

EXTERNAL REVIEW

Assessment of the Issuer's Sustainability Quality with the Technical Screening Criteria of the Australian Sustainable Finance Taxonomy and EU Taxonomy

Victoria Power Networks

3 October 2025

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	Green Bond and Green Loan
Relevant standard(s)	Australian Sustainable Finance Taxonomy Version 1 (as of June 2025) EU Taxonomy Climate Delegated Act, Annex I (as of June 2023)
Scope of verification	Issuer's Green Bond and Green Loan Characteristics (as of Oct. 2, 2025)
Lifecycle	Pre-issuance verification
Validity	Valid as long as there is no material change to the Green Bond and Green Loan characteristics as per the VPN Sustainable Financing Framework (as of Oct. 2, 2025)

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SCOPE OF WORK

Victoria Power Networks (“VPN”, “the Company” or “the Issuer”) commissioned ISS-Corporate to assist with its green bond and green loan by assessing the following core elements to determine the eligibility of the Issuer's Eligible Green Projects per VPN's Sustainable Financing Framework (October 2025) (“Selection Criteria”, “project categories” or “project characteristics”) against the Technical Screening Criteria of the Australian Sustainable Finance Taxonomy Version 1 (as of June 2025) (“Australian Taxonomy”) and EU Taxonomy Climate Delegated Act, Annex I (as of June 2023) (“EU Taxonomy”), including:

- The eligibility of VPN's project categories against the Australian Taxonomy and the EU Taxonomy based on ISS Corporate's methodology — whether the nominated project categories satisfy the Australian Taxonomy Technical Screening Criteria for a Substantial Contribution to Climate Change Mitigation and the EU Taxonomy Technical Screening Criteria for a Substantial Contribution to Climate Change Mitigation. The assessment does not include assessing whether VPN's project categories align with the Do No Significant Harm Criteria and Minimum Social Safeguards requirements from the Australian Taxonomy, and Do No Significant Harm Criteria and Minimum Safeguards requirements from the EU Taxonomy.

ASSESSMENT SUMMARY

VPN's project characteristics have been assessed against the requirements of the Australian Taxonomy and EU Taxonomy. The nominated project categories are considered to be:

- Aligned with the Technical Screening Criteria of the Australia Taxonomy and EU Taxonomy for a Substantial Contribution to Climate Change Mitigation.

GREEN BOND AND GREEN LOAN CHARACTERISTICS

Categories	Eligibility Criteria Detail
Renewable Energy and Energy Efficiency	<ul style="list-style-type: none"> ▪ All of VPN’s electricity transmission and distribution infrastructure and/or equipment is eligible on the basis that the system in which they operate, being the National Electricity Market (NEM), is deemed to be on a trajectory to full decarbonization, given more than 67% of newly connected generation capacity in the system is below the generation threshold value of 100gCO₂e/kWh measured on a product carbon footprint (PCF) basis, over a rolling 5-year period.¹ ▪ Assets and activities listed under Section 3.2 of the CBI Electrical Grids and Storage Criteria (dated March 2022) that automatically meet the mitigation component, including but not limited to: <ul style="list-style-type: none"> ▪ Equipment and infrastructure where the main objective is an increase of the generation or use of renewable electricity generation² ▪ Equipment to increase the controllability and observability of the electricity system and enable the development and integration of renewable energy sources³ ▪ Equipment to carry information to users for remotely acting on consumption such as, but not limited to, advanced (also known as smart) metering infrastructure, including customer data hubs⁴

¹ All electricity transmission and distribution infrastructure or equipment in Systems which are on a trajectory to full decarbonization are eligible. A System is deemed to be on a trajectory to full decarbonization if either:

- more than 67% of newly connected generation capacity in the System is below the generation threshold value of 100gCO₂ e/kWh measured on a PCF basis, over a rolling 5-year period; or
- the average System grid emissions factor is below the threshold value of 100gCO₂e/kWh measured on a PCF basis, over a rolling five-year average period.

Infrastructure might include overhead lines; towers and poles; transformers reactors and substations; underground cables; circuit Breakers and switchgear.

² Includes high voltage renewable network connections, inclusive of transformers, e.g. connecting embedded generation to the network.

³ Includes ICT or operational technology (OT) systems, e.g. upgrading Advanced Distribution Management System to control batteries, low-voltage distributed energy resource management systems (LV DERMS).

⁴ Includes smart meters.

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	<ul style="list-style-type: none">▪ Equipment to allow for exchange of renewable electricity between users⁵▪ Infrastructure dedicated to creating a direct connection or expanding an existing direct connection between a power production plant that meets the requirements of the relevant CBS Sector Criteria and/or is less CO₂ intensive than 100gCO₂e/kWh measured on an LCE basis, and a substation, network or storage facility⁶
Renewable Energy	<ul style="list-style-type: none">▪ Assets and activities listed under Section 3.2 of the CBI Electrical Grids and Storage Criteria (dated March 2022) that automatically meet the mitigation component, including but not limited to:<ul style="list-style-type: none">▪ Equipment and infrastructure where the main objective is an increase of the generation or use of renewable electricity generation
Excluded Categories	<ul style="list-style-type: none">▪ For any new direct connections, or expansion of existing direct connections to generation assets, with emissions more than 100gCO₂e/kWh.

⁵ Includes low voltage network infrastructure, e.g. upgrading low voltage street circuits to expand distributed energy resource integration into the network.

⁶ Includes overhead lines; transformers, reactors and substations; underground cables; circuit breakers and switchgear.

ELIGIBILITY ASSESSMENT

ELIGIBILITY OF THE SELECTION CRITERIA AGAINST THE AUSTRALIAN SUSTAINABLE FINANCE TAXONOMY AND EU TAXONOMY

VPN's project characteristics for the nominated Use of Proceeds project categories have been assessed against the relevant Substantial Contribution to Climate Change Mitigation, based on information provided by VPN. Where VPN's project characteristics meet the Australian Taxonomy and EU Taxonomy Technical Screening Criteria requirements, a tick is shown in the table below.

VPN's project selection criteria overlap with the following economic activities in the Australian Taxonomy:

- D7 – Storage of Electricity
- D10 – Transmission and Distribution of Electricity

VPN's project selection criteria overlap with the following economic activities in the EU Taxonomy:

- 4.9 – Transmission and Distribution of Electricity
- 4.10 – Storage of Electricity

All projects financed are and will be located in Australia.

Furthermore, this analysis only displays how the Technical Screening Criteria of the Australian Taxonomy and EU Taxonomy are fulfilled/not fulfilled. For ease of reading, the original text of the Australian Taxonomy and EU Taxonomy criteria is not shown. Readers can recover the original criteria at the following links for the [Australian Taxonomy](#) and the [EU Taxonomy](#).

a) Assessment of VPN’s project categories against the Australian Taxonomy’s Technical Screening Criteria for a Substantial Contribution to Climate Change Mitigation

PROJECT CATEGORY	AUSTRALIAN TAXONOMY ACTIVITY	PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁷	ASSESSMENT AGAINST THE AUSTRALIAN TAXONOMY’S TECHNICAL SCREENING CRITERIA
Renewable Energy	D7 Storage of Electricity	The activity includes the construction and operation of electrochemical storage systems. The Issuer confirms that, for its electrchemical storage systems, the medium of storage complies with the criteria for Manufacturing and Recycling of Batteries specified in the Manufacturing and Industry sector of the Australian Taxonomy. Thus, it aligns with the Australian Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of category D7 “Storage of Electricity”.	✓
Renewable Energy and Energy Efficiency	D10 Transmission and Distribution of Electricity	The activity includes electricity transmission and distribution infrastructure and equipment that are on a trajectory to full decarbonization with more than 67% of newly connected generation capacity in the system is below the generation threshold value of 100gCO ₂ e/kWh over a 5-year rolling period. The activity also includes all enabling smart management systems that meet the green thresholds of 100gCO ₂ e/kWh life cycle emissions intensity; and transmission and distribution infrastructure dedicated to a direct connection or an expansion of connection between power plants that are less CO ₂ intensive than 100gCO ₂ e/kWh measured on a life cycle emissions basis. Thus, it aligns with the Australian Taxonomy TSC for a Substantial Contribution to Climate Change	✓

⁷ This column is based on input provided by the Issuer.

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		Mitigation of category D10 "Transmission and Distribution of Electricity."	
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b) Assessment of VPN's project categories against the EU Taxonomy's Technical Screening Criteria for a Substantial Contribution to Climate Change Mitigation

PROJECT CATEGORY	EU TAXONOMY ACTIVITY	PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁸	ASSESSMENT AGAINST THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
Renewable Energy and Energy Efficiency	4.9 Transmission and Distribution of Electricity	The activity includes electricity transmission and distribution infrastructure and equipment that are on a trajectory to full decarbonization with more than 67% of newly connected generation capacity in the system is below the generation threshold value of 100gCO ₂ e/kWh over a 5-year rolling period. It also includes electricity transmission and distribution infrastructure and/or equipment, such as high voltage renewable network connections, ICT or operational technology (OT) systems, smart meters, low voltage network infrastructure, and infrastructure that is less CO ₂ intensive than 100gCO ₂ e/kWh measured on an LCE basis, and a substation, network or storage facility. Thus, it aligns with the EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of category 4.9 "Transmission and Distribution of Electricity."	✓
Renewable Energy	4.10 Storage of Electricity	The activity includes the construction and operation of electrochemical storage systems, where the Issuer confirms that the medium of storage complies with the criteria for Manufacture of Batteries specified in the EU Taxonomy. Thus, it	✓

⁸ This column is based on input provided by the Issuer.

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		aligns with the EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of category 4.10 "Storage of Electricity".	
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CONCLUSION

VPN's project characteristics have been assessed against the requirements of the Australian Taxonomy and EU Taxonomy. The nominated project categories are considered to be:

- Aligned with the Criteria of the Australia Taxonomy and EU Taxonomy for a Substantial Contribution to Climate Change Mitigation.

DISCLAIMER

1. Validity of the External Review: Valid as long as the cited Green Bond and Green Loan Characteristics remain unchanged.
2. ISS-Corporate, a wholly-owned subsidiary of Institutional Shareholder Services Inc. ("ISS"), sells, prepares, and issues Second Party Opinion, on the basis of ISS-Corporate's proprietary methodology. In doing so, ISS-Corporate adheres to standardized procedures designed to ensure consistent quality.
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ANNEX 1: METHODOLOGY

Australian Taxonomy

The assessment evaluates whether the details of the nominated projects and assets or project selection eligibility criteria provided by the client meet the criteria listed in relevant Activities in the Australian Sustainable Finance Taxonomy Version 1 (as of June 2025).

If the client is seeking a full alignment with certain Australian taxonomy activities, the evaluation is structured in two steps:

- The first step requires establishing whether the economic activity qualifies as taxonomy-eligible. This implies checking whether the activity is listed in the Australian taxonomy and whether it contributes to the environmental objectives: climate change mitigation;
- The second step constitutes the core of the assessment, and it consists in evaluating (i) the compliance of the activity with the relevant substantial contribution criteria, (ii) whether the activity does not harm other environmental objectives, meeting the Do No Significant Harm requirements, assessing for instance industry-specific sustainability thresholds, mitigation measures, compliance with international environmental standards, and any history of relevant controversies, and (iii) the adherence with the Minimum Safeguards, ensuring that operations comply with recognized human rights, labor rights, governance standards and first nation rights and cultural heritage. These safeguards ensure that the activity is conducted responsibly and ethically.

The evaluation shows if the client's project categories are indicatively in line with the entirety (or some of) the requirements listed in the Australian Taxonomy. If both steps are carried out with a positive outcome, the activity is assessed as fully aligned (with final output being aligned/not aligned for each component of the second step).

If, instead, the client wishes to limit the evaluation only to the eligibility of the financed categories for a future alignment with certain Australian taxonomy activities, the assessment consists in evaluating (i) the compliance of the activity with the relevant substantial contribution criteria, or (ii) the compliance of the activity with the relevant substantial contribution criteria and whether the activity does not harm other environmental objectives, meeting the Do No Significant Harm requirements, or (iii) the compliance of the activity with the relevant substantial contribution criteria and the adherence with the Minimum Safeguards, based on the client's request. In this case, should the evaluation be carried out positively, the relevant activity will be assessed as aligned with the requirements that were within the scope of the evaluation, while the remaining one(s) will not be assessed.

The evaluation is carried out using information and documents provided on a confidential basis by VPN, including due diligence reports, questionnaires' responses, internal policies and processes, as well as public documents. Further, international, national, and local legislation and standards, depending on the project category location, are drawn on to complement the information provided by the Issuer.

EU Taxonomy

The assessment evaluates whether the details of the nominated projects and assets or project selection eligibility criteria provided by the client meet the criteria listed in relevant Activities in the EU Taxonomy Climate Delegated Act (June 2023).

If the client is seeking a full alignment with certain EU taxonomy activities, the evaluation is structured in two steps:

The first step requires establishing whether the economic activity qualifies as taxonomy-eligible. This implies checking whether the activity is listed in the EU taxonomy and whether it contributes to one of the six environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, or the protection and restoration of biodiversity and ecosystems;

The second step constitutes the core of the assessment, and it consists in evaluating (i) the compliance of the activity with the relevant substantial contribution criteria, (ii) whether the activity does not harm other environmental objectives, meeting the Do No Significant Harm requirements, assessing for instance industry-specific sustainability thresholds, mitigation measures, compliance with international environmental standards, and any history of relevant controversies, and (iii) the adherence with the Minimum Safeguards, ensuring that operations comply with recognized human rights, labor rights, and governance standards. These safeguards ensure that the activity is conducted responsibly and ethically.

The evaluation shows if the client's project categories are indicatively in line with the entirety (or some of) the requirements listed in the EU Taxonomy Technical Annex. If both steps are carried out with a positive outcome, the activity is assessed as fully aligned (with final output being aligned/not aligned for each component of the second step).

If, instead, the client wishes to limit the evaluation only to the eligibility of the financed categories for a future alignment with certain EU taxonomy activities, the assessment consists in evaluating (i) the compliance of the activity with the relevant substantial contribution criteria, or (ii) the compliance of the activity with the relevant substantial contribution criteria and whether the activity does not harm other environmental objectives, meeting the Do No Significant Harm requirements, or (iii) the compliance of the activity with the relevant substantial contribution criteria and the adherence with the Minimum Safeguards, based on the client's request. In this case, should the evaluation be carried out positively, the relevant activity will be assessed as aligned with the requirements that were within the scope of the evaluation, while the remaining one(s) will not be assessed.

The evaluation is carried out using information and documents provided on a confidential basis by VPN, including due diligence reports, questionnaires' responses, internal policies and processes, as well as public documents. Further, international, national, and local legislation and standards, depending on the project category location, are drawn on to complement the information provided by the Issuer.

ANNEX 2: QUALITY MANAGEMENT PROCESSES

SCOPE

Victoria Power Networks commissioned ISS-Corporate to compile a green bond and green loan external review. The external review process includes verifying whether the Selection Criteria aligns with the technical screening criteria of the Australian Sustainable Finance Taxonomy Version 1 (as of June 2025) and EU Taxonomy Climate Delegated Act, Annex I (as of June 2023).

CRITERIA

Relevant standards for this second-party opinion:

- Australian Sustainable Finance Taxonomy Version 1 (as of June 2025)
- EU Taxonomy Climate Delegated Act, Annex I (as of June 2023)

BORROWER'S RESPONSIBILITY

VPN's responsibility was to provide information and documentation on:

- Green Bond and Green Loan Characteristics

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS STOXX, which ISS-Corporate is part of, has built up a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

This independent external review of the green loan to be issued by VPN has been conducted based on proprietary methodology and in line with the Australian Sustainable Finance Taxonomy Version 1 (as of June 2025) and EU Taxonomy Climate Delegated Act, Annex I (as of June 2023).

The engagement with VPN took place in September and October 2025.

ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS STOXX Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS STOXX.

ABOUT THIS EXTERNAL REVIEW

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk and manage the needs of a diverse shareholder base by delivering best-in-class data, tools and advisory services.

ISS-Corporate assesses alignment with external principles (e.g., the Green/Social Bond Principles), analyzes the sustainability quality of the assets and reviews the sustainability performance of the Borrower itself. Following these three steps, we draw up an independent SPO so that investors are as well-informed as possible about the quality of the bond/loan from a sustainability perspective.

Please visit ISS-Corporate's [website](#) to learn more about our services for bond issuers.

For more information on SPO services, please contact SPOsales@iss-corporate.com.

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