



Voluntary

Environmental, Social and Governance Report FY 2025

Providing energy services to support a lower carbon future



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Introduction



About this Report

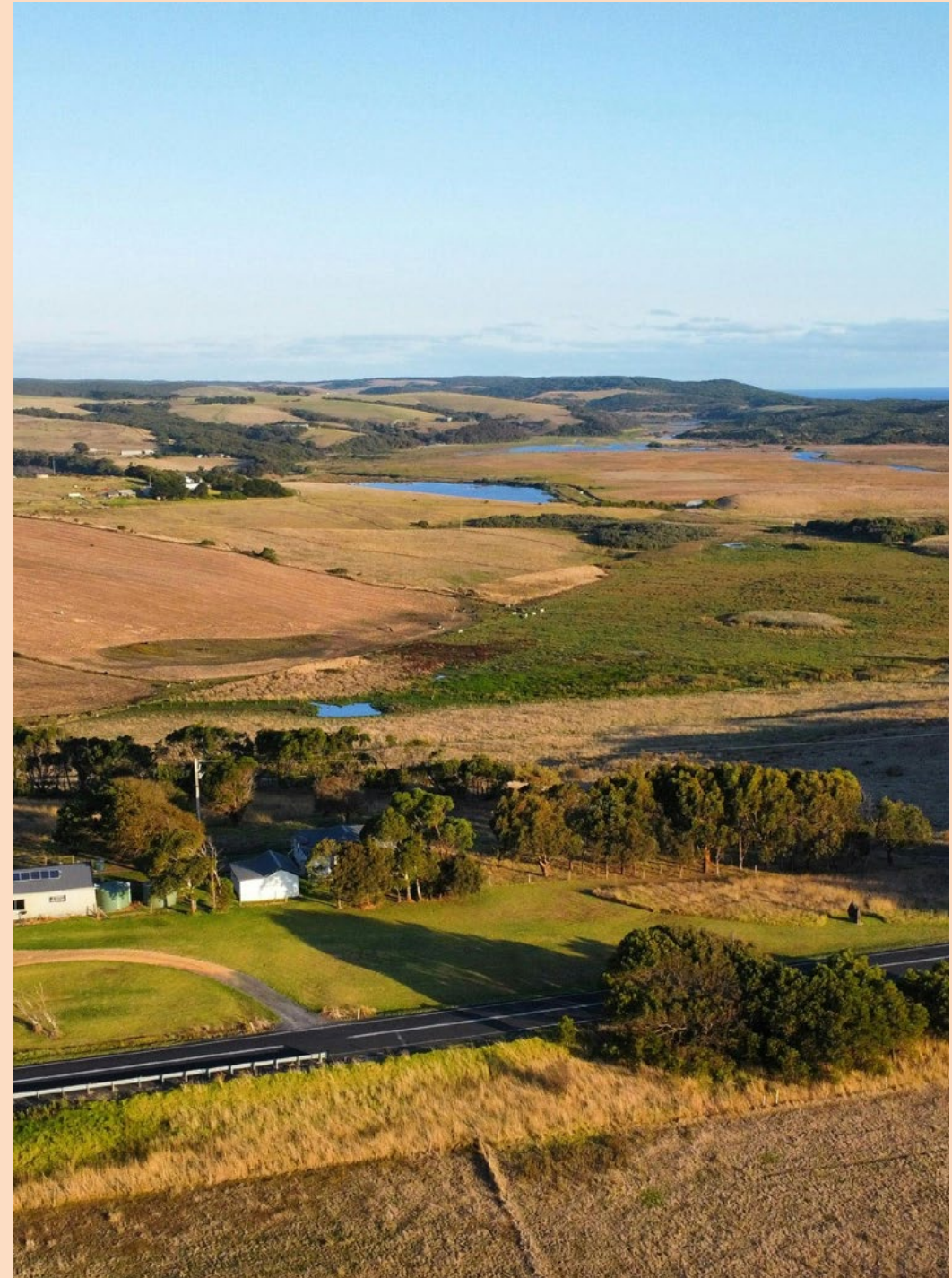
The Lochard Energy Voluntary Environmental, Social Governance Report 2025 is our fourth annual report regarding our environmental, social and governance (ESG) outcomes. It summarises our progress and highlights in ESG matters for the period of 1 July 2024 to 30 June 2025 (FY25).

This report has been created to:

- share information about our responsible approach to managing ESG matters with our people, investors and other stakeholders; and
- highlight our approach, progress and performance in relation to the company's most important ESG issues, which we have outlined in our Sustainability Strategy.

Disclaimers & Notes

- This is a voluntary report, prepared with reference to the reporting framework of the Global Reporting Initiative (GRI). It has not been prepared in accordance with the Australian Sustainability Reporting Standards or other accounting/reporting standards.
- All dollar figures in this report are in AUD currency, unless otherwise stated.
- In this report, the collective expressions "we", "us", "our", "ourselves", "the company", "the business", "Lochard" and "Lochard Energy" are used where reference is made, in general, to any of the entities that form part of the Lochard Energy (Iona Operations Holding) Trust accounting consolidated group. The use of those terms is for convenience only and is not intended to convey how Lochard is structured, managed, or controlled.
- This report covers the Iona Gas Storage Facility (Iona), located in Southwest Victoria, our head office located in Southbank, Melbourne, and our intended energy development initiatives to the extent that relevant information is ascertainable for these initiatives.
- Each of the Lochard companies is governed by a Board of Directors ("Board") with identical membership and is led by the Lochard Leadership Team.
- This report covers the period 1 July 2024 - 30 June 2025.



Acknowledgement of Country

Lochard Energy acknowledges the Traditional Owners of the lands on which we operate or have projects under active consideration, the Eastern Maar, Yorta Yorta and Wurundjeri Peoples.

We pay our respects to their Elders past and present and remain committed to upholding a relationship based on respect, trust and mutual benefit.



The artwork used throughout this report was created for Lochard Energy by artist Bayley Misfud. It stands as a significant symbol of our commitment to supporting the rights and interests of the Traditional Owners of the lands and waterways on which we operate.

From the Chair

Since 2015, I have had the privilege of guiding Lochard Energy as we moved from the early stages of building ESG credentials to embedding them into the way we operate. Today, we are no longer speaking in terms of early ambition but showing how our targets translate into real action and accountability.

The past year has shown that Lochard is delivering on its commitments. We are deepening our work with Traditional Owners and our in-plant abatement projects put us on track to meet early emissions targets. Importantly, we also have the financial strength to sustain these commitments over the long-term. Together, this gives confidence that the sustainability strategy is not only sound, but firmly underway.

Net Zero and System Reliability

While our net zero by 2045 target is aligned with Victoria's commitment, and Australia's net zero by 2050 commitment, the pathway will not always be linear. Operational emissions may rise in the short term as growth projects come online, for example, in the drilling of the Mylor 2 well to support the HUGS project. We are committed to being transparent about this reality, because we believe

these projects support greater renewable integration and system-wide emissions reduction.

We believe that gas has an important role to play in the energy transition in the coming decades. It is not a permanent role, but it remains critical for system reliability and stability while renewable energy continues to expand. Lochard's storage and firming capacity helps give the system the resilience it needs to manage the energy transition.

Community and Continuity

Beyond the energy transition, Lochard's ESG commitment also means being part of the communities where we work. The endorsement of our Innovate Reconciliation Action Plan by Reconciliation Australia and our continuing partnership with the Eastern Maar show how reconciliation is embedded in our business. Our engagement with communities in Southwest Victoria shows the same spirit, supporting local jobs, businesses and community groups alongside our operations.

This year also marks a personal transition. I will hand over the role of Chair to my colleague Janice van Reyk in November. Janice's extensive

experience, including in sustainability and governance, makes her the right person to guide Lochard through the next phase of its journey.

It has been a privilege to serve as Chair of Lochard. I thank my fellow Directors, our CEO, Tim Jessen, and the Leadership Team and our people for their dedication. I look forward to seeing Lochard continue to thrive and advance its sustainability goals as the Australian energy system evolves.

"Gas is not the destination, but it is essential in keeping the system reliable as we build a renewable future."

Peter Lowe

Chair, Lochard Energy



From the CEO

Lochard continues to play an integral role in a rapidly changing energy system. We are committed to supporting system reliability while making changes that support Australia's transition to a lower carbon future.

This year has shown that those changes are taking shape. At Iona, our in-plant abatement projects are underway and set to deliver a 25% reduction in Scope 1 and 2 emissions by 2026 (against a FY22 baseline). Reconciliation Australia has endorsed our Innovate Reconciliation Action Plan, and we are embedding reconciliation into the business. These steps show that sustainability is part of how we operate every day.

Balancing Near-Term Realities with Long-Term Outcomes

We acknowledge that the next stage of our Net Zero journey will be more challenging, particularly because we are choosing to prioritise direct in-plant abatement at Iona over offsets. Cutting emissions at the source is harder and often more costly, but it is also the most durable way to reduce impact. This is the reality of decarbonising a facility like Iona while continuing to provide the reliability our customers and the energy system depend on.

As we expand our storage capacity and explore projects for firming capacity, our reported operational emissions are likely to/will increase in the coming years. We believe that our growth projects will help provide the reliable and flexible energy storage the energy system needs to firm variable renewables generation, allowing more renewables to come online and supporting a smoother transition away from coal generation. Over time, we see that this will deliver a greater reduction in system-wide emissions, and that is where Lochard can make its most important contribution to a lower carbon future.

Building Resilience for the Future

Projects such as HUGS, H2RESTORE, Energy Reserve 1 and our early work with renewable fuels are logical extensions of what we do best: providing secure, flexible storage to support energy system reliability. This year we achieved a major HUGS milestone with the successful completion of two wells in the Mylor field. Delivered ahead of schedule and under budget, with better-than-expected reservoir outcomes, this was a strong demonstration of Lochard's project delivery capability. Importantly, it was achieved with excellent safety

performance and strong support from the local community.

Our recent refinancing has secured our long-term financial security, ensuring that we can continue to explore growth opportunities at Iona while ensuring long-term sustainability and commercial resilience of Lochard Energy.

The challenges of the energy transition will demand tough choices, but we face them with confidence in our strategy and in our people. I thank our Board for its support, and all Lochardians for the expertise and commitment that allow Lochard to serve both our customers and our communities.

"We are prioritising action over aspiration, by cutting emissions at the source and progressing projects to support renewables usage growth and decarbonisation of the energy system."

Timothy Jessen

Chief Executive Officer, Lochard Energy



FY25 Performance Highlights

Climate Change

- Lochard is on track to achieve 25% reduction in Scope 1 & 2 emissions by 2026 from base year FY22
- \$5.38M in-plant methane abatement project investment decision achieved

Our People

- Zero lost-time injuries, licence breaches or major safety or environmental incidents
- 220 people invested ~26,000 total work hours in Iona shutdown
- 35 attendees at Annual HSE Contractor Forum
- 71% employee engagement score (+ 2% v FY24; +1% industry benchmark)
- 11 employees completed Lochard Future Leaders program

Cleaner Energy Transition

- Milestone 1 and 2 of the H2RESTORE Feasibility Study completed
- Strong international and domestic engagement and learning in hydrogen storage and biomethane opportunities
- A contributing lead author to the International Energy Agency's (IEA) report on underground hydrogen storage

Our Environment

- Zero major environmental events, prosecutions or fines
- ~\$300 raised from container recycling donated to Timboon Primary School

Our Organisation

- 100% of planned Lead and Assure audits completed with all targets met
- Zero whistleblowing incidents raised and no reported instances of modern slavery in our operations or supply chain

Local Community (Iona)

- \$75,000 gifted to community initiatives (+ \$21,908 v FY24)
- \$10.82M spend on local employees (+ \$1.91M v FY24)
- \$8.16M paid to local suppliers and contractors (+ \$4.01M v FY24)

Our Responsibility

- Zero missed nominations and all customer delivery obligations met
- Zero compromises of sensitive data during external cybersecurity penetration testing
- 100% of employees completed cybersecurity training

About Us

Lochar Energy is a provider of critical infrastructure to the Australian energy market with a clear vision to be the partner of choice for Australia's energy industry. We operate Iona, a critical gas storage asset, that supports energy system reliability and helps enable the integration of renewable generation by providing 'back up' energy supply and delivery of a lower-emissions energy future by supporting the move away from coal generation. Iona helps ensure reliability and security of supply while offering flexibility to meet the needs of energy producers, retailers and industrial users.

Quick Facts

- Lochar Energy founded in 2015
- Operator of Iona Gas Storage Facility (IGSF)
- 570 TJ/day withdrawal capacity
- Serving the East Coast gas market
- Major projects: HUGS, H2RESTORE Feasibility Study, ER1



Our Vision

We will be the partner of choice to the Australian energy industry.

Our Purpose

We provide energy services to support a lower carbon future.

Our Values

Guided by principles of integrity and performance, our values are: safety first, operationally outstanding, customer focused, united team, trust, and leadership.

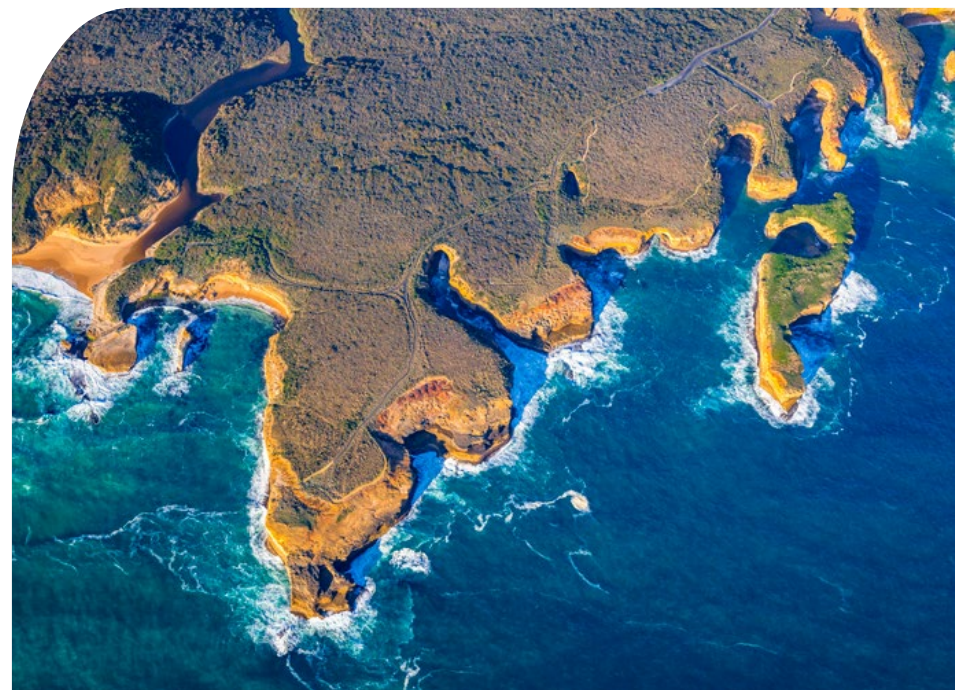
Section 02

Our Approach to ESG



Overview

Lochard's ESG approach focuses on the issues that matter most to our stakeholders and business. These priorities shape strategy, decision-making and reporting. They reflect our role in helping enable a reliable, lower-emissions energy system, operating safely and working with the communities where we operate. We pursue these outcomes within a framework of operational excellence, commercial viability and long-term value creation for investors.



Material Topics

Three Priorities

Climate change, local community, and cleaner energy transition.

Four Fundamentals

Environment, people, organisation, and responsibility.

These topics build on the materiality assessment first undertaken in FY22 and are reviewed annually to ensure they continue to reflect stakeholder expectations and business priorities.



Our Journey So Far

Key milestones that reflect our evolving role in Australia's energy transition.



2015

Acquired Iona Gas Storage Facility, Victoria's largest underground gas storage asset and established Lochard Energy

2018

Launched new energy transition enablement strategy

2021

Adopted Carbon Abatement Plan; developed H2RESTORE project concept and commenced Feasibility Study

2023

Set targets for net zero Scope 1 and 2 Emissions by 2045 and 25% emissions reduction from FY22 by 2026

2025

Commenced Iona methane abatement project

Our ESG Framework

Our ESG framework aligns the priorities of climate, community and cleaner energy transition with the fundamentals of our environment, our people, our organisation and our responsibility.

Focus: Sustainability issues that are elevated for specific focus, beyond the baseline

Climate Change

Strive to ensure we manage our contribution to the causes of climate change (particularly through our emissions commitments), and the physical and transition risks it presents to our business.

Strategic Rationale:

Mitigate climate risk, preserve social license to operate.

Local Community

Strive to ensure positive relations with, and outcomes for, our local communities, including local employment, indigenous engagement and cultural heritage protection, land access and preservation.

Strategic Rationale:

Preserve social license to operate, manage community risk.

Cleaner Energy Transition

Helping to enable a smooth transition to a cleaner energy future by driving innovation in low carbon storage and renewable firming technologies.

Strategic Rationale:

Mitigate transition risk; capture commercial opportunity of the transition.

Fundamentals: Sustainability issues that are critical to ensure a baseline of responsible practice

Our Environment

- Minimise risks to human health and the environment

Our People

- Diversity, Equity and Inclusion
- Workplace Health and Safety

Our Organisation

- Ethical decision making
- Risk management
- Reporting and disclosure
- Compliance

Our Responsibility

- Maintain reliability and deliver to customers
- Maintain physical and cyber security
- Protect our core asset

Section 03

Navigating the Energy Transition



Our Strategy for the Energy Transition

Lochard supports Australia's energy transition by seeking opportunities to invest in infrastructure that delivers system reliability and can support decarbonisation across the energy industry. Our four strategic pillars each contribute to this goal.



Our Strategic Pillars

Underground Gas Storage

helps manage increasingly sharp demand surges as variable renewable generation grows.

Underground Hydrogen Storage focuses on the next horizon of long-duration energy storage to enable deep decarbonisation.

Renewable Fuels extend the life and value of existing infrastructure, while reducing emissions in hard-to-abate sectors.

Generation and Firming projects provide dispatchable capacity that keeps the energy system reliable when renewable output fluctuates.

Strategic Pillars

01.

Underground Gas Storage

Our Iona Gas Storage Facility plays a pivotal role in Victoria's energy system, with capacity to supply up to 45% of peak winter gas demand.

Contribution to energy transition:

Today, and as renewable generation grows, gas storage provides the flexibility needed to help balance supply and demand, including when the sun isn't shining or the wind isn't blowing.

What we're doing:

Iona currently has capacity to provide 570 TJ/d to the East Coast Gas Market, supporting system reliability. The HUGS project will add a further 45 TJ/d of capacity, taking our capacity to 615 TJ/d. The HUGS project is well progressed and tracking towards completion by the end of 2026.

02.

Underground Hydrogen Storage

Lochard is progressing a feasibility study to test the potential of storing hydrogen in depleted gas reservoirs.

Contribution to energy transition:

We believe that underground hydrogen storage can provide reliable, flexible supply of cleaner fuel across sectors, enabling deeper integration of renewables by helping manage fluctuations in renewable energy generation.

What we're doing:

Lochard Energy is undertaking an 18-month \$6.2m Feasibility Study, co-funded by ARENA, to investigate the technical and commercial viability of storing hydrogen in underground existing depleted gas reservoirs¹. This is due to complete in November 2025.

The H2RESTORE Project aims to commercialise the storage of hydrogen in existing depleted gas reservoirs. Large scale underground hydrogen storage may assist in a reduction in the cost of producing hydrogen by utilising low-cost electricity, likely generated during times of high renewable generation and low demand.

03.

Renewable Fuels

Lochard is exploring opportunities in renewable fuels such as biomethane with the aim of extending the life of existing infrastructure and helping reduce emissions in hard-to-abate sectors. Renewable fuels complement renewable electricity by offering a cleaner substitute for industries that continue to rely on gas.

Contribution to energy transition:

Renewable fuels can diversify energy supply and provide lower-carbon options for sectors where electrification is challenging.

What we're doing:

We are engaging with developers of biomethane projects in the early stages and contributing to policy discussions on renewable fuel frameworks. In FY25, our GM Development also visited Europe to examine market, regulatory and technology developments, positioning Lochard to capture emerging opportunities.

04.

Generation and Firming

Firming capacity is essential to balance variable renewable generation and ensure reliable supply. By investing in dispatchable energy and hybrid storage options, Lochard can help stabilise the grid and support Australia's transition to a lower-emissions energy system.

Contribution to energy transition:

Firming solutions smooth out renewable variability, improving grid stability and enabling greater renewable penetration.

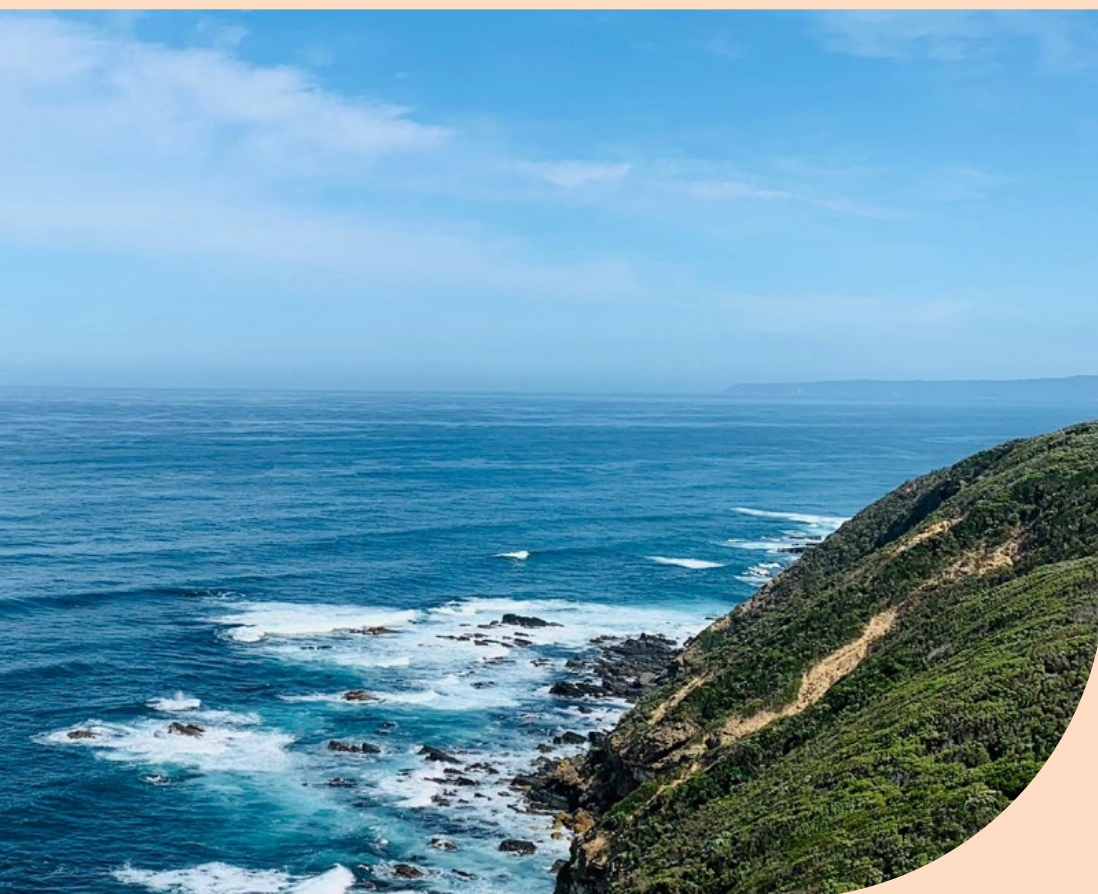
What we're doing:

In FY25 we received our Development Licence for the Energy Reserve 1 project, a combined GPG and BESS development near Winton in Victoria. Commercialisation discussions on this project and other opportunities are in progress.

¹ This project received funding from the Australian Renewable Energy Agency (ARENA) as part of ARENA's Advancing Renewables Program. The views expressed herein are not necessarily the views of the Australian Government, and the Australian Government does not accept responsibility for any information or advice contained herein.

Risks and Opportunities

Understanding risk and opportunity is central to Locharn's role in a changing energy landscape. Our ability to support the energy system depends on anticipating and responding to challenges, including climate change, evolving regulation and shifts in energy markets.



Climate-Related Risks

Time horizon	Type	Description
Short term	Physical risk	Bushfires pose the greatest physical climate risk to Iona. Preventative and responsive measures are in place and regularly reviewed.
Medium term	Emerging risks	Regulatory changes, market design and hydrogen standards are monitored, though these are not currently material.
Long term	Transition risk	Declining natural gas demand is expected to be a structural challenge. Long term customer contracts provide stability through the transition.

Climate-Related Opportunities

- Potential for underground hydrogen storage
- Supporting renewable firming solutions
- Supporting the development of renewable fuels
- Advancing carbon abatement and offset programs

Planning and Oversight

The Board, supported by the Audit and Risk Committee, oversees both physical and transition climate risks. These are managed within Locharn's Risk Management Framework, guided by a Board-approved Risk Appetite Statement.

How We Govern ESG

Good governance is central to Lochard's ESG approach. ESG risks and performance are overseen by the Board and leadership team, with responsibilities integrated into day-to-day management.

Oversight and accountability

- The CEO is responsible for ESG and climate risk, reporting directly to the Board.
- The Audit and Risk Committee provides governance on ESG risks and performance.

Leadership responsibilities are embedded across the business:

- General Manager, People, Safety and Sustainability leads the sustainability function
- Chief Financial Officer is responsible for Lochard's risk management framework
- General Manager, Iona oversees safety compliance through the Integrated Management System
- Responsibility for health, safety, environmental and social outcomes is shared by all employees and contractors

Frameworks and policies

Our ESG commitments are supported by available policies and are reviewed during onboarding and training, including:

- Health, Safety, Sustainability and Environment Policy
- Code of Conduct
- Workplace Behaviour Policy
- Site Safety Rules
- Environmental Improvement, Risk Management and Monitoring Policy
- Various IT and cybersecurity policies



Section 04

Our 2025 Performance



Focus: Climate change

Climate change is Lochard's most material ESG issue. Our response centres on reducing operational emissions at Iona, advancing carbon abatement projects and supporting Australia's energy transition through flexible storage and firming infrastructure. We actively manage both physical and transition risks to strengthen resilience and long-term performance.

Climate risks and opportunities are also factored into our financial planning and investment decisions.

Net Zero by 2045

Lochard has a Goal to achieve net zero Scope 1 and 2 emissions by 2045, with interim targets of a 25% reduction by 2026 and 50% by 2030, against a FY22 baseline. Our strategy prioritises direct abatement over offsets, supported by a review of Scope 3 emissions.

Our net zero by 2045 goal is aligned with Victoria's legislated target and consistent with Australia's national commitment to achieve Net Zero by 2050. We also note the Federal Government's September 2025 announcement of a new target of between 62 and 70% reduction in national emissions by 2035 which, while announced after this reporting period, is likely to inform Australia's trajectory to Net Zero.

Goal: Lochard Energy is Net Zero GHG Emissions by 2045

TARGET 1

25% reduction of GHG emissions by 2026

TARGET 2

50% reduction of GHG emissions by 2030

COMMITMENT 1

100% renewable electricity from 2024

COMMITMENT 2

Implement a comprehensive Leak Detection and Repair Program

COMMITMENT 3

Implement an internal carbon price of \$100/tCO₂-e

COMMITMENT 4

Develop a high-quality carbon offsets strategy

COMMITMENT 5

Undertake Electrical Compressor Screening Study

FY25 Outcomes

On track for 25% Scope 1 & 2 emissions reduction by 2026 (against FY22 baseline)

\$5.38M in-plant methane abatement project underway

100% renewable electricity usage since 2024

Emissions, Abatement and Offsets

- Our reported GHG emissions are consistent with NGERS boundaries, which cover Iona. Other projects are not yet operational and are therefore excluded.
- Methane is a material component of our emissions. At present, we report emissions in aggregate under NGERS and do not publish methane separately.
- At present, we do not publish Scope 3 emissions data. We are continuing to define our Scope 3 boundaries and methodology, with the aim of providing disclosures in future reports.

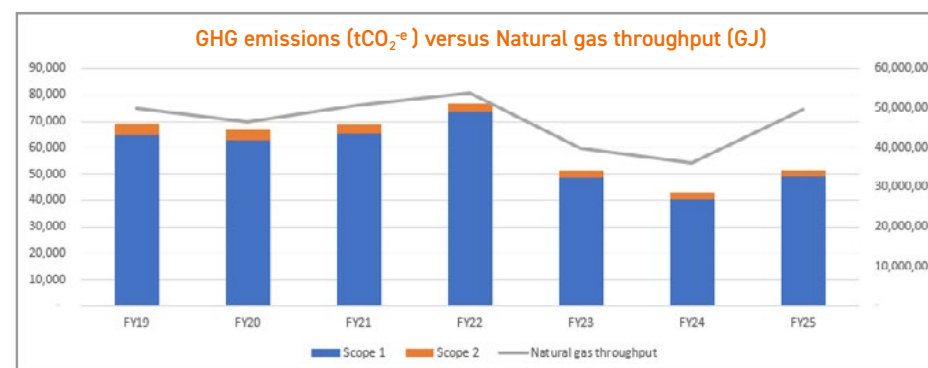
Carbon Abatement Program

A \$5.38 million nitrogen generator and emissions metering project is underway. Once complete, it is expected to cut in-plant emissions at Iona by around 5,000 tonnes of CO₂-e a year by replacing methane used for tank blanketing with nitrogen generated from renewable electricity. Assessment of further abatement initiatives is also progressing.

Offset strategy

Lochard has been maturing our understanding of carbon offsets since 2022. We now understand that offsets are a necessary but secondary tool, to be used only after all reasonable emissions avoidance and reduction measures have been exhausted. To reach net zero by 2045, high-quality offsets may be required from 2027, with an expected focus on Australian projects that generate carbon credits aligned with our purpose and community commitments.

	FY25 tCO ₂ -e	FY24 tCO ₂ -e	YOY CHANGE
Combustion	26,567	23,974	11%
Venting	9,208	5,625	64%
Flaring	4,755	5,024	-5%
Fugitives (non venting non flaring)	8,481	5,955	42%
Scope 2 Emissions - electricity	2,380	2,486	-4%
TOTAL	51,391	43,064	19%



GHG Emissions Explanatory Note: Iona began the purchase of 100% renewable electricity on 1 January 2024 which reduces Scope 2 emissions to near zero for FY25. Owing to NGERS reporting rule requirements, this has not been reflected in the data above although is expected to be reflected from FY26 onwards.

Focus: Local Community

Lochard's success is built on strong relationships with the Traditional Owners, schools, sporting clubs and community groups in and around the communities proximate to Iona. We also engage with suppliers, regulators and local agencies with the aim of our operations and projects delivering shared value. Our focus is on practical contributions that create lasting value, from reconciliation and procurement decisions to education pathways and local sponsorships.

In FY25, reconciliation was a highlight with our Innovate Reconciliation Action Plan endorsed by Reconciliation Australia. We also expanded First Nations procurement, welcoming Indigenous-owned suppliers across IT, safety, printing and catering.

Education and community partnerships included school visits to Iona, the Neil Porter Legacy Energy Industry Day, and support for local sport, recreation and wellbeing. Our ongoing sponsorship of the Warrnambool Women's Cycling Classic brought national media attention.

Together, these initiatives represent significant indirect economic impacts, with benefits flowing beyond our direct workforce to local suppliers, contractors, schools and community groups in the region.



Students from Timboon Secondary School's Vocational Major Program toured our Port Campbell site, learning about gas processing, career pathways and site operations.



Katelyn Nicholson takes out the 2025 Lochard Energy Warrnambool Women's Classic in record time.

FY25 Outcomes

\$75,000 gifted in community initiatives (+ \$21,908 v FY24)

\$10.82M invested in local employees (+ \$1.91M v FY24)

\$8.16M paid to local suppliers and contractors (+ \$4.01M v FY24)

FY25 v FY24 growth was largely driven by increased activity on the HUGS project. FY24 comparative data reflects the detailed economic value table in the FY24 report (employees \$8.91M; suppliers and contractors \$4.15M), which provided disaggregated figures rather than the combined summary figure presented elsewhere in that report.

Focus: Cleaner Energy Transition

Lochard is investing resources in storage, firming and hydrogen readiness to support Australia's energy transition. Our approach is to develop flexible infrastructure that complements renewable generation and helps maintain system reliability. We embed ESG considerations and support for decarbonisation into every new project.

In FY25 we progressed the HUGS project through key milestones including completing drilling ahead of schedule. We also advanced commercial modelling for future firming capacity and possible further expansion of Iona's capacity.

Our H2RESTORE program also moved forward with CSIRO and international partners, supported by ARENA funding. Engagement extended internationally through IEA forums on hydrogen storage and an executive visit to Denmark and Germany to explore biomethane.



FY25 Outcomes

2 European countries visited on renewable fuels delegation

Milestones 1 and 2 of the Feasibility Study into underground hydrogen storage completed, including supporting CSIRO's research

Engaged with key stakeholders and landholders on H2RESTORE

The H2RESTORE team shared early insights at 3 domestic and 3 international conferences

Fundamentals: Our Environment

We manage our operations with care for the environment and compliance with all relevant regulatory obligations. At Iona and our remote sites, Environmental Management Plans guide our approach to water use, biodiversity, air quality and waste. Our focus is on minimising impact, maintaining high standards and supporting local ecosystems and communities.

Lochard operates in the Otway Basin, an area of environmental and cultural significance. We manage biodiversity impacts through native revegetation, biosecurity controls and site rehabilitation programs. At Iona, we conduct ongoing site monitoring to safeguard habitats and heritage values.

All prescribed waste is managed by contractors licensed by the Victorian Environment Protection Authority, in accordance with our contractor management processes, supporting compliance with regulatory requirements. This year, waste management was strengthened through the introduction of a new reporting system, providing clearer visibility of volumes, costs and emissions across our operations.



FY25 Outcomes

Zero major environmental events, prosecutions or fines

145,000 litres of water returned to the aquifer during operations

100% of rainwater captured used on-site

351.6 tonnes of waste generated, with 3.4% recycled and 5.3% diverted

~\$300 raised from container recycling donated to Timboon Primary School

Fundamentals: Our People

Our people drive Lochard's success. We focus on safety, wellbeing and growth, reinforced through training, leadership programs and open communication.

Safety remains our highest priority. In FY25 we recorded zero lost time injuries, zero licence breaches and no major safety or environmental incidents. A major shutdown and drilling program were delivered without injury or environmental impact, and Iona secured a five-year unconditional license to operate from WorkSafe Victoria — a significant achievement for a major hazard facility.

We continued to invest in health and resilience programs delivering measurable wellbeing improvements. Our Employee Assistance Program use remained in line with industry benchmarks. Engagement initiatives such as the FIT program, Curious Connections, Lochard Learning Week and the celebration of International Women's Day strengthened connection across the workforce.

This year, we also introduced a partnership with Holbrook Health,

a consultancy based in Southwest Victoria. The team at Holbrook Health facilitated informative health workshops and one on one health consultations were made available to all Lochard employees.

Women represented 29% of our workforce, with half of the leadership team and 17% of the Board identifying as female. During FY25, Lochard participated in WGEA reporting for the first time. Our reported gender pay gap of 26.8% reflects the concentration of men in senior technical roles. Whilst work is under way to address the issue, we recognise the addressing the gender pay gap is a society-wide long-term endeavour in which incremental progress is more likely than a significant year-on-year improvement.



Celebrating our FIT program award winners which empowers operational improvements through recognition and development.



The Curious Connections program helped us to build meaningful relationships with each other.



Staff and contractors came together to share a meal and celebrate our diverse cultures at the Taste of Harmony BBQ.



We marked International Women's Day 2025 at the Heide Museum of Modern Art with a day of connection, learning and creativity.

FY25 Outcomes

Zero lost-time injuries, licence breaches or major safety incidents

100% of employees completed annual performance and development process

220 people invested ~26,000 total work hours in Iona shutdown

16.5% employee turnover rate (+3.5% v FY24)

35 attendees at annual HSE Contractor Forum

71% employee engagement score (+2% v FY24; +1% industry benchmark)

11 employees completed Lochard Future Leaders program

Extended 14 weeks of paid parental leave to all new parents

Fundamentals: Our Organisation

Lochard's governance framework supports ethical decision-making, effective risk management and transparent reporting. Our principles and values guide how we operate, providing for decisions to be made with honesty, integrity and respect for our people, customers and community.

Corporate governance and strategic direction are overseen by the Board, with the CEO and Leadership Team accountable for day-to-day operations. The Board Audit and Risk Committee meets regularly to oversee statutory reporting and risk management and supports the Board in its oversight role. Our Risk Management Framework, aligned with ISO 31000, is reviewed and updated annually to reflect evolving internal and external factors.

Clear expectations are set for employees, contractors and suppliers through our Code of Conduct and Supplier Code of Conduct. Our Whistleblowing Policy ensures concerns can be raised confidentially and without negative repercussion. We also published our annual Modern Slavery Statement under the Modern Slavery Act 2018 (Cth); no instances of modern slavery have been identified in our operations or supply chain.



Our people, contractors and suppliers are committed to upholding the highest standards of integrity.

FY25 Outcomes

100% of planned Lead and Assure audits completed with all targets met

Whistleblowing procedure maintained with no reports raised

No instances of modern slavery identified

Fundamentals: Our Responsibility

Lochard has a responsibility to safeguard the assets and systems that customers rely on. We focus on reliable delivery, robust cyber and physical security, and strong preparedness for potential emergencies.

In FY25, we successfully met all commercial and customer delivery obligations, maintaining high asset availability across our operations.

Our cybersecurity program is a priority, guided by the Australian Energy Sector Cyber Security Framework (AESCSF) which was implemented in August 2025. In FY25, we further strengthened our posture through an annual cyber security exercise, penetration testing, IT and OT upgrades, and a new training format to build staff capability across the business.

Preparedness was also tested through a bushfire emergency response exercise at Iona, conducted with the Department of Energy, Environment and Climate Action (DEECA), the Country Fire Authority (CFA), Fire Rescue Victoria (FRV) and Corangamite Shire Council. The drill reinforced emergency protocols and

regulatory compliance. Findings from emergency exercises are reviewed and incorporated into updated response plans, ensuring continuous improvement in preparedness.



We tested preparedness through major shutdown program and bushfire emergency response exercise.

FY25 Outcomes

All customer nominations met

Implementation of Australian Energy Sector Cyber Security Framework (AESCSF)

Zero high risk findings from external cybersecurity penetration testing

100% of employees completed cybersecurity training

Section 05

Annextures



Annexure 1 - Net Zero Pathway Definitions & Explanatory Notes

Definitions	
Goal	An ambition to seek an outcome for which there is no current pathway, but for which efforts will be pursued towards addressing that challenge, subject to certain assumptions or conditions.
Target	An intended outcome where we have identified one or more pathways for delivering that outcome, subject to certain assumptions or conditions.
Commitment	A task that we will undertake in service of our target, subject to Board approval.
Net Zero	Direct GHG emissions that occur from sources owned or controlled by a company (i.e. the combustion of natural gas with a compressor).
Scope 1 Emissions	Indirect GHG emissions from consumption of purchased electricity, heat or steam.
Scope 2 Emissions	Indirect GHG emissions from consumption of purchased electricity, heat or steam.
Scope 3 Emissions	Other indirect emissions (not included in Scope 2) that occur in the value chain of the reporting organisation, including both upstream and downstream emissions.

Annexure 1 - Net Zero Pathway Definitions & Explanatory Notes

Definitions	
Goal	Applies to Lochard Energy. Each asset will require targets and commitments aligned to the Goal, but at relevant pace. The Goal may be achieved earlier than 2045.
Targets 1 & 2	<p>Apply only to IGSF.</p> <p>Apply only to Scope 1 and Scope 2 emissions.</p> <p>Refer to GHG emission intensity, not absolute emissions.</p> <p>Base year is FY22.</p> <p>Offsets and renewable electricity can be used to reduce GHG emission intensity.</p>
Commitment 1	Purchasing 100% renewable electricity means either entering into a 100% renewable retail electricity contract or equivalent, and/or offsetting any emissions from imported electricity using a reputable scheme or offset.
Commitment 2	LDAR programs have been undertaken at IGSF previously. This program would be increasing the coverage and frequency of detection and repair in order to change Iona's NGERS methodology for reporting fugitive GHG emissions from using default factors to lower "non-leaker" factors.
Commitment 3	The CAP program will bring to the Board any Capital Project that reduces GHG emissions at a price less than the board approved internal cost of carbon. In the first instance this is A\$100 per tonne of CO ₂ -e per annum until 2040. This is a premium over the current cost of high quality ACCUs and is representative of our preference for in-plant abatement over offsets.
Commitment 4	Commencing a high quality offsets program means setting up an internal Project team to evaluate and recommend a potential strategy for investing in ACCUs (or equivalents) and/or ACCU generating projects (i.e. regeneration projects or tree plantations).
Commitment 5	A screening study would review, at a high-level, costs associated with purchasing and installing electrical compression, associated plant upgrades and the electrical network to Iona. It would also review operational cost, risks and opportunities associated with the project.

Annexure 2 - GRI Index

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organisational details	Page 9 (About Us)
	2-3 Reporting period, frequency and contact point	Page 4 (About This Report)
	2-4 Restatements of information	Page 21 (Focus: Climate Change)
	2-6 Activities, value chain and other business relationships	Page 9 (About Us)
	2-7 Employees	Page 26 (Fundamentals: Our People)
	2-22 Compliance with laws and regulations	Page 28 (Fundamentals: Our Responsibility)
	2-29 Approach to stakeholder engagement	Page 23 (Focus: Local Community)
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 12 (Material Topics)
	3-2 List of material topics	Page 12 (Material Topics)
	3-3 Management of material topics	Page 14 (Our ESG Framework) Page 19 (How We Govern ESG) Page 20-28 (Our 2025 Performance)
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	Page 23 (Focus: Local Community)
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 22 (Emissions, Abatement and Offsets)
	305-2 Energy indirect (Scope 2) GHG emissions	Page 22 (Emissions, Abatement and Offsets)
	305-5 Reduction of GHG emissions	Page 21 (Focus: Climate Change) Page 22 (Emissions, Abatement and Offsets)

Annexure 2 - GRI Index

GRI Standard	Disclosure	Location
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Page 25 (Fundamentals: Our Environment)
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 26 (Fundamentals: Our People)
	401-3 Parental leave	Page 26 (Fundamentals: Our People)
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 26 (Fundamentals: Our People)
	403-2 Hazard identification, risk assessment, and incident investigation	Page 28 (Fundamentals: Our Responsibility)
	403-3 Occupational health services	Page 23 (Focus: Local Community)
	403-5 Worker training on occupational health and safety	Page 12 (Material Topics)
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 12 (Material Topics)
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Page 14 (Our ESG Framework) Page 19 (How We Govern ESG) Page 20-28 (Our 2025 Performance)
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 23 (Focus: Local Community)
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 22 (Emissions, Abatement and Offsets)
	405-2 Ratio of basic salary and remuneration of women to men	Page 22 (Emissions, Abatement and Offsets)
<i>GRI 418: Customer Privacy 2016</i>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 28 (Fundamentals: Our Responsibility)
<i>GRI 11: Oil and Gas Sector 2021</i>	11-1 GHG emissions	Page 22 (Emissions, Abatement and Offsets)
	11-2 Climate adaptation, resilience, and transition	Page 15-19 (Navigating the Energy Transition) Page 21 (Focus: Climate Change)
	11-4 Biodiversity	Page 25 (Fundamentals: Our Environment)
	11-8 Emergency preparedness	Page 26 (Fundamentals: Our People) Page 28 (Fundamentals: Our Responsibility)