitative: The anticipated financial effect is minimal in | The assessed financial impacts were immaterial | Short-term: Moderate Medium-term: Low Long-term: Low | Invest in scalable long-duration energy storage |

| Risk/Opportunity (Type and Description) | Value Chain Stage | Quantifiable (Y/N) | Justification | Quantification Approach | Current FY Effect (Qualitative/ Quantitative) | Anticipated Financial Effect (Qualitative /Quantitative) | Impact on Financial Statement | Time Horizon-Based Risk Rating | Current/ Planned Mitigation Strategies |
|---|---|---|---|---|---|---|---|---|---|
| Energy Storage:<br><br>Long-duration energy storage offers RAC the ability to firm renewable output, shift energy from low or negative-price periods to peaks, reduce curtailment, and unlock revenue stacking, strengthening project viability and portfolio resilience. RAC's first standalone battery investment was planned for late 2026 (this has been | | | based on technical feasibility and integration potential. As renewable energy sources grow, there is increasing demand for energy storage to firm supply and improve grid stability. RAC's planned battery investments align with this demand and are expected to become a growing part of the portfolio. | based on projected energy supply and demand. Although full quantification is challenging, the deployment of energy storage will be phased based on price signals and incentives from NEM/WEM. | term, but long-term value is expected to increase as storage technologies mature | the short term, but long-term value is expected to grow due to advancements in storage technologies and increasing demand for reliable energy storage solutions in renewable energy systems. | over the short-medium and long term and therefore do not require disclosure. | | infrastructure, integrate with existing renewable assets and monitor regulatory developments for storage incentives. |

| Risk/Opportunity (Type and Description) | Value Chain Stage | Quantifiable (Y/N) | Justification | Quantification Approach | Current FY Effect (Qualitative/ Quantitative) | Anticipated Financial Effect (Qualitative /Quantitative) | Impact on Financial Statement | Time Horizon-Based Risk Rating | Current/ Planned Mitigation Strategies |
|---|---|---|---|---|---|---|---|---|---|
| pushed out), with a conservative approach to technology adoption, positioning the portfolio to meet growing customer demand for firmed PPAs, align with decarbonisation policy settings and improve access to scheme support and green financing | | | | | | | | | |

**Table 1: RAC CRROs**

## 4.2. Impact of climate-related risks and opportunities on strategy and business model

Climate-related risks and opportunities identified in Section 4.1 have been considered in relation to RAC's operational activities, investment decisions and broader corporate strategy. This assessment, as part of the ERMP process, focuses on how these climate-related risks and opportunities could affect the RAC's decision making, asset management and growth initiatives.

Physical risks, including extreme weather events and rising temperatures, may influence asset availability, operational performance and maintenance requirements at certain sites. RAC manages these risks through existing operational practices, including asset management plans, resilient asset design and insurance coverage.

Transition risks, such as policy and regulatory changes, compliance costs and market shifts, are considered in business planning and risk monitoring. Opportunities include access to green financing and the expansion of renewable generation and energy storage projects. While these opportunities may support RAC's long-term growth and sustainability objectives, they are assessed through RAC's internal investment evaluation processes, business planning and governance frameworks, separate from the identification and management of CRRO's.

### 4.2.1. Assessment on RAC business model

RAC has conducted scenario analyses to understand potential impacts of climate-related risks and opportunities over short, medium and long-term horizons, noting RAC does not use internal carbon dioxide pricing or climate-linked performance targets. The scenario analysis is indicative in nature and incorporates a combination of qualitative assessment and selected quantitative inputs. It has been applied on a risk-by-risk basis and interpreted using judgement with the modelled outcomes inherently uncertain.

Based on the outcomes of the scenario analyses:

- No material financial impacts have been identified that would necessitate modifications to RAC's strategy, current operations or investment evaluation approach; and
- RAC will refine its analysis as relevant data quality improves as well as incorporating Scope 3 emissions starting in 2026.

Each identified climate-related risk or opportunity has been assessed to determine its current and anticipated impact on RAC's business model and value chain as provided in Table 1: RAC CRROs in Section 4. Table 1: RAC CRROs links risks and opportunities to specific stages of the value chain, asset types, lifecycle stages and geographic locations, ensuring that the areas of highest exposure are clearly visible.

The scenario analyses and the financial assessments outlined in Section 4.1, indicate that RAC's current strategy is considered resilient to climate-related risks and opportunities. The analyses show that physical risks, such as extreme weather events and rising temperatures, may affect asset performance and availability at specific sites (identified in Table 1: RAC CRROs), these impacts are not expected to result in material

disruptions or financial impacts to the overall business in the short, medium and long-term.

The identified climate-related risks and opportunities have been factored into RAC's long-term business planning, with current mitigation measures designed to manage these impacts and ensure the business continues to operate efficiently. Climate-related scenario analysis informs RAC's assessment of its asset portfolio resilience, including its capacity to upgrade, repurpose, redeploy, or decommission existing assets over the short, medium and long term. RAC will continue to monitor climate-related risks and opportunities, making adjustments to its investment decisions and asset management practices as appropriate. Where physical or transition risks are identified through scenario analysis, RAC has the ability to prioritise asset upgrades, modify operational use, or retire assets that are no longer resilient or economically viable.

# 5. Financial effects of climate-related risks and opportunities

Financial effects of the CRROs are not expected to be material in the short, medium, or long term. This assessment is supported by a forward-looking qualitative assessment of anticipated financial effects and selected quantitative and scenario-based analysis, including high and low-warming pathways. Fuel and material cost risks were quantified using Baringa NEM electricity price, capital and fuel cost forecasts and sensitivity analysis. To the extent regulatory and extreme weather risks were not embedded in the independent expert price forecasts, these were assessed qualitatively. Opportunities, such as green financing, renewable generation and energy storage were qualitatively assessed using expected technology improvements, perceived investor sentiment and NEM/WEM price and policy signals embedded in the electricity price forecasts.

RAC's risk mitigation strategies, include the continued expansion of renewable energy assets, use of green financing and resilient asset design to further reduce exposure to transition and physical risks. Physical risks are mitigated through resilient infrastructure design and construction, insurance and emergency preparedness. As a result, the financial effects of the identified CRROs are not expected to materially affect the business operations at RAC and does not affect any line items within the 2025 RAC consolidated financial report. Furthermore, RAC does not expect the impacts from the CRRO's to affect the carrying amounts of its assets and liabilities in its related financial statements in 2025.

The governance of RAC's CRRO is embedded within RAC's ERMP. The existing governance framework oversees the identification, assessment and prioritisation of material CRROs (with assistance from external stakeholders) supported by scenario analyses and forward-looking forecasts. Material risks and opportunities are identified, monitored and assessed, with mitigation strategies applied as appropriate. This integrated approach ensures that strategic and investment decisions are informed by both risk and financial analysis, supporting resilience and progress towards RATCH Group's goal of Net Zero Emissions by 2050[6].

[6] https://www.ratch.co.th/storage/content/investor-relations/downloads/sustainability-report/sustainability-report-2025-en.pdf

# 6. Climate metrics and tracking

RAC's climate metrics and targets are aligned with the RATCH Group's long-term sustainability strategy. RAC is preparing to integrate Scope 3 emissions into future reports, starting in 2026. RAC applies NGERS methodologies for emissions measurement as it is jurisdictionally mandated upon RAC. The Emissions factors applied in RAC's greenhouse gas measurement are sourced in accordance with the National Greenhouse and Energy Reporting (Measurement) Determination 2008 (Compilation No. 20, compilation date 3 November 2025), which are considered to best represent RAC's emissions-generating activities under the NGERS framework and aligns with the requirements in AASB S2.C4(a). Finally, the measurement approach uses internal activity data sourced from third-party supplier invoices and/or reports and defined boundary assumptions to ensure consistency and transparency. No changes to measurement methodology, inputs, or assumptions were made during the reporting period.

### 6.1.1. Greenhouse gas emissions

The reporting boundary for GHG emissions is based on operational control, in line with NGERS criteria. Under this framework, emissions are accounted for from facilities that are directly controlled by RAC. This ensures consistency across both regulatory frameworks and the requirements of AASB S2. For the purposes of the Report, emissions are considered material if they represent at least 10% of RAC's total Scope 1 and 2 GHG emissions in FY25. This threshold ensures that potential miscalculations or omissions will not have a significant impact on decision-making processes.

### 6.1.2. Scope 1 GHG emissions

Scope 1 emissions refer to direct GHG emissions resulting from activities under RAC's operational control. For 2025, the majority of Scope 1 emissions come from the combustion of natural gas at the following facilities:

- Kemerton Power Station (**KPS**);
- Townsville Power Station (**TPS**); and
- Snapper Point Power Station (**SPPS**).

#### *6.1.2.1.* Emissions methodology:

- KPS: Emissions are measured using Method 3 under the NGERS Measurement Determination, which requires facility-specific sampling and analysis due to the power stations' size, capacity and generation levels.
- SPPS and TPS: For natural gas consumption, emissions are calculated using Method 1, which applies general emission factors to estimate emissions based on fuel consumption.

### 6.1.3. Scope 2 GHG emissions

Scope 2 emissions refer to indirect GHG emissions from the consumption of purchased electricity. These emissions are measured using the location-based method in accordance with the NGERS Measurement Determination. This method considers the average emissions intensity of the electricity grid in the region from which electricity is sourced.

#### *6.1.3.1. Scope 2 GHG emissions sources:*

- The largest contributors to Scope 2 emissions include:
  - KPS;
  - TPS;
  - Collector Wind Farm; and
  - Mount Emerald Wind Farm.
- Method A1 is used to calculate Scope 2 emissions, applying the location-based emission factor based on the amount of electricity consumed and the emissions intensity of the grid in that region.

Using a location-based method ensures that the emissions are representative of the generation mix at each facility's location, in line with NGERS guidelines. Finally, RAC does not use any contractual instruments, such as renewable electricity power purchase agreements, renewable retail contracts or renewable energy certificates, to reduce its Scope 2 greenhouse gas emissions.

### 6.1.4. RAC Scope 1 and 2 results

To ensure consistency across Scope 1 and Scope 2 GHG emissions reporting, the following assumptions were made:

- Operational Control Boundary: The operational control boundary follows the NGERS criteria. All facilities where RAC has operational control are included in the GHG emissions inventory. Facilities where RAC does not have control are excluded from the boundary.

This aligns with NGERS requirements, ensuring that GHG emissions are only reported from facilities under RAC's operational control.

The below table provides RAC's estimated Scope 1 and 2 emissions for the reporting year:

| Metric | Scope | Methodology | FY25 | Notes |
|---|---|---|---|---|
| Scope 1 GHG | Direct | NGERS-approved methods (Activity Criteria AAA, Method 1/2) | 160,176.42 tCO2-e | Operational control boundary; first-year reporting |
| Scope 2 GHG – Location- based emissions | Indirect | Reported on a location-based method, purchased electricity | 12,325.40 tCO2-e | Operational control boundary only |

All Scope 1 and 2 figures are absolute gross emissions values. Under RATCH Group's corporate strategy RAC is expected to play a key role in meeting RATCH Groups' renewable energy targets of 40% of total capacity by 2030 and by 70% in the next 10 years with the aim of supporting Net Zero Emissions by 2050[7].

## 6.2. Climate related financial exposure

RAC assesses the financial effects of climate-related risks and opportunities using scenario analysis (e.g., high/low warming scenarios) and forward-looking forecasts. This approach helps identify potential transition risks (such as regulatory and market shifts)

[7] https://www.ratch.co.th/storage/content/investor-relations/downloads/sustainability-report/sustainability-report-2025-en.pdf

and physical risks (such as extreme weather and temperature changes) and how these may affect the company's assets and operations over time. While RAC is actively monitoring these factors, the inherent uncertainty of long-term climate projections and market conditions makes it difficult to quantify the financial impact at this stage. Therefore, while some risks and opportunities are outlined qualitatively, RAC acknowledges the uncertainty surrounding the financial implications and will update its disclosures as relevant data becomes available. RAC is also implementing mitigation strategies that include renewable energy investments, green financing, resilient asset design, asset management plans and insurance optimisation, to reduce the potential adverse impacts of potential climate-related risks and grow the business where possible.

### 6.2.1. Transition risks

#### *6.2.1.1. Increased cost of inputs*

During the Reporting period, RAC has determined that 100% of its assets are exposed to transition risks related to input cost increases driven by demand and supply, commodity prices and international market volatility and regulatory changes. This is in line with evolving climate-related policies and shifting market dynamics. While Baringa's NEM price forecasts suggest potential increases in input costs of 4% per annum (in real terms) the final impact will depend on future market conditions and regulatory developments. Due to the uncertainty inherent in the forecasts, the company is unable to provide a precise financial estimate for the reporting period, noting the impact has been assessed as not material.

#### *6.2.1.2. Policy changes on decarbonisation and increased legal and compliance risk*

Policy and compliance transition risks are addressed here as they affect all the RAC operational assets and are similar in nature. Regulatory changes in decarbonisation policies, alongside evolving climate-related regulations, are expected to increase compliance costs, particularly in low-warming scenarios where the transition to cleaner energy sources will likely accelerate. This shift, combined with heightened reporting obligations and stricter enforcement such as AASB S2, the NGER scheme and international disclosure standards will increase the complexity of compliance and associated costs. Additionally, these changes expose RAC to potential penalties or litigation, requiring substantial investment in systems, processes and training to ensure regulatory alignment and protect project viability and reputation.

The uncertainty surrounding future regulations makes it difficult to predict the precise financial impacts at this stage. However, both transition risks are expected to affect 100% of RAC's assets due to the widespread nature of climate-related regulations. Legal and compliance risks are anticipated to rise as these evolving regulations impose stricter reporting obligations and enforcement mechanisms across RAC's operations. To mitigate these risks, RAC will continue to prioritise investments in renewable energy, ensuring ongoing compliance with future regulations while reducing exposure to regulatory, legal and compliance risks. Furthermore, RAC will aim to engage with policymakers to stay ahead of potential regulatory changes and advocate for clearer, more predictable policies, thereby addressing both current and future legal and compliance risks.

### 6.2.2. Physical risks

#### *6.2.2.1. Extreme weather events*

Given the long-term nature and unpredictability of weather events RAC is currently unable to precisely quantify the potential financial impact on its assets. However, asset operational temperature tolerances are large and accommodate the High and Low average temperature changes used in the scenario analyses. This aligns with AASB S2's expectation that companies disclose uncertainty regarding physical risks when full quantification is not possible. While historical data suggests that extreme weather events have caused only limited short-term disruptions, the future impact remains uncertain, especially considering the variability in climate projections and regional differences in exposure to physical risks. Based on RAC's scenario analysis, approximately 29% (calculated as a percentage of RAC's operating asset capacity in MW) of its assets are potentially exposed to extreme weather risks in the long term. RAC will continue to monitor these risks and update its disclosures as relevant data becomes available.

#### *6.2.2.2. Rising temperatures*

Rising global temperatures could reduce operational efficiency, particularly during peak demand periods, at sites if design and operational temperature tolerances are exceeded. Approximately 17% (calculated as a percentage of RAC's operating asset capacity in MW) of RAC's assets are located in areas susceptible to higher temperatures. While these sites may experience some efficiency reductions and slightly higher operational costs in the long term, the overall impact is assessed as low to moderate. These assets are designed to operate within wide temperature ranges and no significant impact is expected in the short-medium or long term.

### 6.2.3. Climate opportunity

#### *6.2.3.1. Renewable energy investments: long duration energy storage*

RAC is committed to expanding its portfolio of renewable energy projects, including solar, wind and energy storage. While substantial capital has been allocated to these initiatives, the financial returns are difficult to predict at this stage. This reflects AASB S2's emphasis on disclosing opportunities even when future benefits are uncertain. The financial outcomes of these investments depend on factors such as market demand, electricity prices, technological progress and regulatory incentives, which remain uncertain.

However, RAC is confident in the long-term value of transitioning to clean energy and will continue to monitor market developments. RAC currently has over $4 billion of new project opportunities at various stages of evaluation and development. Approximately 39% (calculated as a percentage of capacity in MW) is expected to be involved in long-duration energy storage solutions. These technologies are expected to become more cost-effective in the future as demand for grid stability services increases. Investment returns are expected to be comparable to peers and other similar assets. As these investments reach the final investment decision milestone, financial forecasts and disclosures will be updated accordingly.

#### *6.2.3.2. Green financing*

RAC has access to green financing markets to support its renewable energy investments. While the precise financial benefits of green financing are difficult to predict, RAC anticipates that access to green capital will enhance funding

opportunities for future renewable energy projects. Currently, approximately 37% (calculated as a percentage of MW) of RAC's operating assets are debt funded using a Green Financing Framework). RAC remains confident in its long-term strategy to align its financing with sustainability goals.

### 6.2.4. Performance monitoring and reporting

RAC's overarching climate objective is to assist the RATCH Group in achieving Net Zero Emissions by 2050. RAC contributes to this target by operating and developing low-GHG emissions power generation, renewable power generation and energy storage assets. The Net Zero Emissions by 2050 target is an absolute measure, setting a clear benchmark for progress and is ahead of Thailand's national net-zero target of 2065.

RATCH Group's climate action roadmap includes specific milestones that guide its path to the 2050 Net Zero Emissions goal. The interim target for 2030 is to reduce GHG Scope 1 and 2 intensity to no more than 0.30 tCO2e/MWh from the 2025 base year, while also raising renewable generation capacity to at least 40%.

However, RAC does not have Scope 1 or Scope 2 emissions targets, as the majority of these emissions stem from gas-fired power stations within its portfolio. These stations primarily operate in response to market conditions in the NEM and WEM, where generation is incentivised by elevated spot market prices. These conditions typically arise from low output from intermittent generation, plant failures and/or high demand. The timing and amount of generation from these gas-fired stations are unscheduled and variable, making it inappropriate to establish fixed GHG emissions targets for these assets.

To ensure transparency and accountability, RAC will report annually on the following metrics:

- Annual GHG emissions (Scope 1, Scope 2 and Scope 3 (starting in 2026)); and
- Renewable energy generation capacity growth, including its proportion of the total portfolio.

In line with AASB S2, RAC recognises capital deployment as a key metric for reporting climate-related risks and opportunities and during the reporting period, RAC deployed capital towards climate-related risks and opportunities in the amount of $6.9 million in 2025, reflecting RAC's commitment to addressing these challenges and seizing related opportunities.

Finally, RAC does not have executive incentives tied to climate-related performance.

# 7. Adapting to physical climate related risks and opportunities and resilience building

RAC recognises that physical climate risks, including extreme weather events and potentially higher average temperatures, could impact operations. In line with AASB S2.14(a)(ii) and (iii), RAC discloses its direct adaptation measures and their integration into operational risk management.

## 7.1. Direct adaptation actions (implemented by RAC)

- Strengthening Assets: RAC proactively manages and maintains its assets to withstand extreme weather.
- Emergency Preparedness and Risk Mitigation: RAC has documented emergency response and disaster recovery plans to ensure continuity of operations during extreme events.

These measures are monitored and assessed through RAC's ERMP which systematically identifies and mitigates physical risks (including climate-related risks) across all operational assets.

## 7.2. Indirect adaptation actions

RAC has not implemented indirect adaptation actions through suppliers, customers, or other value chain participants.

# 8. Directors Declaration

The Directors of RAC declare that:

In the opinion of the Directors:

RAC and its controlled entities have taken reasonable steps to ensure the substantive provisions of the Report for the year ended 31 December 2025 are in accordance with the *Corporations Act 2001*, including complying with:

I. the Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures and any further requirements contained in section 296C(2); and

II. the requirements of the climate statement disclosures contained in section 296D.

This declaration is made in accordance with a resolution of the directors pursuant to section 296A(6) of the *Corporations Act 2001*, as modified by section 1707C(2).

Signed for and on behalf of the Board of Directors for and behalf of RAC:

Executed by **RATCH Australia Corporation Pty Ltd**
in accordance with Section 127 of the *Corporations Act 2001:*

Signed by:
9DD9EE424D754A5...

Director

Wadeerat Charoencoop

Name of Director

Date: 26 May 2026

DocuSigned by:
FAF0E5831A6D407...

Director

Thana Boonyasirikul

Name of Director

Date: 26 May 2026

# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

## To the Directors of RATCH-Australia Corporation Pty Ltd

I declare that, to the best of my knowledge and belief, in relation to the review of specified sustainability disclosures in the sustainability report of RATCH-Australia Corporation Pty Ltd for the financial year ended 31 December 2025 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Daniel Camilleri
Partner
Sydney
26 May 2026

# Independent Auditor's Review Report

To the Directors of RATCH-Australia Corporation Pty Ltd

***Report on specified Sustainability Disclosures of RATCH-Australia Corporation Pty Ltd presented in the Sustainability Report prepared in accordance with the Corporations Act 2001***

## Review Conclusion on specified Sustainability Disclosures as required under the Corporations Act 2001

We have conducted a review of the following specified Sustainability Disclosures presented in the Sustainability Report of RATCH-Australia Corporation Pty Ltd for the year ended 31 December 2025 in accordance with 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).

| ***specified Sustainability Disclosures*** | ***Reporting requirement of Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D) (the Criteria)*** | ***Locations in Sustainability Report*** |
|---|---|---|
| *Governance disclosures* | *Paragraph 6* | *Section 3 Governance of Climate-related risks and opportunities; sub-sections 3.1 Overview of Governance Framework and 3.2 Key governance bodies, responsibilities and frequence of engagement, p. 9-11* |
| *Strategy (risk and opportunities) disclosures* | *Subparagraphs 9(a), 10(a) and 10(b)* | *Section 4 Climate risk and opportunities assessment; sub-section 4.1 RAC CRROs and climate scenarios, p. 13-24* |
| *Scope 1 greenhouse gas emissions* | *Subparagraphs 29(a)(i)(1) to (2) and 29 (a)(ii) to (v)* | *Section 6 Climate metrics and tracking; sub-sections 6.1.1 Greenhouse gas emissions (GHG), 6.1.2 Scope 1 GHG emissions, 6.1.3 Scope 2 GHG emissions and 6.1.4 RAC scope 1 and 2 results, p. 28-29* |
| *Scope 2 greenhouse gas emissions* | | |

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).

We have not become aware of any matter in the course of our review that makes us believe that the specified 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

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

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

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

Our responsibilities under ASSA 5000 are further described in the "Our responsibilities" section of our report.

We comply with the independence and other ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited related to sustainability assurance engagements.

Our firm applies Auditing Standard ASQM1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, issued by the AUASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## Other Information

The Directors of RATCH-Australia Corporation Pty Ltd are responsible for the other information. The other information comprises the financial and non-financial information included in RATCH-Australia Corporation Pty Ltd.'s Annual Report but does not include the specified Sustainability Disclosures and our review report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of conclusion thereon.

In connection with our review of the specified Sustainability Disclosures, our 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 our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities for the specified Sustainability Disclosures

The Directors of RATCH-Australia Corporation Pty Ltd are responsible for:

- The preparation of the specified Sustainability Disclosures in accordance with the Act; and

- Designing, implementing and maintaining a system of internal control that it determines is necessary to enable the preparation of specified Sustainability Disclosures in accordance with the Act that are free from material misstatement, whether due to fraud or error.

## Inherent Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or material misstatement in the specified Sustainability Disclosures may occur and not be detected. Non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

For climate risks and opportunities, there is inherent uncertainty as a result of using assumptions about future events and management's actions that may not occur.

Greenhouse gas quantification is subject to inherent uncertainty due to the nature of the information and the uncertainties inherent in: (i) the methods used for determining or estimating the appropriate amounts, (ii) information used to determine emission factors and (iii) the values needed to combine emissions of different gases.

## Auditor's Responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our 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 review in accordance with ASSA 5000, we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal controls relevant to the engagement to identify and assess the risks of material misstatement, 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 the 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

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

- Enquired with management to understand the governance structures and reporting process;
- Enquired with management to understand the process for developing the climate governance, strategy and metrics and targets disclosures;
- Obtained an understanding of relevant processes, information flow and related systems for key data sets;
- Reviewed internal documentation including policies, minutes of meetings, risk management frameworks, and basis of preparation documents;
- Reviewed RATCH-Australia Corporation Pty Ltd's process undertaken to identify climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;
- Assessed the suitability and application of the Criteria in respect of the specified Sustainability Disclosures;
- For Scope 1 and 2 greenhouse gas emissions, tested underlying data to source documentation on a sample basis; and
- Reconciled the specified Sustainability Disclosures to underlying information.

*KPMG*

*Daniel Camilleri*

*Partner*

*Sydney*

*26 May 2026*