Corporate Plan 2025-26

Contents

Acknowledgement of Country

The CEFC acknowledges the Traditional Owners and Custodians of this land, and we pay our respects to all Elders, past and present. We recognise and celebrate their deep and continuing connections to Country, skies, seas and waters.

1 | Introduction

Statement of preparation

The Board, as the accountable authority of the Clean Energy Finance Corporation (CEFC), presents the 2025-26 Corporate Plan, covering the four financial years commencing on 1 July 2025, as required under paragraph 35(1)(a) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act).

Steven Skala AO

Chair
Clean Energy Finance Corporation

2 | Purpose

Purpose

Our purpose, set out in section 3 of the Clean Energy Finance Corporation Act 2012 (CEFC Act) is:

"To facilitate increased flows of finance into the clean energy sector and to facilitate the achievement of Australia's greenhouse gas emissions reduction targets."

We deliver our purpose by:

1. **investing in renewable energy, energy efficiency and low emissions technologies** with the aim of delivering a positive return for taxpayers across our portfolio. Our finance is delivered through the investment portfolios and funds that are set out in the *Clean Energy Finance Corporation Investment Mandate Direction 2023 (Investment Mandate); and*

2. **collaborating with industry, stakeholders and government to further support national decarbonisation objectives**, including building market awareness about decarbonisation opportunities and contributing to the development and use of relevant standards and transparency.

About us

The CEFC is Australia's specialist climate investor, helping cut emissions in the race towards net zero by 2050. We invest in the latest technologies to generate, store, manage and transmit clean energy.

Our discounted asset finance programs help put more Australians on the path to sustainability, in their homes and on the road. CEFC capital is also backing the net zero transformation of our natural capital, infrastructure, property and resources sectors, while providing critical capital for the emerging climate tech businesses of tomorrow. With access to more than $32 billion from the Australian Government, we invest to deliver a positive return for taxpayers.

Our values

Our values explain how we approach our work and guide the way we deliver on our purpose.

Impact We're driven to make a positive impact

Collaboration We harness the power of many

Integrity We work openly and honestly

Innovation We're explorers of new frontiers

2 | Purpose

About our capital

With access to $32.5 billion of investment capital from the Australian Government, we invest to deliver a positive return for taxpayers.

$32.5b

CEFC investment capital

Our investments are solely or mainly Australian-based. We invest both debt and equity across three eligible technologies:

- Renewable energy
- Energy efficiency
- Low emissions

Our finance is delivered through the investment portfolios and funds that are set out in the Investment Mandate.

$11.5b

CEFC General Portfolio

Leads investment in renewable energy, storage, electric vehicles, property, natural capital and more

$1b

Household Energy Upgrades Fund

Focused on helping homeowners fast track their transition to cheaper, cleaner energy and sustainability

$300m

Advancing Hydrogen Fund

Supports development of clean, innovative, safe and competitive Australian hydrogen industry

$19b

Rewiring the Nation Fund

Spearheading investment in transmission infrastructure, long-duration storage, electricity networks

$500m

Powering Australia Technology Fund

Backs the development and commercialisation of climate tech businesses

$200m

Clean Energy Innovation Fund

Specialist climate tech venture capital investor, focused on emerging technologies and businesses

3 | Our Environment
Clean energy sector overview

From Clean Energy Council Clean Energy Australia 2025 Report

Investment

In calendar 2024, we saw a considerable increase in investment commitments to large-scale renewable energy generation – a 500 per cent uptick from $1.5 billion in 2023 to approximately $9 billion in 2024. That is the highest single year of new financial commitments to large-scale generation since the boom of 2018 ($8.4 billion). When combined with utility scale storage investment commitments, 2024 saw the largest wave of clean energy investment in Australia's history.

This reflects improving economic conditions after multiple years of high inflation increased the costs of financing, technologies, materials and labour. It also reflects the improving policy landscape for clean energy in Australia, with transmission build underway and a clear commitment – through the expansion of the Capacity Investment Scheme (CIS) – to support 23 GW of large-scale generation and 9 GW of storage into the market by 2030.

Capacity

Combined large-and small-scale capacity that commenced generation in 2024 was approximately 5.2 GW, down on 5.9 GW in 2023. This was comprised of 3.2 GW of rooftop solar and 2 GW of utility scale capacity.

The story for new large-scale generation connected to the grid in 2024 is more mixed, with 2 GW of capacity added, down on 2.8 GW in 2023. Approximately 1.3 GW came from large-scale solar and 836 MW from wind – both down on 2023 (1.9 GW and 942 MW respectively). Many of the headwinds for large-scale energy projects remain from recent years, including slow planning and environmental assessment processes in some jurisdictions, higher costs and tighter markets for equipment and labour.

Looking Forward

According to forecasts by the Australian Energy Market Operator in its 2024 Integrated System Plan, Australia will need to add approximately 6 GW of utility scale generation each year by 2030 to ensure retiring coal generation is being replaced. The 2024 total of 2 GW represents solid progress but clearly is significantly below the rate required, though the increase in projects reaching financial close (as a leading indicator) is cause for optimism that this level of development is achievable.

3 | Our environment

The environment in which we operate influences how we deliver our purpose of increasing the flows of finance into the clean energy sector and facilitating the achievement of Australia's greenhouse gas reduction targets. There are many factors that influence the achievement of Australia's emission reduction targets, and many of these are outside the scope of our activities.

There are three key factors that influence our strategy in delivering our purpose:

1. The CEFC Act and Investment Mandate
2. Australia's emissions reduction targets
3. Market opportunities to invest

3 | Our environment

1 CEFC Act and Investment Mandate

The CEFC Act sets out the parameters within which we invest and operate. Most notably, the CEFC Act establishes the following investment parameters:

- Investments must only be made by way of acquisition of financial assets and, as such, the making of grants is not within the scope of our operations;
- Investments must be in one of the three clean energy technologies – renewable energy, energy efficiency and low-emission;
- Investments must be solely or mainly Australian-based; Investments must not be in a prohibited technology – carbon capture and storage, nuclear technology or nuclear power; and
- At any time after 1 July 2018 at least half of the funds invested are invested in renewable energy technologies.

Further, the CEFC Act provides that the responsible Ministers may give the Board directions about the performance of the CEFC investment function through the issuances of the Investment Mandate that may set out policies to be pursued by the CEFC including, but not limited to, matters of risk and return, technologies, projects and businesses that are eligible for investment, the allocation of investments between various classes of clean energy technologies and making of investments on concessional terms.

The Investment Mandate in force at the commencement of this Corporate Plan provides direction in relation to the investments made under each of the portfolios and funds which include, the General Portfolio, the Rewiring the Nation Fund, the Household Energy Upgrades Fund, the Powering Australia Technology Fund, the Clean Energy Innovation Fund and the Advancing Hydrogen Fund.

The Investment Mandate provides directions in relation to the risk and return settings for the funds and portfolios as well as outlining focus areas for the investment activities including:

- to unlock greater penetration of renewable energy and accelerate decarbonisation of Australia's electricity grid, while considering the potential impacts on reliability and security of electricity supply;
- support the deployment of clean energy technologies in Australian industry;
- support the development of clean energy manufacturing and processing capabilities in Australia;
- support technologies and projects to assist Safeguard Mechanism facilities to reduce their emissions, consistent with Australia's national trajectory to net zero and while supporting their international competitiveness;
- support greater uptake of clean energy technology measures in residential dwellings.

3 | Our environment

2 Australia's emissions reduction targets

Australia has legislated targets of a 43% reduction in emissions in 2030 compared with 2005 and net zero emissions by 2050. Australia's emissions projections show that the electricity sector is critical, with over 80 per cent of projected annual emission reductions in 2023 coming from this sector. To realise this, there needs to be a significant increase in investment and deployment of renewable energy and storage both at utility scale and in households, complemented with investment in electricity grid infrastructure to deliver a modern electricity system. This is the focus of the Rewiring the Nation Fund.

Outside of the electricity supply sector, implementation of energy efficiency technologies and practices is critical to helping reduce energy costs and emissions in industry and in households. Further emission reductions can be achieved through electrification and fuel switching. To this end, energy efficient all electric homes are a key focus of the Housing Energy Efficiency Upgrade Fund. Investing in natural capital assets and replacing internal combustion engine vehicles with electric vehicles are additional pathways to emissions reduction.

Our role includes working with the private sector to implement measures to accelerate the uptake of renewable energy and electric vehicles, investing in new clean energy technologies and industries, and working with other government agencies and stakeholders to identify solutions to deliver and accelerate the transition.

3 Market opportunities to invest

As an investor with a public policy purpose, remaining agile and responding to market conditions is critically important. Our role includes helping to develop new markets, building investor confidence, and crafting tailored and innovative investment solutions to drive down emissions, in support of Australia's broader strategy to tackle climate change. Equally, we recognise that our investment activities are just the start of what is required – while the size of the investment requirement is seismic, so too are the opportunities.

To understand where the opportunities for investment are and to help address barriers when they arise, we have teams with specific technology and sector focus areas that are actively engaged with sponsors, investors, government agencies and regulators. To this end, where we can help regulators, policy makers or other investors, we do. Our objective is to facilitate investment in Australian businesses and projects that deliver economic benefits and emissions reduction benefits.

4 | Strategy, activities and performance

Strategic framework

*Our **purpose** is delivered through living our **values** as we go about our **key activities,** focussing our **Investment Funds and Portfolios** on the three **investment priority** areas that will deliver **outcomes.***

Purpose

To facilitate increased flows of finance into the clean energy sector and the achievement of Australia's greenhouse gas emissions reduction targets

Values

Impact	Collaboration	Integrity	Innovation

Key Activities

1 | Deploy capital across our investment portfolios and funds to drive emission reductions

2 | Harness CEFC's role as a leader to drive emission reductions beyond our investments

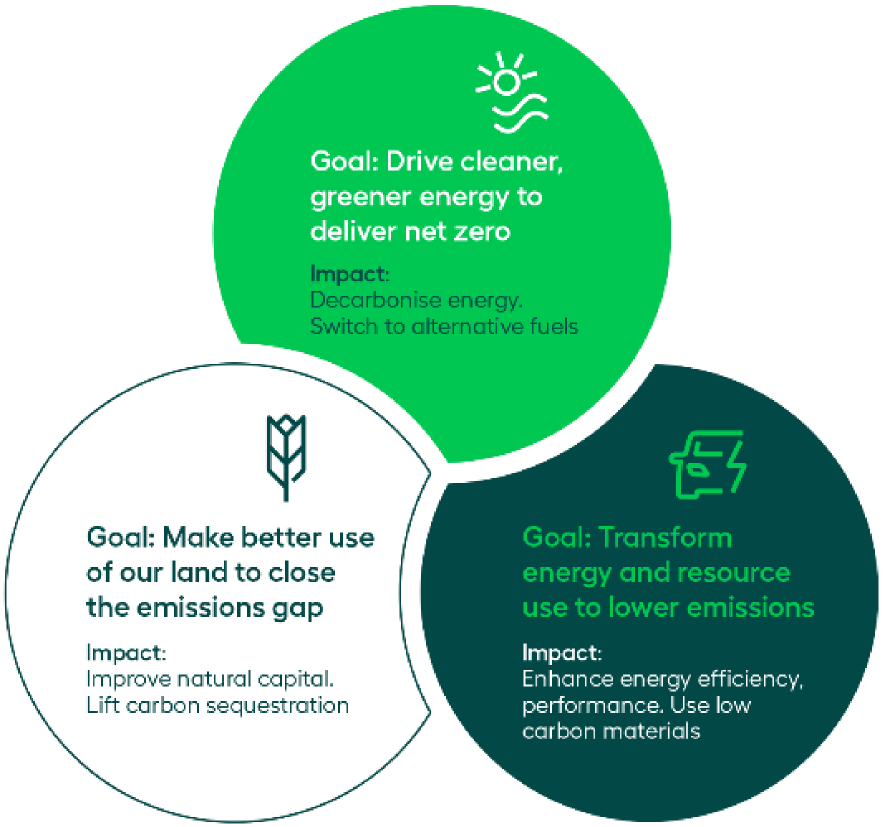
Investment Priorities

1 Drive cleaner, greener energy to deliver net zero	2 Transform energy and resource use to lower emissions	3 Make better use of our land to close the emissions gap
○ Build out the electricity grid ○ Significant increase in renewable energy generation and large-scale storage ○ Back the renewables supply chain	○ Drive electrification and energy performance ○ Encourage fuel switching and electric vehicles ○ Back low emissions design solutions ○ Invest in low emissions supply chains	○ Invest in low emission agriculture ○ Identify and promote sustainable land use solutions ○ Accelerate land-based carbon sequestration ○ Support carbon markets, the Safeguard Mechanism and voluntary markets

Outcomes

Investment Funds and Portfolios

- General Portfolio
- Clean Energy Innovation Fund
- Powering Australia Technology Fund
- Rewiring the Nation Fund
- Housing Energy Upgrade Fund
- Advancing Hydrogen Fund



Drive cleaner, greener energy to deliver net zero

We will invest in green energy and transmission to help homes and businesses access clean, reliable electricity and fuel for as many of their essential activities as possible. This includes heating and cooling, cooking, making things, moving people and products around.

Transform energy and resource use to lower emissions

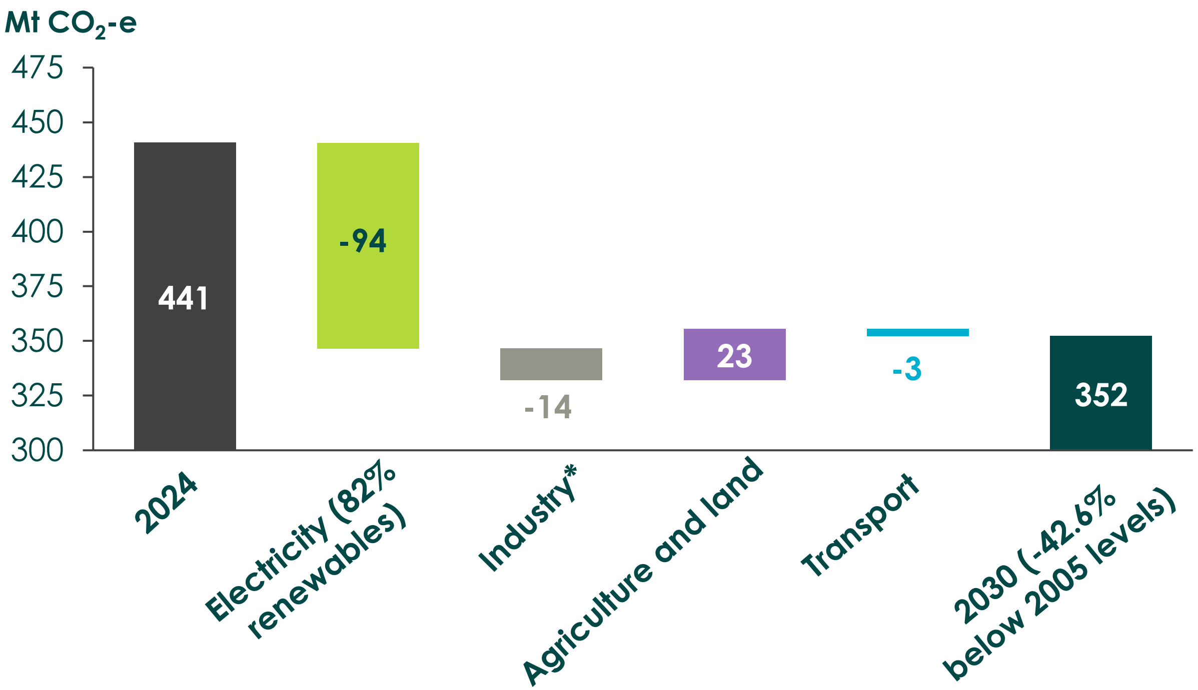
Energy efficiency and smart energy performance are key elements to the achievement of Australia's abatement ambitions. We will help Australian homes and businesses electrify, as well as reduce their energy demand for both electricity and fossil fuels. We will support fuel switching from alternative sources such as green hydrogen and biofuels. We will also support the uptake and integration of electric vehicles, along with accessible recharging, reduce demand for emissions intensive products and facilitate recycling and the circular economy.

Make better use of our land to close the emissions gap

Land use is responsible for a significant portion of Australia's greenhouse emissions, predominantly from agriculture, land use change and operations including transport. Unlike other sectors, it cannot be easily 'greened' as our electricity grid decarbonises. However, it has the potential to be our most effective carbon sink with enormous sequestration potential to create 'negative emissions' and help Australia achieve its net carbon abatement ambitions. The marine environment, while a longer dated opportunity, has similar potential.

4 | Strategy, activities and performance

Projected change in emissions from 2024 to 2030 in the baseline scenario



Source: *Australia's emissions projections 2024*, DCCEEW.

*Note: Industry is a simplification, combing stationary energy (largely gas & diesel use), industrial processes, fugitives and waste.

Our investment priorities align with the sources of emissions reduction as identified in Australia's emissions projections 2024. Most notably, our strong focus on the electricity sector, both generation and network infrastructure, is designed to help Australia realise the emission reduction forecast in this critical area. Similarly, our focus on energy and resource use, will help deliver the projected emissions reductions in industry and transport while our investments in land use will help to reduce emissions in an area that is currently projected to grow through to 2030.

4 | Strategy, activities and performance

Key strategic activity	Measures	2025-26 target	Expected outcomes
Deploy capital across our investment portfolios and funds to drive emission reductions	Adjusted operating result*	*$220 - $240m*	Deliver returns consistent with the Investment Mandate
	Total capital committed, excluding RTN ($b)	*$1.9 - $2.3b*	Increased supply of renewable energy in Australia and lower emissions across the broader Australian economy
	Development and demonstration of the first phase of a deliberate strategic capital recycling program	*Board evaluation*	
	Mt estimated emissions reduction pa	*0.18 – 0.23 Mt*	
	TWh of expected annual output of new capacity financed	*2.3 – 2.8TWh*	
	Reach contractual close on 2 to 3 RTN Projects. (This excludes projects that reached commercial commitment in the 2024-25 year)	*2 - 3*	
Harness CEFC's role as a leader to drive emission reductions beyond our investments	Evidence of industry leadership and innovation that positively contributes to Australia's emission reductions targets.	*Board evaluation*	Industry, consumers and regulators are better informed to implement measures that positively contribute to emissions reductions.

* Adjusted operating result = Operating Result adjusted for (1) concessionality, (2) loan modification charges, (3) bond revaluations, (4) Innovation Fund revaluations, (5) statistical impairment provision raised on RTN transactions where there is a material timing difference between income recognition and the provision raising, (6) gains and losses on asset disposals undertaken for strategic capital recycling purposes, (7) interest on bank accounts and (8) administrative funding from government.

5 | Capability

Our ability to deliver on our objectives relies on our success in leveraging our existing capabilities and building on our strengths for the future.

Leveraging our market strengths

Significant pool of capital

We will continue to harness our extensive expertise to effectively deploy capital to achieve Australia's emissions reduction targets. We are entrusted with $32.5 billion of capital to invest across the funds and portfolios set out in our Investment Mandate.

Investment and structuring expertise

With a robust investment track record, we continue to prove our ability to execute market-leading clean energy transactions. We have developed and we continue to evolve our investment and technology expertise, vital to delivering our strategic priorities, filling market gaps, and providing market liquidity. We will continue to utilise our solutions-based investment capabilities to deliver capital and knowledge.

Commercial rigour

In pursuing our strategic priorities, we are pragmatic in managing our portfolios and funds as we target the relevant benchmark rates of return for those portfolios and funds.

Trusted brand, strong relationships

We use our leadership and influence to accelerate decarbonisation initiatives where they will have the greatest impact. This means working with clients and stakeholders across industry and Government to spur action via the right investments and policy settings. We also help build understanding about market trends, opportunities and gaps, supported by our own external market analysis. We recognise that our influence can have more widespread emissions abatement outcomes beyond our direct investments.

Flexibility on risk and return

To deliver on our purpose, we can take higher risk or lower returns to incentivise market change and catalyse abatement activities. We use this lever flexibly and effectively, investing to optimise the overall risk / return for Australian taxpayers and energy consumers who ultimately bear the risk and cost. In parallel, we acknowledge that some longer-term abatement requires significant grant funding, as well as regulatory and legislative change. We work with National, State and Territory Governments to increase understanding of these needs and, where possible, co-develop solutions.

5 | Capability

Leveraging our cultural strengths

Culture

Our values explain how we approach our work: we're driven to make a positive impact, we collaborate to harness the power of many, we work openly, honestly and with integrity, we embrace innovation to face challenges and opportunities with confidence. All members of the CEFC team and Board play a role in delivering on our strategic priorities, drawing on their broad commercial expertise, deep market knowledge and shared commitment to helping Australia achieve its emissions reduction targets.

Leadership and influence

We value and encourage our people to lead and influence the market, industry and governments in "the race to the top": rewarding these activities alongside investment-specific achievements around commitments and investment returns.

Resourcing

Our near term and longer-term strategic ambitions provide new career opportunities for our people. We adopt a disciplined approach in aligning our resourcing needs with our strategic priorities. This means we leverage the opportunities for our people and build our organisation with new skill sets as our role evolves.

Vision 35

We have established our own Vision 35 that seeks to identity and shape our longer-term focus on areas that require attention now to unlock investment opportunities before 2035. This initiative has a strong initial focus on unlocking distributed energy resources.

Diversity, Equity and Inclusion

We recognise the critical role of diverse experiences; skill sets and points of view in achieving our strategic ambitions. We actively promote and encourage an inclusive workplace culture where new ideas and creative solutions can flourish. This ensures that we can harness the full capability and capacity of our people to solve market related challenges and to lead change in our sector.

Reconciliation Action Plan (RAP)

We are committed to advancing Reconciliation with First Nations people in Australia. We recognise that the participation of Aboriginal and Torres Strait Islander peoples is important in achieving a just and equitable transition to a net zero emissions economy. Our Innovate RAP will continue to focus on developing and strengthening relationships with First Nations people, engaging staff and stakeholders in reconciliation, and identifying opportunities to empower Aboriginal and Torres Strait Islander people to participate in and benefit from the energy transition.

6 | Risk oversight and governance

Implementation of sound risk management practices throughout the organisation increases the certainty that our purpose will be achieved. Risk management is not a distinct and separate activity. It is embedded within our policies, procedures and practices that influence the decisions we take in the pursuit of our purpose. We accept appropriate levels of risk necessary to achieve our purpose, but the CEFC does not accept risks that compromise the organisation's integrity.

Risk oversight

The Board is ultimately responsible for the organisation's risk management activities. To assist in overseeing these functions, various sub-committees have been established including the Audit and Risk Committee, People and Culture Committee and RTN Investment Advisory Committee. These committees work in conjunction with various executive level committees, including the Executive Risk Committee, Executive Investment Committee, Joint Investment Committee (with ARENA) for the CEIF, Growth Capital Investment Committee and Asset Management Committees.

Risk management framework

Our risk management framework establishes how we identify, assess, monitor and manage material risks throughout the organisation, both financial and non-financial. Various systems, policies, processes, people and structures employed throughout the organisation contribute to the risk management of our investments and the Corporation. Material risks are assessed with reference to their potential impact on the CEFC. Such assessment considers the financial, operational, safety and reputational consequences of the risk combined with the probability of occurrence.

Risk appetite

The Board has articulated the organisation's risk appetite through the CEFC's Risk Appetite Statement. The risk appetite defines the type and amount of risk we accept in the pursuit of the organisation's objectives. This has been established for material portfolios and funds along with risks inherent in the business operations. Appropriate risk limits and policies have been approved by the Board which are regularly monitored by management and the Audit and Risk Committee.

Risk culture

Establishing and maintaining a culture where sound risk management is valued and promoted throughout the organisation continues to be a critical enabler of effective risk management. Our Values and the Code of Conduct and Ethics set the standards of behaviour we require of our people. The CEFC's culture encourages people to be proactive in identifying and reporting issues so that they may be mitigated and addressed in a timely manner.

6 | Risk oversight and governance

Three lines of defence

Consistent with the operating models adopted throughout the financial services sector we operate a "three lines of defence" model.

First line of defence is the business

Primary responsibility for the identification and management of risk rests with the business. Staff are required to identify, analyse, mitigate, monitor and report risks as part of their day-to-day activities. Investment teams, in particular, play an important role in the first line of defence for the CEFC as they typically are the first to identify and assess potential opportunities.

In practice, the first line plays an important role in structuring transactions so that risks are both identified at an early stage and mitigated, where possible.

Second line of defence is the independent credit, risk and compliance team. Led by the Chief Risk Officer

The Chief Risk Officer (CRO) leads the credit, risk and compliance team, which forms the second line of defence. This team develops the organisation's risk management framework and supports the business in implementing sound risk management. The team provides independent assessments, challenge, monitoring and reporting of the CEFC's material risks.

Each investment opportunity is reviewed by the credit function who provide an independent and critical review of the potential transaction as part of the second line of defence. Transactions are assessed against the CEFC's risk appetite statements to ensure a rigorous and consistent approach when assessing opportunities. Risks and mitigants are identified with the relevant credit director assigning a Shadow Credit Rating (based upon the Standard & Poor's methodology) for each debt transaction. The CRO provides advice and recommendations to the relevant executive or board committee on each transaction being considered for investment by the CEFC.

The Risk Team considers organisational risk management from a strategic perspective as well as at the individual key risk level. Led by the Head of Risk and Compliance (who reports to the CRO), this team houses the organisation's compliance function that oversees regulatory compliance along with the conduct and integrity practices that apply across the CEFC. The CRO and Head of Risk and Compliance report regularly to the Audit and Risk Committee.

6 | Risk oversight and governance

Third line of defence is an internal audit function, which is outsourced

Internal audit provides independent assurance that the risk management framework is appropriate and is operating effectively, with a strong focus on independent control testing. The internal audit function at the CEFC is delivered by Grant Thornton. Whilst working closely with management, CEFC internal audit reports to the Board Audit and Risk Committee.

Full access to staff and information is provided when conducting reviews. The Audit and Risk Committee receives internal audit reports and monitors agreed management actions arising from those reports. The Audit and Risk Committee also meets privately (in the absence of management) with the CEFC's internal and external auditors at each meeting.

Investment risks

Material investment risks include credit, equity and the environmental and social risks (including climate) of the projects and assets we finance. The first line investment and asset management teams assess and mitigate investment risks, working with the second line credit team who reviews and assesses the risks, independent of the team originating the investment opportunity.

We apply commercial rigour in analysing transactions across all the portfolios and funds set out in the Investment Mandate. Investment risks are mitigated (not eliminated) through financial structuring and the financing terms, while pursing the relevant policy outcomes.

Investment risks in the RTN Fund and the Specialised Investment Funds may be higher and more concentrated, when compared with the General Portfolio. This is reflected within the Investment Mandate, and the nature of the underlying projects and assets may give rise to a higher level of residual risk.

Non-investment risks

The key non-investment risk areas we manage include strategic / business, environmental and social (including climate), compliance, conduct and financial crime, information security and cyber, operational and workplace health and safety (including psychosocial). Failure to mitigate and manage these risks could have adverse operational, safety, financial or reputational consequences that inhibits our ability to achieve our purpose.

We have a suite of conduct and integrity-related policies and practices that guide the way our people conduct themselves. Our financial crime risk mitigation includes anti-bribery and corruption, fraud risk management and our AML/CTF Program.

We continue to monitor our cyber security posture and invest in information security infrastructure, capability, policies and practices to combat the increasing cyber threat landscape. Our mitigation strategies are aligned with the Australian Signals Directorate's Essential Eight, being the most effective mitigation strategies to help organisations protect against various cyber threats.

7 | Collaboration and subsidiaries

Collaboration

RTN

We work closely with the Rewiring the Nation Office (RTNO), in our role as the finance delivery arm of the Rewiring the Nation Policy, along with Australian Energy Market Operator (AEMO) as a technical adviser. We will continue to engage with the Commonwealth, State and Territory governments and agencies with the shared goal of delivering infrastructure and investments that contribute to emissions reduction and economic growth, both as part of delivering RTN finance and as part of our work in the broader energy transition.

ARENA

We continue to work with ARENA in many areas including hydrogen, electric vehicles, alternative fuels, renewable energy and storage. ARENA are also represented on our Clean Energy Innovation Fund's Joint Investment Committee.

Specialist Investment Vehicles (SIVs)

SIVs are typically corporate Commonwealth entities established by enabling legislation that defines their functions. As a SIV, CEFC collaborates with other SIVs on a broad range of issues from investments through to operations and governance practices.

Subsidiaries

This Corporate Plan covers the activities of our wholly owned subsidiary, CEFC Investments Pty Ltd. This subsidiary supports the CEFC objective of increasing the flows of finance into the clean energy sector and to facilitate the achievement of Australia's greenhouse gas reduction targets.

8 | Appendix – Performance measures

2025-26 performance measures changes

The performance measures adopted for 2025-26 are consistent with prior years, with six of the seven measures materially the same as those adopted for the 2024-25 year. For 2025-26, a new performance measure has been introduced, namely "*Development and demonstration of the first phase of a deliberate strategic capital recycling program*". The inclusion of this measure reflects the heightened focus of the organisation on actively managing capital to optimise investments in clean energy technologies for a set fund allocation. This new performance measure replaced the 2024-25 performance measure; "*Demonstrate that deployment of RTN and HEUF concessionality is required to facilitate the policy objectives of the respective funds*". The RTN and HEUF directions under the Investment Mandate specifically contemplate concessional finance being provided. In the early stages of those funds' deployment the Board set this performance measure to focus the organisation on delivering concession to facilitate policy objectives. Evidence from the 2024-25 year indicated this practice is well embedded in the operations of the organisation.

Measure 1 - Adjusted operating result

The adjusted operating result is the statutory accounting net surplus adjusted for (1) concessionality, (2) loan modification charges, (3) bond revaluations, (4) Innovation Fund revaluations, (5) statistical impairment provision raised on RTN transactions where there is a material timing difference between income recognition and the provision raising, (6) gains and losses on asset disposals undertaken for strategic capital recycling purposes, (7) interest on bank accounts and (8) administrative funding from government.

Measure 2 – Total capital committed (excluding RTN)

Total capital committed is the sum of all new capital commitments (excluding RTN) that reach contractual close during the financial year. This is consistent with the Quarterly Investment Report in accordance with section 72 of the CEFC Act. Contingent and/or revocable commitments are captured in the financial year they become irrevocable commitments.

Measure 3 - Development and demonstration of the first phase of a deliberate strategic capital recycling program

The development and demonstration of the first phase of a deliberate strategic capital recycling program is evaluated by the non-executive Board, with progress monitored during the year and an evaluation at the end of the year. This is an assessment by the Board of the extent to which the objective has been met.

8 | Appendix – Performance measures

Measure 4 – Mt of estimated emissions reduction pa

An estimate of annual average emissions reduction is calculated for each investment. The estimate takes account of the emissions outcomes expected from the implementation of the relevant technologies or measures associated with the investment as compared with a relevant counterfactual. The estimate adopts the most recently published emissions intensity factors. The estimated emissions reduction over the lifetime of the project is divided by the estimated useful life to calculate the average emissions reduction p.a. These estimates are aggregated across all investments to determine the total for the year.

Measure 5 – TWh of expected annual output of new capacity financed

Terawatt hours (TWh) of expected annual output of new capacity financed takes account of the total expected lifetime output of financed electricity generation or storage technologies divided by their useful life to derive the expected annual average output. Where relevant, these values are determined with reference to base case financial models.

Measure 6 - Reach contractual close on 2 to 3 RTN Projects. (This excludes projects that reached commercial commitment in the 2024-25 year)

This measure is evaluated based on the number of RTN Projects that reach contractual close during the period. For the 2025-26 year, projects that reached commercial commitment stage in the 2024-25 year will be excluded from the calculation. Contractual close is typically met when there is a binding contract for the provision of finance. It is also common for there to be a series of predetermined conditions that need to be met before the counterparty can access the finance.

Measure 7 - Evidence of industry leadership and innovation that positively contributes to Australia's emission reductions targets

As with Measure 3, evidence of industry leadership and innovation that positively contributes to Australia's emission reduction targets is evaluated by the non-executive Board, with progress monitored during the year and an evaluation at the end of the year. This is an assessment by the Board of the extent to which the objective has been met.

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