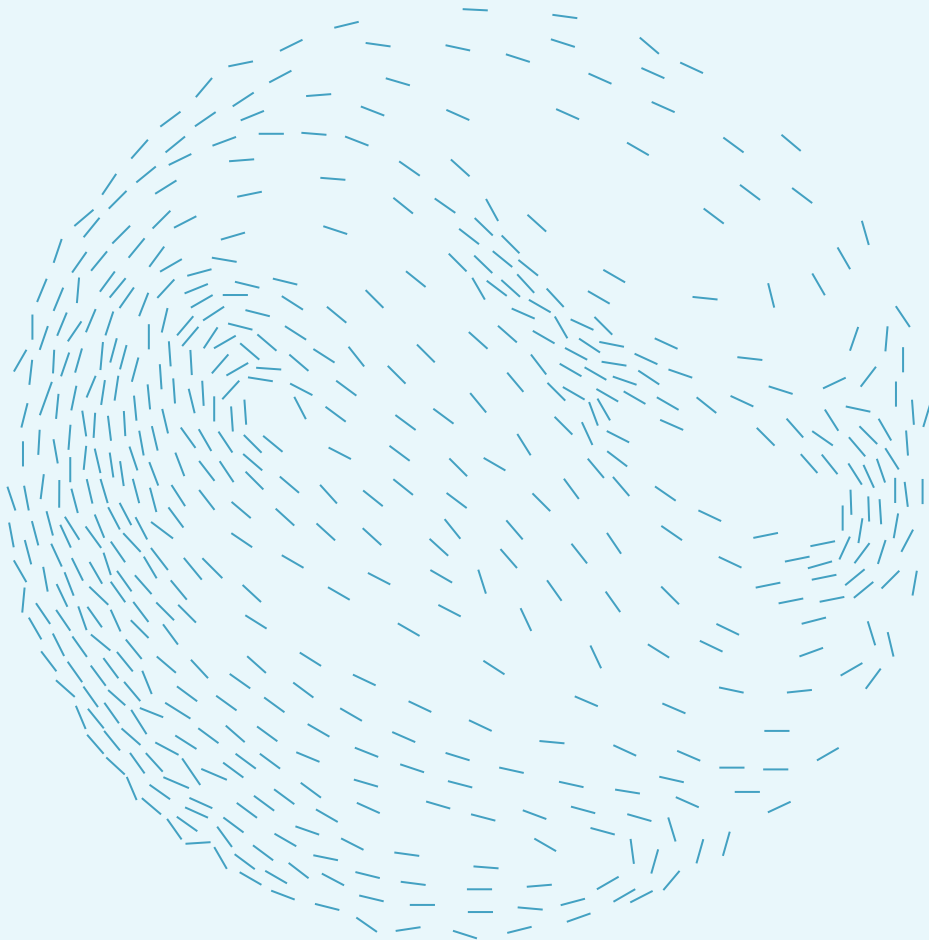


Infigen

[infigenenergy.com](https://infigenenergy.com)

# ESG Report 2019

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Front cover: wind globe based on Infigen’s wind patterns at the Lake Bonney wind farms in South Australia.

## How We Report

This Sustainability Report is issued by Infigen Energy Limited (IEL) and Infigen Energy RE Limited, as responsible entity for Infigen Energy Trust (IET), collectively “Infigen”, “our business”, “us” or “we”. This report focuses on drivers of value within our business, alongside the risks and opportunities that may materially impact our stakeholders. This report aims to provide stakeholders with a full and balanced picture of our economic, environmental, social and governance performance. In order to provide comparable information on ESG performance, we have prepared this report with reference to the Global Reporting Initiative (GRI) Standards and the Task Force for Climate Related Financial Disclosure (TCFD) framework.

In applying the GRI Standards, Infigen has implemented the four Principles for Defining Report Content:

### 01. Stakeholder Inclusiveness

Including identifying issues from stakeholder feedback, formal complaints processes and inquiries from authorities, as well as indirect feedback such as from media sources.

### 02. Materiality

All GRI Standards, including the Electric Utilities Sector Disclosure, were reviewed and assessed to determine the reporting requirements.

### 03. Sustainability Context

Infigen evaluates its ESG risks as a sub-set of the broad risks that it manages within its Enterprise Risk Management (ERM) framework.

### 04. Completeness

Boundaries of our material issues were identified to determine whether significant impacts were covered within or outside of the organisation.

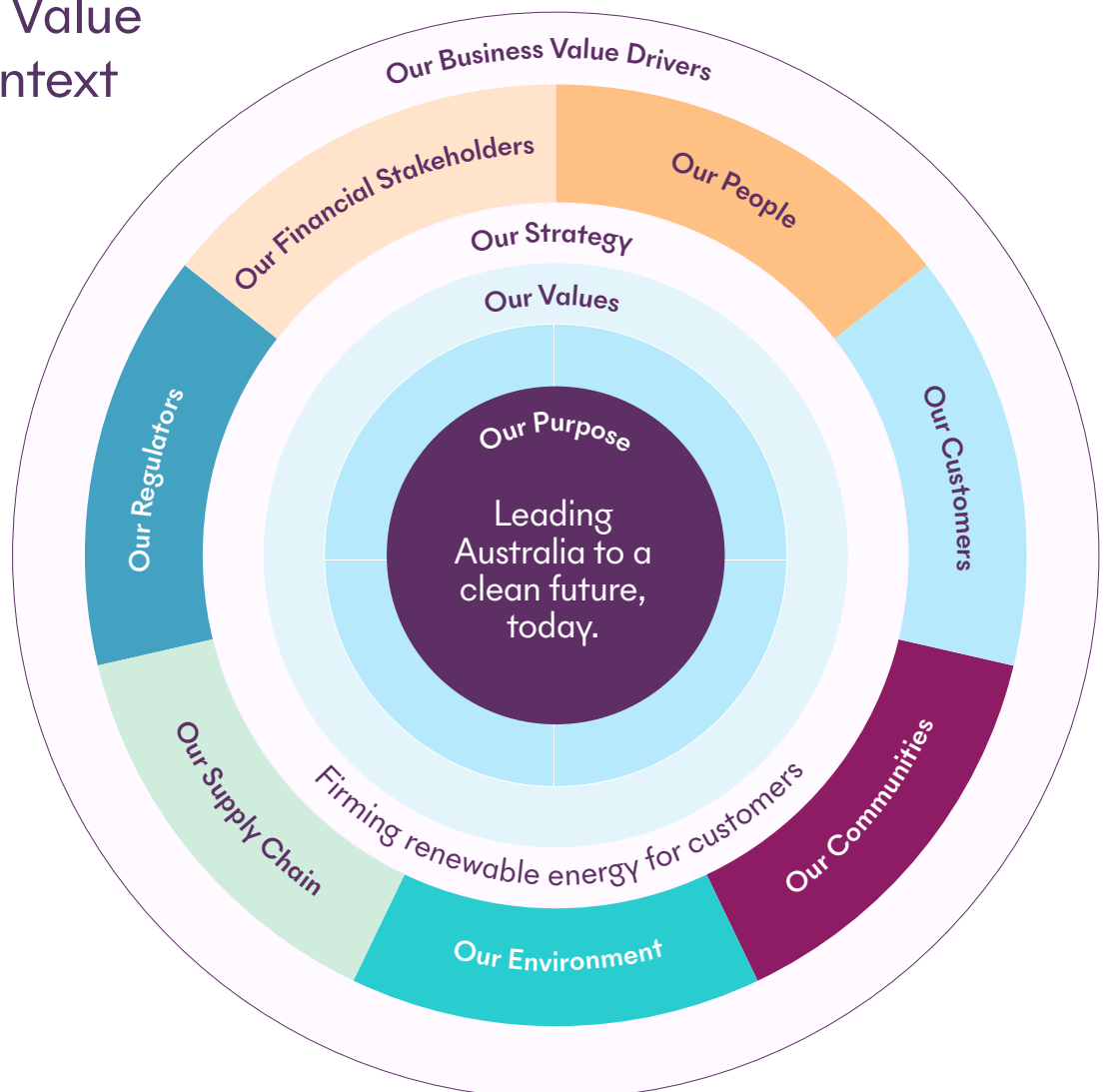
The validation process is internally documented, having assessed the relevance of each topic and sector disclosure to Infigen and our stakeholders.

This report also marks the start of Infigen’s transition towards Integrated Reporting (<IR>). We are a signatory to the UN Global Compact and have adopted two of the United Nation’s Sustainable Development Goals, Goal 7 and Goal 13, as a reference for our corporate initiatives. We report separately under the Carbon Disclosure Project (CDP) and the National Greenhouse Emissions Reporting Standards (NGERS).

## Disclaimer

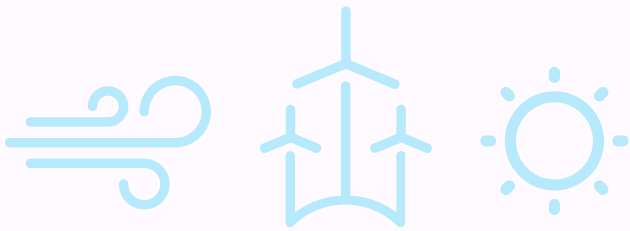
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## Our Business Value Drivers in Context

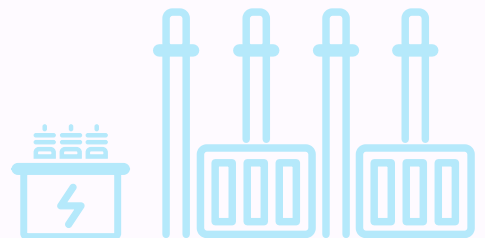


## Our Strategy

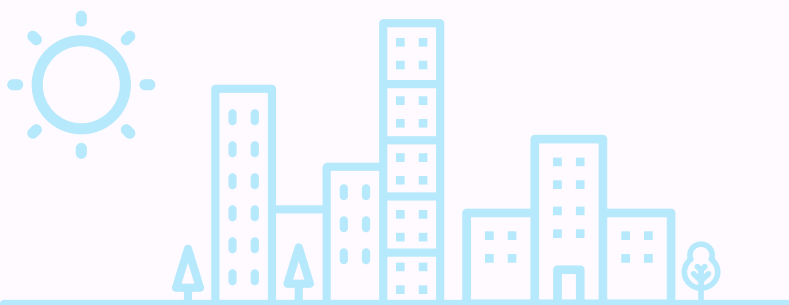
We generate and source renewable energy



We add value by firming



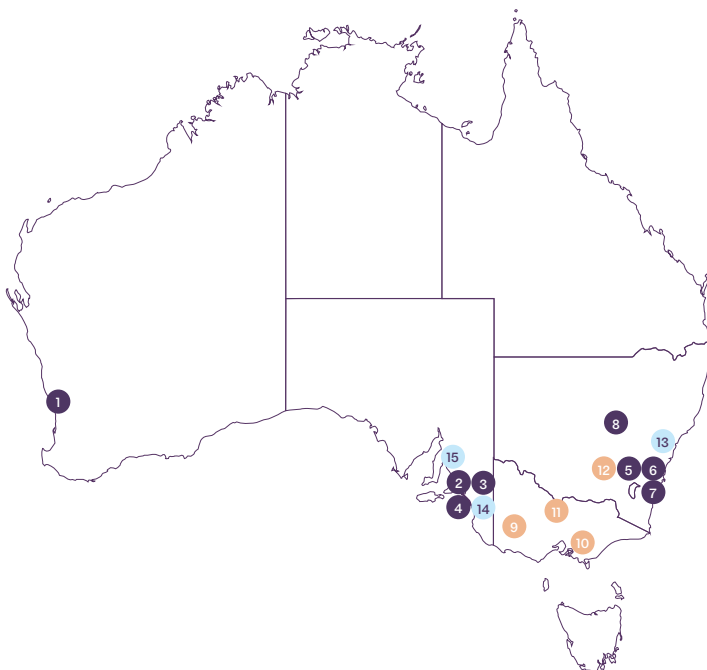
We provide customers with reliable clean energy



## Our Assets

Asset	Nameplate Capacity (MW)	State	
<b>Owned Renewable Energy Assets</b>			<b>Commercial Operation Date</b>
1	Alinta Wind Farm	89.1	WA Jul 2006
2	Lake Bonney 1 Wind Farm	80.5	SA Mar 2005
3	Lake Bonney 2 Wind Farm	159.0	SA Sept 2008
4	Lake Bonney 3 Wind Farm	39.0	SA Jul 2010
5	Capital Wind Farm	140.7	NSW Jan 2010
6	Capital East Solar Farm	0.1	NSW Sept 2013
7	Woodlawn Wind Farm	48.3	NSW Oct 2011
8	Bodangora Wind Farm	113.2	NSW Feb 2019
<b>Contracted Renewable Energy Assets</b>			<b>Contract Start Date</b>
9	Kiata Wind Farm	31.1	VIC Sept 2018
10	Toora Wind Farm	21.0	VIC Jan 2020
11	Cherry Tree Wind Farm	57.6	VIC Expected H1FY21
12	Collector Wind Farm	136.0*	NSW Expected H1FY21
<b>Total Renewable Energy Assets</b>		<b>915.6</b>	
<b>Firming Assets</b>			<b>Acquisition/Commercial Operation Date</b>
13	Smithfield OCGT	123.0	NSW Acquired May 2019
14	SA Battery	25MW/52MWh	SA Dec 2019
15	South Australian Gas Turbines	120.0	SA Expected Q1FY21

\* Infigen contracts 60% of the output of the 227MW Collector Wind Farm.



- Owned Renewable Energy Assets
- Contracted Renewable Energy Assets
- Firming Assets



Ross Rolfe, AO  
CEO / Managing Director

## Message from the CEO

At Infigen, our purpose is to lead Australia to a clean future, today. Our strategy is to combine our large and growing fleet of renewable generators with a small portfolio of fast-start, low utilisation firming assets. Taken together, these generators enable us to provide our customers with electricity that is at once reliable, competitively priced and clean. We believe this strategy will deliver sustainable outcomes for all our stakeholders, including attractive risk adjusted returns for our security holders.

Underpinning this purpose and strategy is one foundational principle: that in order to be successful over the long-term, we must create economic value for all our stakeholders. This approach to sustainability goes much deeper than box ticking. It is about establishing an underlying competitive advantage in our market by generating superior outcomes throughout our value chain. To borrow the words of Michael Porter's research: "Creating shared value is fundamentally distinct from making incremental improvements in a long checklist of ESG factors." In our approach to sustainability, we prioritise fairness, integrity, courage and compassion, striving to be a valued partner in all our corporate relationships.

In this Sustainability Report, we aim to present a comprehensive and balanced review of our business performance within the context of this long-term strategy. In FY20 we intend to begin to align with the principles of Integrated Reporting (<IR>) and as a first step in that process, this report is structured to address the seven stakeholders which drive value creation in our business. These stakeholders are our people, our customers, our communities, our regulators, our environment, our supply chain and our financial stakeholders. The report highlights our achievements and outlines areas we are committed to improving. As we continue to pursue our corporate purpose, we will do so with a continued focus on holistic environmental, social and governance performance.

In February 2019, the findings of the Hayne Royal Commission into the financial services sector were published and showed in stark relief the importance of maintaining a strong and ethical corporate culture. Throughout 2019, a diverse, employee-led working group undertook a rigorous, bottom-up analysis of the corporate values that our business and our people must exemplify in order to sustainably deliver our strategy. These values will position us to manage the material risks and opportunities inherent in our business and to create value for all our stakeholders. I look forward to sharing these values with you at our Full Year FY20 results.

There are several highlights in this report. In the most recent employee engagement survey, employee job satisfaction and motivation continued to rise, and our people reported an employee net promotor score (eNPS) of +55, an industry leading result. In addition, it is pleasing to share more information on the significant growth in our customer base, an outcome that is in line with the material investment we have made in systems and personalised customer service staff. With respect to the environment, FY19 was a year in which we adopted the target of carbon neutrality for our entire business by FY25, a bold commitment from an integrated electricity retailer.

There are also some areas we are focused on improving. As I advised at our Annual General Meeting in November 2019, Infigen recorded its first lost time injury (LTI) in 27 months. Management has conducted a detailed safety review as we seek to remain vigilant and proactive with respect to employee health, safety and wellbeing. I am also aware that in FY19, although the number of female employees in the business has not declined, the proportion of the workforce represented by female employees has declined. While the change is small, I want to take this opportunity to reiterate that at Infigen we are committed to diversity, inclusion and providing an environment where our people are comfortable bringing their whole selves to work. Management and the Board will continue to monitor a range of diversity objectives and outcomes in FY20.

In FY19 we adopted Goal 7 and Goal 13 of the United Nations Sustainable Development Goals (UNSDG) as key references for our corporate initiatives. Goal 7 of the UNSDGs is “to ensure access to affordable, reliable, sustainable and modern energy for all”. Infigen’s strategy of providing reliable and competitively priced clean energy to customers directly furthers this goal. Goal 13 of the UNSDGs is “to take urgent action to combat climate change and its impacts”. Australia’s National Electricity Market (NEM) continues to rank amongst the most carbon intensive in the developed world. Our strategy enables us to serve customer needs with an emissions intensity that is less than 5% of the average of the National Electricity Market. Moreover, we target offsetting 100% of the Scope 1 and Scope 2 emissions associated with our business by FY25. In FY20, we have committed to offsetting 20% of our emissions, as the first step on this journey. As a business, and with our customers, we are taking a prompt and pragmatic approach to decarbonisation.

As always, we are pleased to engage with our stakeholders on our business performance, objectives and outlook. We strive to be as open and accessible as possible. For any follow up enquiries, please contact Peter Campbell, General Manager, Investor Relations, at [peter.campbell@infigenenergy.com](mailto:peter.campbell@infigenenergy.com)

Sincerely,



Ross Rolfe, AO  
Managing Director and Chief Executive Officer

## Our Business Value Drivers

01.

### Our People

The safety, wellbeing, engagement and retention of our people.

02.

### Our Customers

The satisfaction, retention, diversification and growth of our customer base.

03.

### Our Communities

The maintenance of community support and relations.

04.

### Our Environment

The conservation of our natural environment on a global and local scale.

05.

### Our Supply Chain

The continuation of a stable and responsible set of suppliers and contractors.

06.

### Our Regulators

Fostering a predictable policy environment with a holistic approach to emissions, reliability and prices.

07.

### Our Financial Stakeholders

The generation of appropriate risk adjusted returns from the successful execution of our business strategy which in turn generates continued support for further growth.

## Our Strategy



Renewables



Firming

Our Purpose

Our Values



## Reliable Clean Energy

## Our Performance in FY19

### 01.

#### Our People

- Zero LTIs in FY19.
- eNPS of +55.
- Employee Engagement Score of 74%.
- Voluntary turnover of 14%.

### 02.

#### Our Customers

- C&I load growth of 19% to 768GWh.
- No single customer accounts for more than 20% of Infigen's FY19 renewable energy sales.

### 03.

#### Our Communities

- \$106.3 of Economic Value Distributed in FY19
- \$16.8m spend on land leases and local employment

### 04.

#### Our Environment

- Progress against carbon neutrality target by FY25.
- Continued commitment to source all wind farm and head office power from renewable sources.
- No material environmental impacts observed in ongoing monitoring. Maintained compliance with all applicable approvals and regulations.

### 05.

#### Our Supply Chain

- Established working group to review supply chain, engage with suppliers as relevant, and update Infigen's procurement policy accordingly.

### 06.

#### Our Regulators

- 7 formal submissions on energy policy and regulation.
- Active member of 10 leading industry associations.

### 07.

#### Our Financial Stakeholders

- EBITDA increased 11% to \$165.3m.
- NPAT declined by 10% to \$40.9m.
- Net Debt to EBITDA declined to 3.2x (from 3.6x).
- Re-introduced distributions at 2cps pa.

# How We Measure Value Creation

## 01. Our People

- Lost Time Injury Frequency Rate.
- Employee Net Promoter Score.
- Employee Engagement Score.
- Voluntary Employee Turnover.

## 02. Our Customers

- Commercial and Industrial customer volume growth.
- Customer diversification by sector and state.
- Planning for progressive introduction of annual customer satisfaction survey.

## 03. Our Communities

- Continual community engagement and investment.
- Complaints resolution.

## 04. Our Environment

- Targeting carbon neutrality by FY25.
- Ongoing monitoring of our impact on biodiversity, water, and hazardous materials and resource efficiency.

## 05. Our Supply Chain

- Increasing standards of supply chain evaluation including introduction of Modern Slavery Reporting.

## 06. Our Regulators

- Ongoing engagement with Governments, Regulators and Industry on Australian energy policy.

## 07. Our Financial Stakeholders

- Accretive growth.
- Deleveraging.
- Returns to security holders.

# Business Risks and Mitigants

The Board is responsible for establishing and overseeing Infigen's risk management framework. The Board has delegated oversight of the risk management framework to the Audit, Risk and Compliance Committee (ARCC).

Our Enterprise Risk Management (ERM) framework governs the identification, management and escalation of risk to ensure that those with the potential to have a material effect on the business are eliminated or mitigated. Key pillars of the ERM framework include:

- Infigen's Risk Appetite Statement, which establishes the level of risk that the business will accept, tolerate or avoid in pursuit of its business strategy.

- Regular reporting to the ARCC which outlines the nature of the risk, the risk owner and the current internal controls that control or mitigates these material risks.

To implement the ERM, Infigen operates a Three Lines-of-Defence Model. The first line of defence is the Executive Leadership Team who are responsible for each of their business functions. The second line of defence is separate and independent oversight, for example facilitated by the Energy Risk Management Committee, Health and Safety Committee and Treasury Risk Management Committee. The third line of defence is internal and external audit, reporting directly to the Board and the ARCC.

The key risks to Infigen achieving its financial, operational and strategic objectives are outlined below. Failure to manage or control these risks may result in adverse reputational, financial or operational impacts to Infigen.

## 01. Our People

RISK AND DESCRIPTION	OUR APPROACH	
<b>Safety and wellbeing</b> Work related injury, harm, illness or loss of life among our people.	<ul style="list-style-type: none"> <li>- Our priority is the safety and wellbeing of our people.</li> <li>- Hierarchy of controls to reduce or eliminate risk: engineering, protective equipment and behavioural protocols.</li> <li>- Regular review of safety by the Board, the ARCC, and the Health and Safety Committee.</li> </ul>	<ul style="list-style-type: none"> <li>- Safety is a gateway factor considered by the Board in the award of any incentive payments.</li> <li>- Safety training that is fit for purpose is provided to all our employees.</li> </ul>
RISK AND DESCRIPTION	OUR APPROACH	
<b>Employee engagement and retention</b> Continued creation of security holder value requires high levels of engagement from our people and retention of high performing staff.	<ul style="list-style-type: none"> <li>- Personalised training and development plans for all employees.</li> <li>- Half yearly employee engagement survey with outcomes informing future programmes.</li> </ul>	<ul style="list-style-type: none"> <li>- Regular employee briefings, information sharing and education sessions.</li> </ul>

## 02. Our Customers

RISK AND DESCRIPTION	OUR APPROACH	
<b>Customer satisfaction</b> Customer satisfaction, retention and growth are critical to our business success.	<ul style="list-style-type: none"> <li>- Substantial investment in people and systems with the intention of exceeding customer expectations.</li> <li>- Personal relationship managers providing bespoke energy solutions.</li> </ul>	<ul style="list-style-type: none"> <li>- Continued product development that responds to and drives changing customer demands for energy.</li> </ul>

## 03. Our Communities

RISK AND DESCRIPTION	OUR APPROACH	
<b>Community support</b> We require strong relationships with the communities in which we operate.	<ul style="list-style-type: none"> <li>- Extensive consultation with local communities, following the Observations and Recommendations of the Australian National Wind Farm Commissioner, supplemented by the Clean Energy Council's Community Engagement Guidelines.</li> <li>- Structured landholder engagement practices throughout the assets' life cycle.</li> </ul>	<ul style="list-style-type: none"> <li>- Regular financial contributions to our communities.</li> <li>- Complaints hotline allowing issues to be raised and addressed.</li> <li>- Local employment promoted at our sites.</li> <li>- Reconciliation Action Plan initiated in FY20.</li> </ul>

## 04. Our Environment

RISK AND DESCRIPTION	OUR APPROACH	
<b>Acute and chronic environmental risks</b> Changing climate and weather patterns may affect our operating assets and business performance.	<ul style="list-style-type: none"> <li>- Board approved ERM framework seeks to identify and manage risk.</li> <li>- Climate-related risks are considered in annual budget and in major capital allocation decisions.</li> </ul>	<ul style="list-style-type: none"> <li>- Implementation of The Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD), including scenario and sensitivity analysis.</li> </ul>

RISK AND DESCRIPTION	OUR APPROACH	
<b>Environmental conservation and biodiversity</b> Our assets are predominantly in rural and regional Australia. The development and operation of our assets may adversely affect the environment.	<ul style="list-style-type: none"> <li>- Regularly monitor the effect of existing assets and evolve responses to emergent risks.</li> <li>- Seek to develop assets in areas where minimal disruption is expected to occur.</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure developments have robust and enforced environmental management plans.</li> <li>- Targeting carbon neutrality for the entire business by FY25.</li> </ul>

## 05. Our Supply Chain

RISK AND DESCRIPTION	OUR APPROACH	
<b>Dependency on critical suppliers</b> Our business relies upon a compliant and ethical supply chain to operate sustainably.	<ul style="list-style-type: none"> <li>- Mapping of major suppliers by financial expenditure.</li> <li>- Use of multinational original equipment suppliers for the largest supplies - which have robust and verifiable supply chain management processes.</li> </ul>	<ul style="list-style-type: none"> <li>- Ongoing monitoring of human rights, modern slavery, compliance with sanctions legislation, and compliance with anti-money laundering, corruption and bribery standards.</li> </ul>

## 06. Our Regulators

RISK AND DESCRIPTION	OUR APPROACH	
<b>Policy change</b> Our business may be affected by the policy positions taken by Government and Regulators, including their preparedness to disregard 'competitive neutrality' as a fundamental operating principle underpinning the energy markets.	<ul style="list-style-type: none"> <li>- Proactive articulation of the important role that clean energy will play in Australia's future.</li> <li>- Regular evaluation of the effect of potential changes to energy policy on Infigen's operations, finances and strategy.</li> </ul>	<ul style="list-style-type: none"> <li>- Proactive engagement with regulatory bodies, rule makers, and policy makers focused on providing constructive contributions to future energy market design.</li> </ul>

## 07. Our Financial Stakeholders

RISK AND DESCRIPTION	OUR APPROACH	
<b>Operational performance</b> Our operating assets may fail to perform as expected. Our development projects may experience cost overruns or delays. Our development pipeline may not generate the returns we anticipate.	<ul style="list-style-type: none"> <li>- Long-term Operations and Maintenance agreements exist for all our wind farm assets with international OEMs providing availability and performance guarantees and financial incentives for surpassing performance targets.</li> </ul>	<ul style="list-style-type: none"> <li>- Competent group of site managers to oversee operational performance.</li> <li>- Our development portfolio is tested at least annually for impairment.</li> </ul>

RISK AND DESCRIPTION	OUR APPROACH	
<b>Competition from new technology</b> Potential for new technologies to disrupt market and impact economics of incumbent generators.	<ul style="list-style-type: none"> <li>- Emerging technologies are monitored and expert advice sought as appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>- Investment in new technologies, such as the SA Battery, progressed where appropriate.</li> </ul>

RISK AND DESCRIPTION	OUR APPROACH	
<b>Energy market risk</b> Production outcomes and our contracting strategies affect overall business outcomes.	<ul style="list-style-type: none"> <li>- Energy market activities are governed by the Board-approved Energy Portfolio Risk Policy and Treasury Policy.</li> </ul>	<ul style="list-style-type: none"> <li>- New customer contracts are analysed extensively prior to execution to understand portfolio implications.</li> <li>- Daily monitoring of positions occurs to ensure compliance with policies and defined risk parameters.</li> </ul>

RISK AND DESCRIPTION	OUR APPROACH	
<b>Cyber security</b> Breach may result in data theft, financial loss, or damage to our equipment.	<ul style="list-style-type: none"> <li>- Programme aligned to Australian Energy Sector Cyber Security Framework (AESCSF).</li> <li>- Regular reviews of dynamic threat environment.</li> </ul>	<ul style="list-style-type: none"> <li>- Employee training.</li> <li>- Business Continuity Plan and Disaster Recovery Plan.</li> </ul>

RISK AND DESCRIPTION	OUR APPROACH	
<b>Capital management</b> Capital is essential to support growth of our business.  Liquidity is essential to support our energy markets activities.	<ul style="list-style-type: none"> <li>- Board-approved Capital Management Strategy balances returns to security holders, continued deleveraging and accretive growth.</li> <li>- Capital allocation is driven by objective of creating security holder value over the short, medium and long term.</li> </ul>	<ul style="list-style-type: none"> <li>- Regular market engagement ensures currency of information and relationships to support the business.</li> <li>- Liquidity is regularly reviewed and governed by the Board approved Treasury Policy.</li> </ul>

RISK AND DESCRIPTION	OUR APPROACH	
<b>Compliance</b> We are subject to a broad range of legal, regulatory and contractual obligations.	<ul style="list-style-type: none"> <li>- Board approved Compliance Policy creates a framework to assure compliance. This is supported by the Code of Conduct and staff training.</li> </ul>	<ul style="list-style-type: none"> <li>- Externally monitored "whistle-blower" policy and hotline.</li> </ul>

RISK AND DESCRIPTION	OUR APPROACH	
<b>Governance</b> High governance standards are required to manage business opportunities and risks.	<ul style="list-style-type: none"> <li>- Majority independent board, with independent chair of Board and Board Sub Committees.</li> </ul>	<ul style="list-style-type: none"> <li>- Infigen's diverse board has the skills and experience to guide Infigen's strategy.</li> </ul>

# Business Risks Matrix

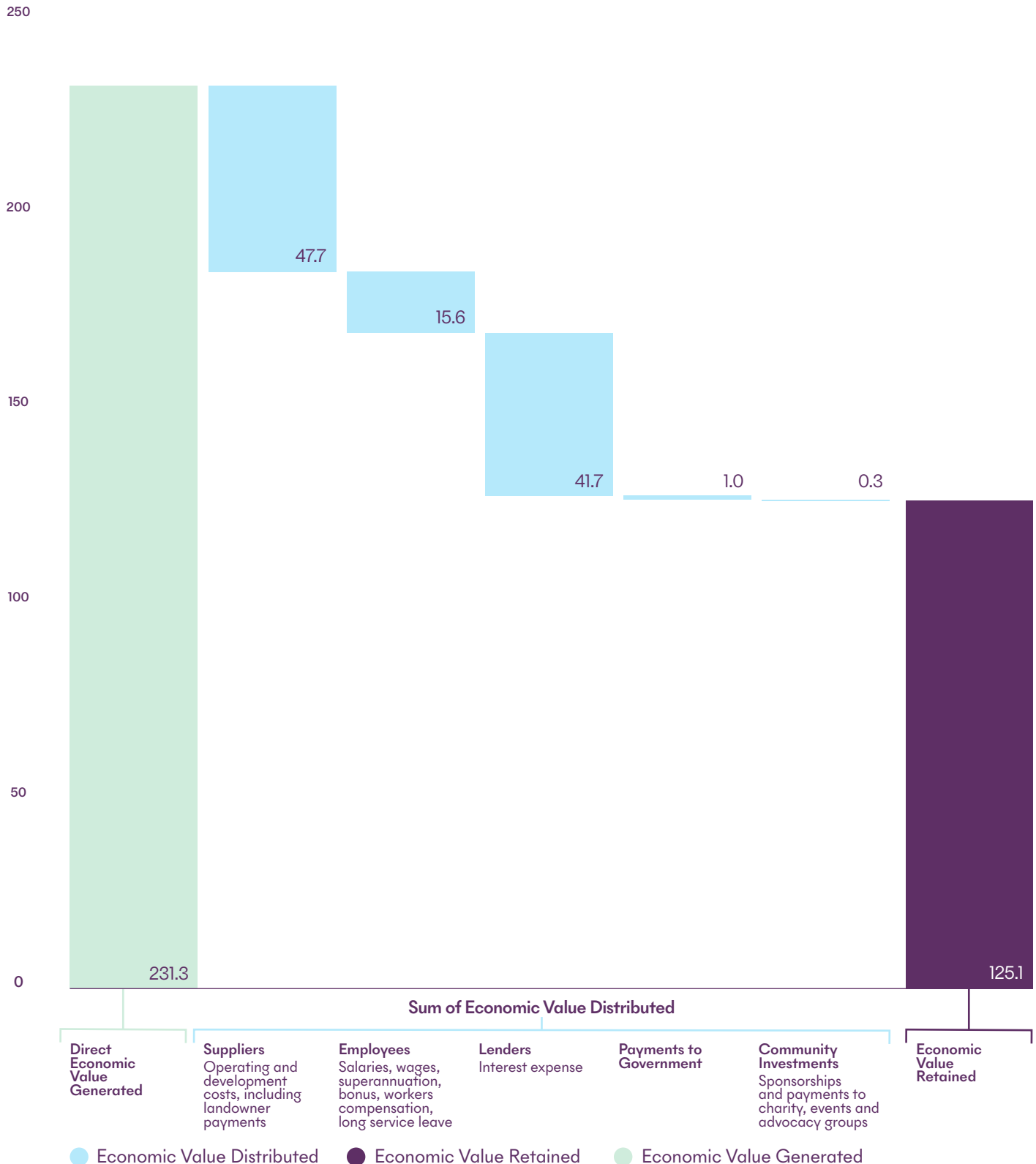
Risk maps generalise risks into categories. As a result, they can be ineffective at evaluating specific risks and the interplay of risk. Infigen applies a broad range of risk management tools and frameworks across its operations and governance processes aimed to identify and manage specific risks.



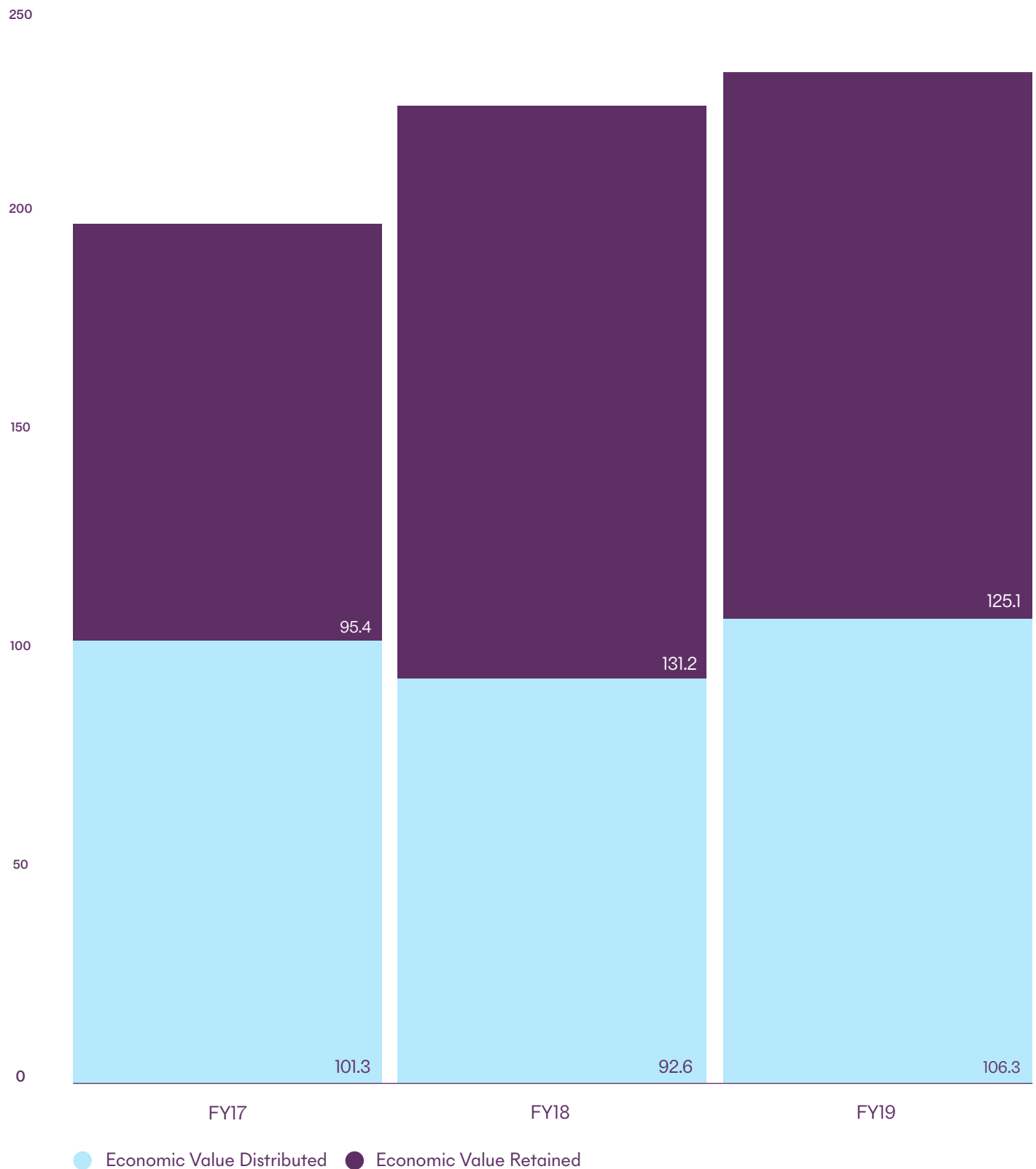
# Economic Value Generation and Distribution

We monitor our economic value generation by stakeholder using the GRI methodology. In FY19, we distributed \$106.3m in value to our stakeholders, retaining \$125.1m for continued business growth.

## FY19 Economic Value Distributed and Retained (\$ million)



### Economic Value Retained and Distributed (\$ million)



## Our Role in the Energy Markets

Infigen is a generator and retailer of electricity in Australia. Within this market, our strategy is to provide Australian businesses with competitively priced clean energy. We achieve this by combining our portfolio of owned and contracted renewable energy assets with our three fast start firming assets: the Smithfield Open Cycle Gas Turbine (OCGT), the SA Battery and, starting mid 2020, the South Australia Gas Turbines (SAGT). These fast start assets allow us to manage the intermittency risks related to our renewable energy production.

Our strategic focus is the National Electricity Market ("NEM"), an electricity market which includes New South Wales, Victoria, South Australia, Tasmania, Queensland and the Australian Capital Territory. The NEM was formed in 1998 and, with over 40,000km of transmission lines, is one of the largest electricity grids in the world. The network serves approximately 8.9 million residential customers and 1.1 million business customers. Total grid load is approximately 200TWh per year, served from 55GW of installed generation. The Council of Australian Governments (COAG) supervises the nation's energy markets and the laws of the NEM are enforced by the Australian Energy Regulator (AER).

## The Financial Electricity Market

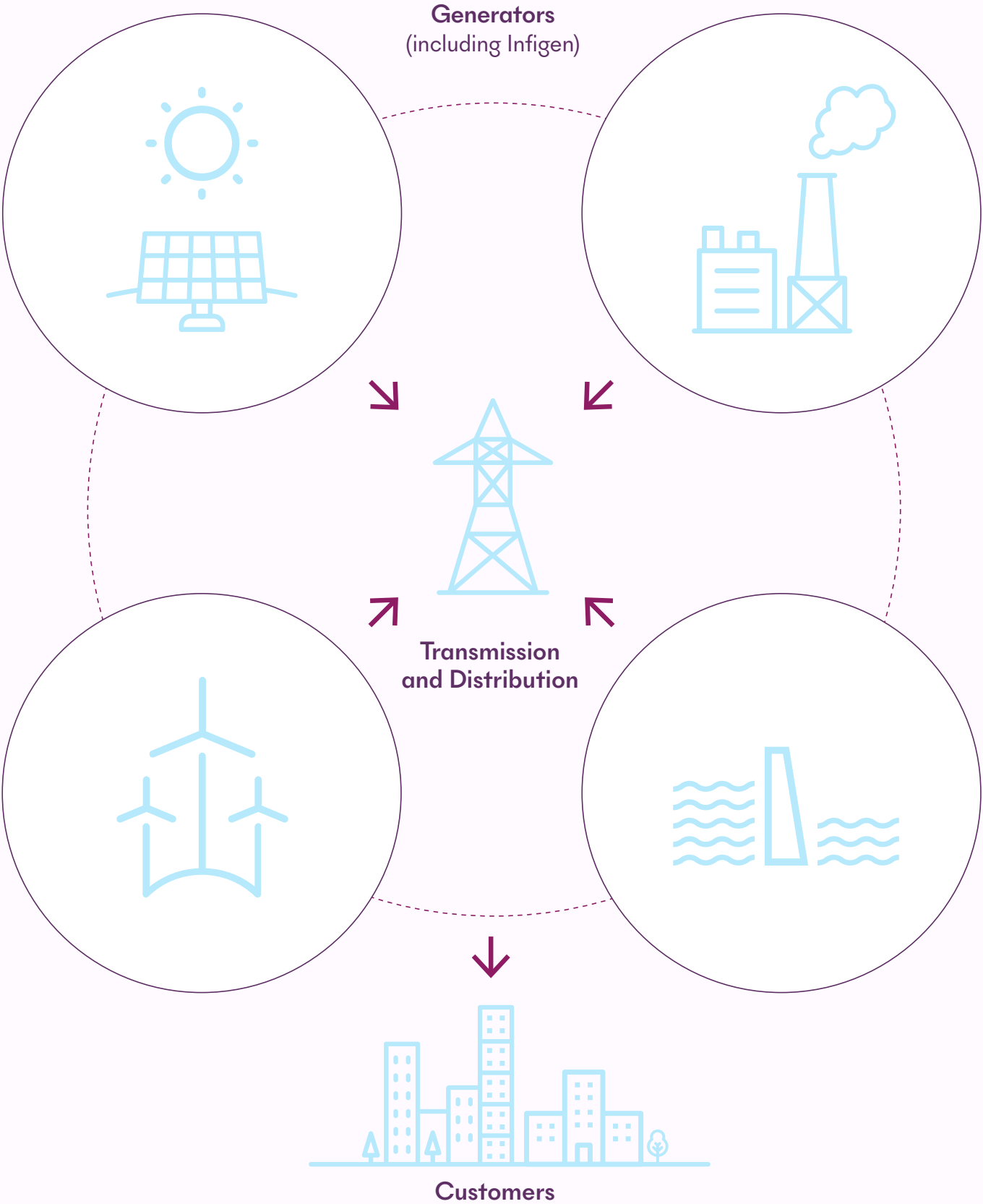


The National Electricity Market is a liberalised energy only market. Electricity prices are set via market auction, with 5 minute dispatch intervals, settled every 30 minutes. There is also an active forward market for wholesale contracts, with the most commonly referenced instrument being the "baseload swap" – an instrument that measures the price of a flat electricity load during a particular period (month, quarter or year). These forward markets have approximately three times the volume of the physical market, with liquidity focused in the first eighteen months of the forward curves.

Within the NEM, there is a distinction between physical and forward (i.e. financial) electricity markets. Physically, all generators sell into the NEM, a gross pool spot market that is centrally cleared and operated by the Australian Energy Market Operator (AEMO). The financial market comprising exchange-traded futures contracts and over-the-counter derivative contracts is, however, where the customer pricing is determined. Customers enter into contracts with retailers (such as Infigen) to purchase electricity at set prices, in set volumes and at set times. It is therefore possible for a retailer to not have any owned generation, just as it is also possible for a generator not to have any retail customers. Within this market, Infigen has positioned itself as a renewables backed generator, selling firm supplies of clean energy directly to commercial and industrial customers.

Infigen is an active participant in the spot and forward markets. Our 24/7 Operation and Control Centre (OCC) manages the offers of our owned assets into the spot electricity market. Our Energy Markets business manages customer contracting and energy portfolio risk, via a combination of risk modelling, insurance products and derivative products. In early 2020, Infigen became an accredited retailer with GreenPower.

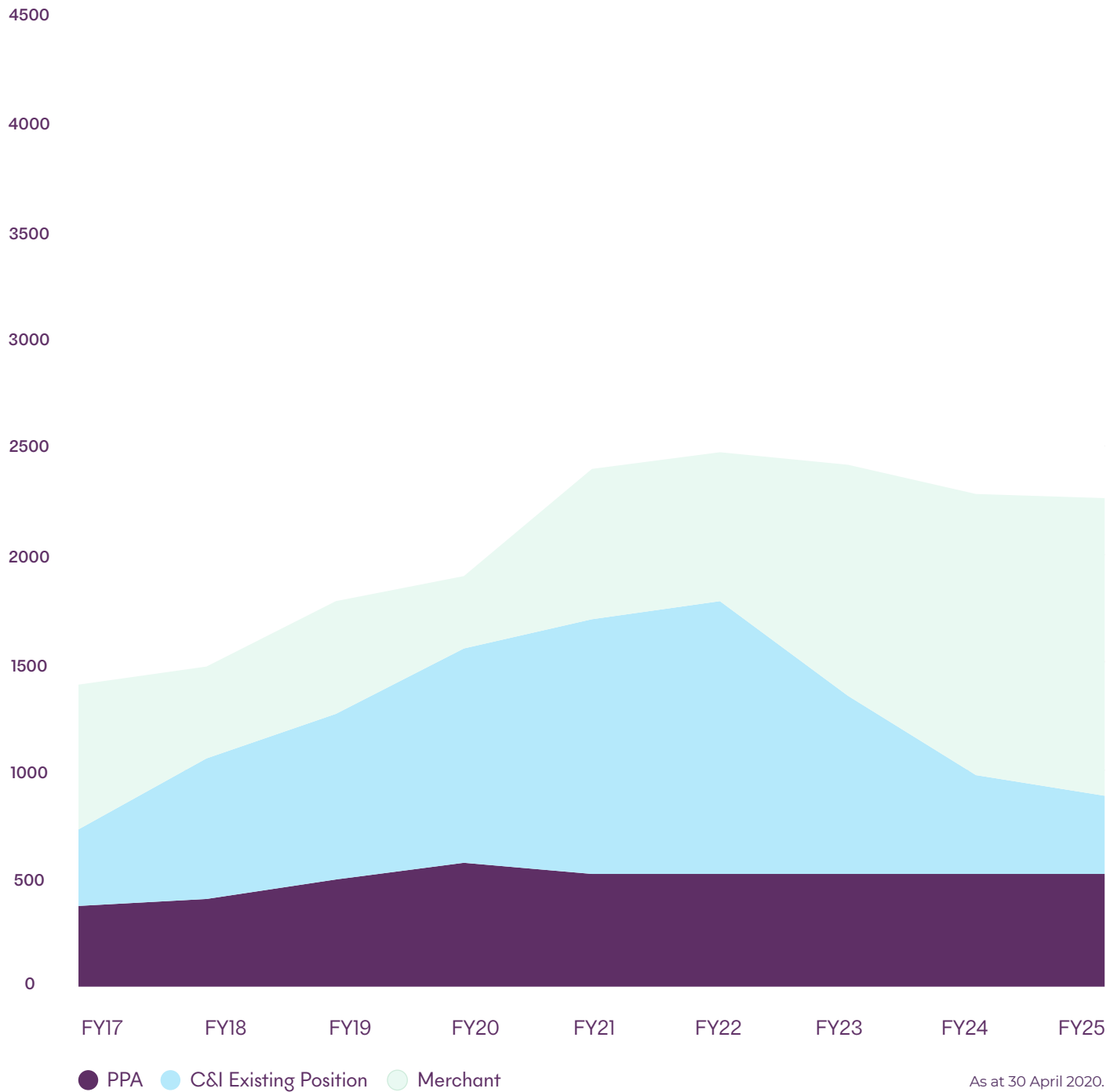
# The Physical Electricity Market



## Our Plan for Growth

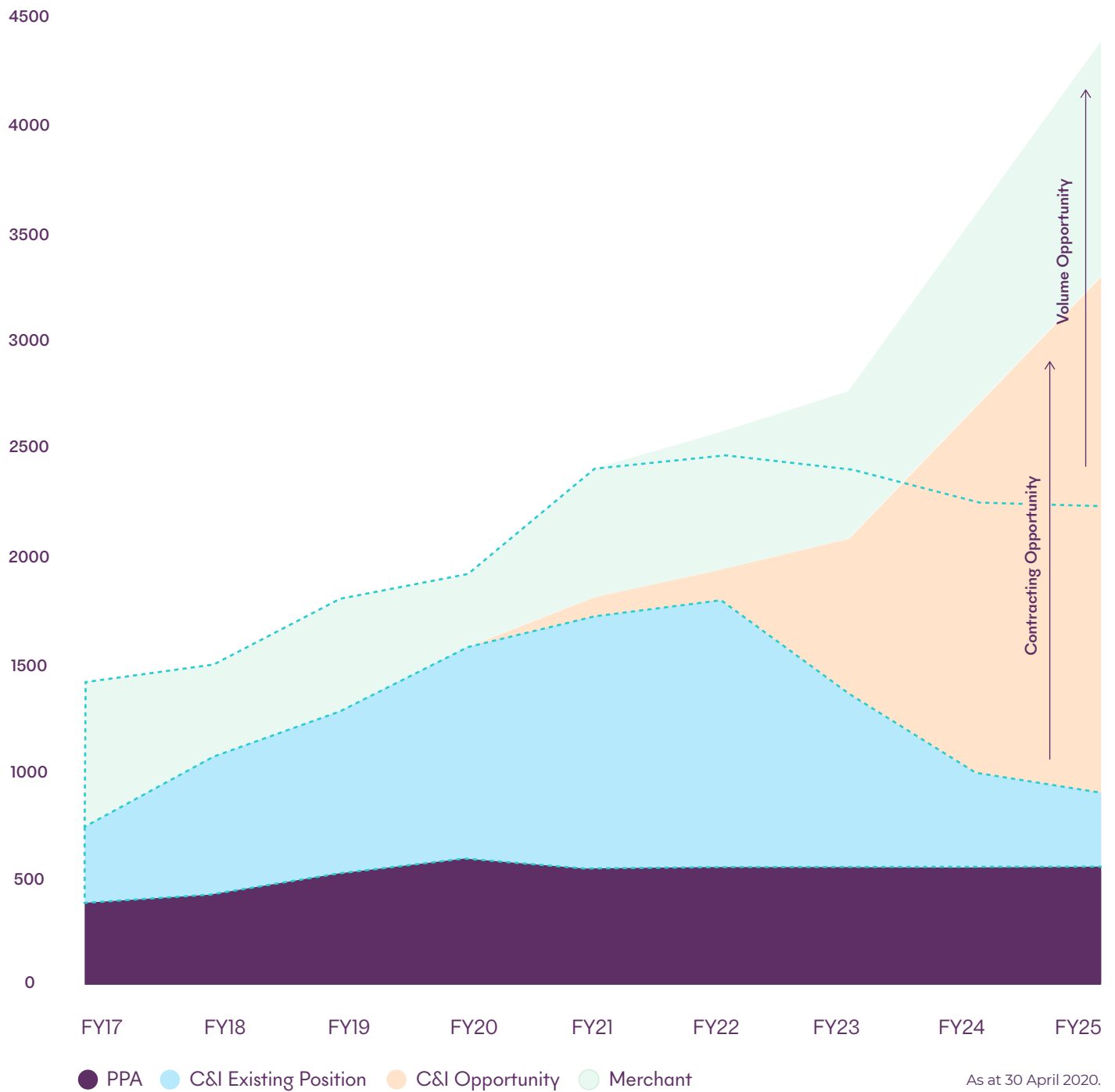
The volume and growth opportunity is transformative for Infigen. Together with Smithfield OCGT and the SA Battery, the SAGTs position Infigen for a total of 600-700MW renewable growth with up to 75% of the expanded renewable energy generation available to be contracted.

### Infigen's Current Contracting Position (GWh)



Note: Based on expected Renewable Energy Generation adjusted for FY20 Marginal Loss Factors; includes owned and contracted renewable energy assets; excludes firming assets; statistical simulation basis.

## The Opportunity (GWh)



Note: Chart shows indicative volume growth and indicative contracting levels enabled by Infigen's firming strategy. Actual outcomes are dependent on timing of additional renewable energy volumes and execution of C&I contracting. Chart illustrative of the opportunity and is not guidance. Based on expected Renewable Energy Generation adjusted for FY20 Marginal Loss Factors; includes owned and contracted renewable energy assets; excludes firming assets; statistical simulation basis. Actual outcomes will be dependent on timing of additional renewable energy volumes and execution of C&I contracting.

— 01.

# Our People

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Infigen

“We seek to build strong, enduring and supportive relationships with our employees based on trust and mutual respect. Whilst acknowledging individual accountability and diversity of opinion, we strive for the achievement of collective results.”

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0

No Lost Time  
Injuries in FY19

---

20

Literacy in  
20 languages

---

23

23 different  
nationalities in  
our team

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## Who are Our People?

Our employees, contractors and directors are all critical to the long-term success of our business and the delivery of our business strategy.

Our people – our employees and contractors who are based in our head office in Sydney, the employees we have at our operating sites across Australia, and the non-executive directors who sit on our Board. Our people also include families, friends and groups that support us.



Our people also include families, friends and groups that support us.

## Our Approach to our People

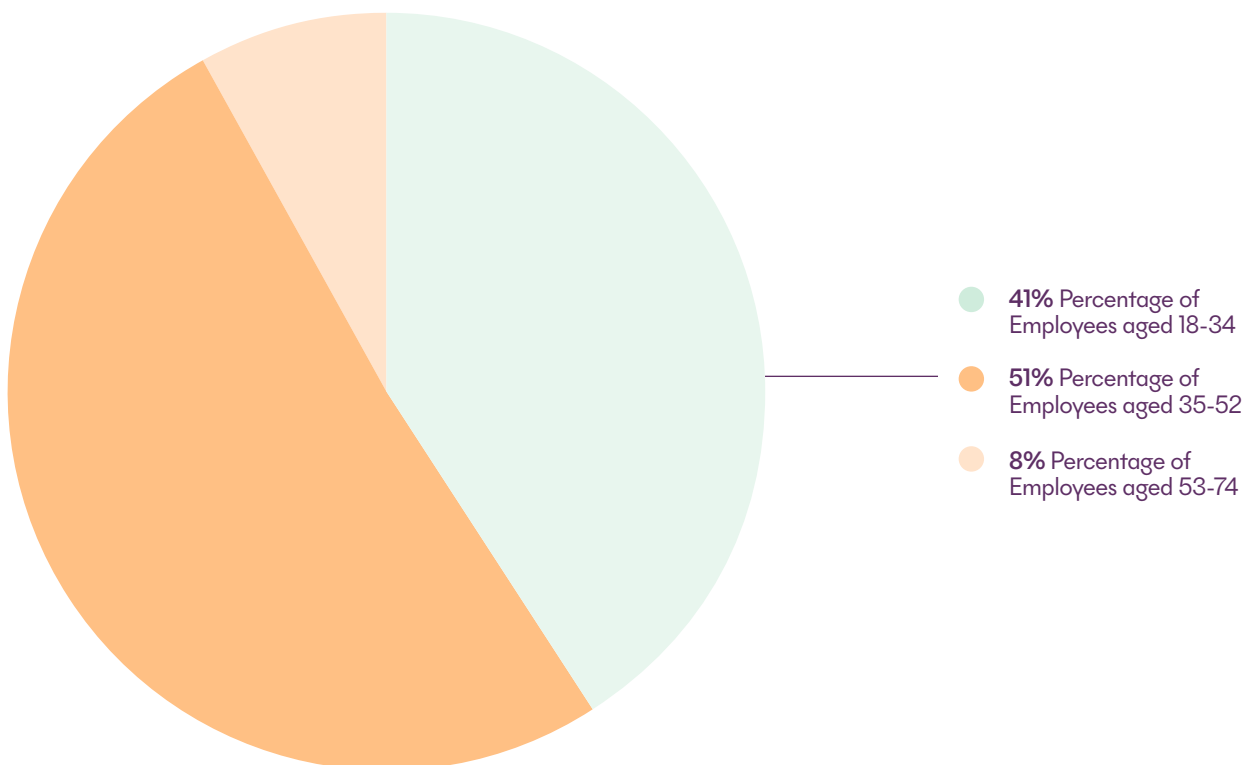
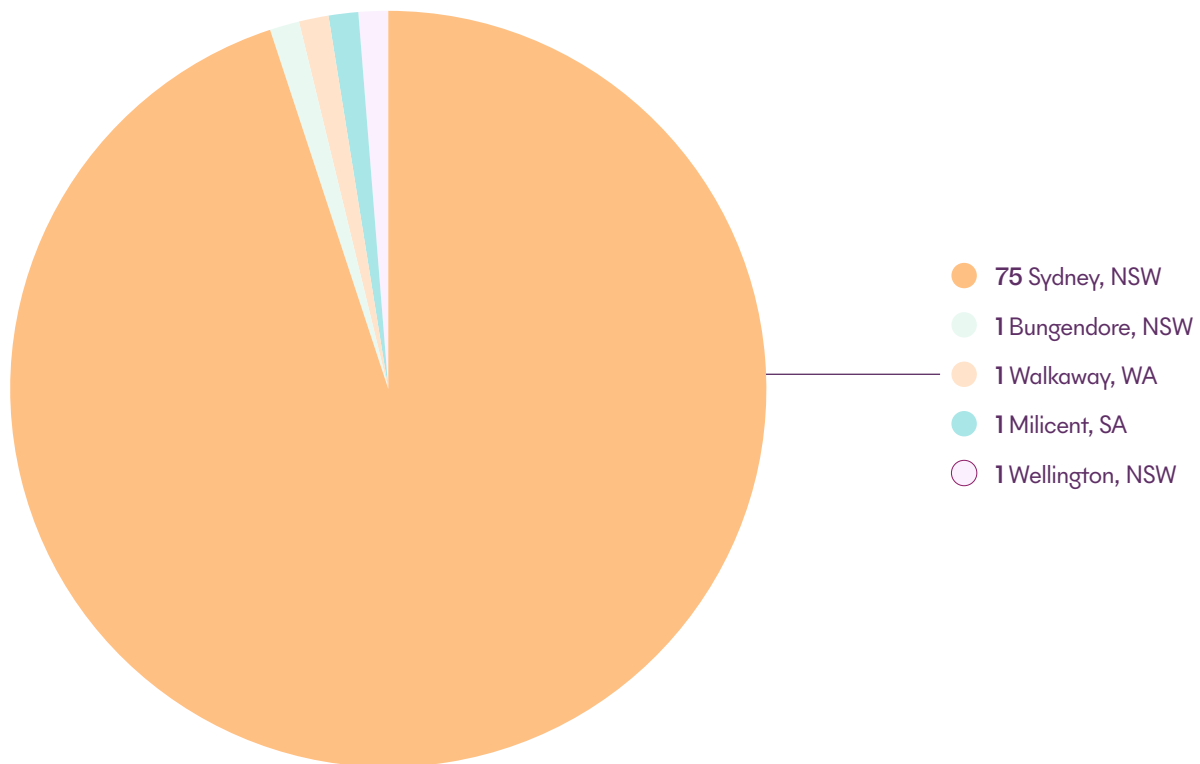
Our people want to contribute to a business whose brand, purpose, strategy and culture are aligned with their personal values. They want challenging roles, clear communication from management and flexibility in the way they manage their responsibilities. Our people want to be part of a winning team and want to be recognised for their contribution to our success.

Our employees come to work and dedicate themselves to Infigen's success. The families of our people trust us with the wellbeing of their loved ones and trust us to return them home safely.

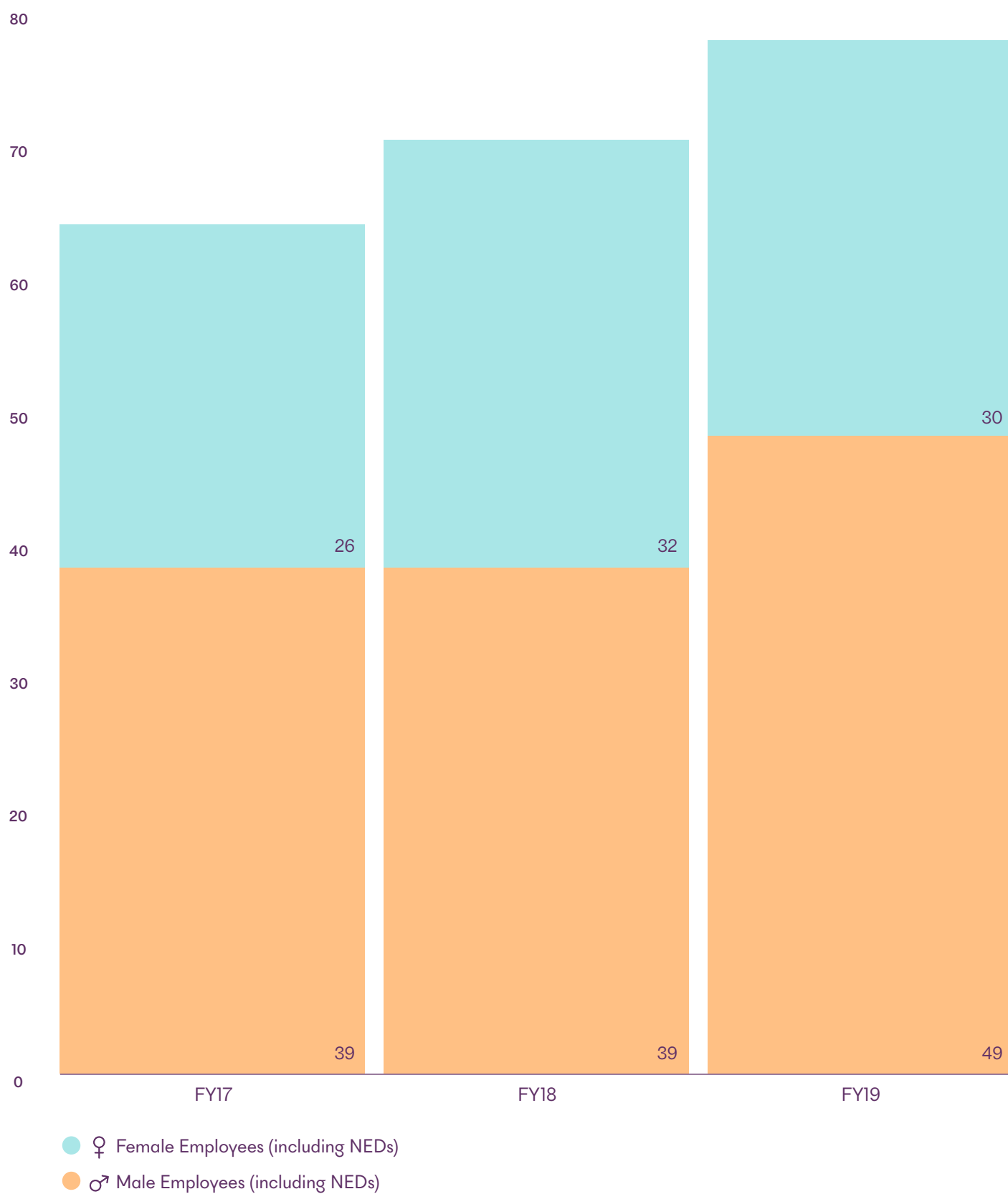
We seek to build strong, enduring and supportive relationships with our employees based on trust and mutual respect. Whilst acknowledging individual accountability and diversity of opinion, we strive for the achievement of collective results. We recognise that our life experiences make each of us unique and value the full richness of human diversity that this brings to our team. We will vigorously pursue inclusion so that everyone feels comfortable to bring their whole self to work. We value the wellbeing of all employees and strive to find the right balance between home, work and life.



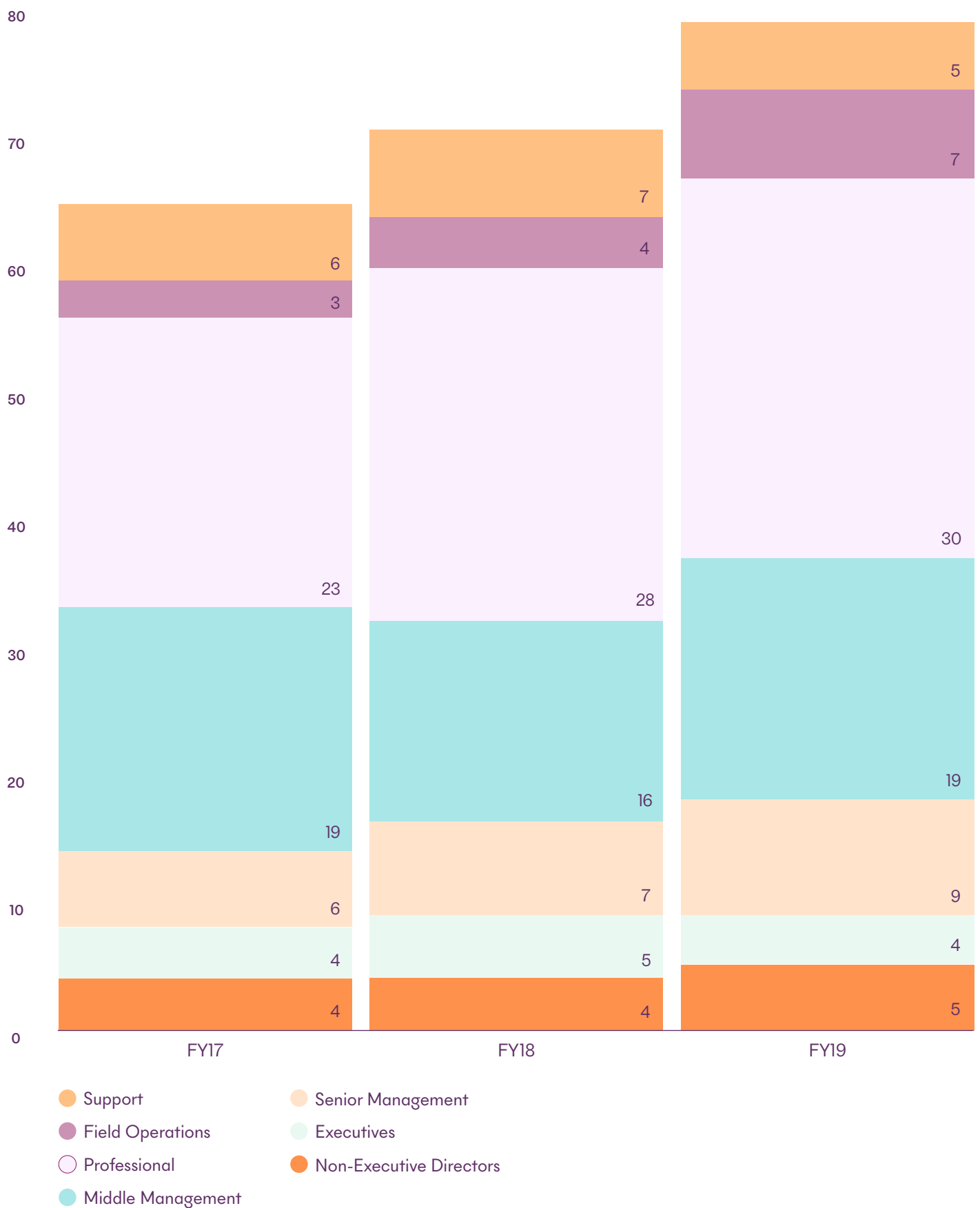
We seek to build strong, enduring and supportive relationships with our employees based on trust and mutual respect.



## Infigen's People by Gender (Number of People)



## Infigen's People by Role (Number of People)



## Our Approach to Health and Safety

Infigen's first priority is the safety and wellbeing of our people and our communities. We are committed to achieving our goal of zero harm, with an important indicator being zero lost time injuries.

Infigen adopts the Hierarchy of Controls approach, endorsed by Safe Work Australia. This is a set of risk management control measures with multiple lines of defence. The highest level of control requires the elimination of the hazard, generally via engineering and design solutions. The central levels of control require substitution of the hazard with a safer alternative, isolation of the hazard from people, or reduction of the risk via engineering and administrative

controls. The final level of control requires the use of Protective Personal Equipment (PPE) and the following of safe work practices.

Infigen also actively engages to influence contractor safety, using methods such as workshops, monthly meetings and safety audits. We work particularly closely with the contractors that provide long-term operations and maintenance services to ensure best practice is adopted and, where relevant, to implement learnings from their global businesses. We are an active member in a number of industry organisations which collaborate to minimise the safety risks inherent in power plant operations.

Infigen's safety performance is measured on a rolling 12-month basis, in accordance with standards of Safe Work Australia.

### Health and safety performance

- No Lost Time Injuries during FY19.
- 11 Years LTI free at Lake Bonney 1 Wind Farm and Alinta Wind Farm.
- In October 2019 (FY20), a lost time injury occurred at Smithfield OCGT due to a fall from height. An extensive incident review was undertaken resulting in additional safety measures being introduced. The operator returned to work in Q2FY20.

Safety by gender	Units	FY14	FY15	FY16	FY17	FY18	FY19
Lost time injuries	#	0	0	0	1	1	0
Medical treatment injuries	#	0	2	1	0	3	5
Lost time injury frequency rate	LTIs per 1m hours	0	0	0	3.14	2.85	0
Total recordable injury frequency rate	TRIs per 1m hours	0	0	27.51	12.59	11.41	12.49
Total recordable injuries	#	0	2	1	1	4	5

## Our Plan for Continual Safety Improvement

The safety and wellbeing of our people is our priority. In FY20 an internal review of the Infigen Safety Management System was undertaken. The review resulted in a strategy to revise our internal Safety Management System to align with the guidance within the ISO 45001 Occupational Health & Safety standard. This project has involved an external review of the system by AusSafe Consulting, a

leading consultancy in Australia, to provide best practice guidance on streamlining the system to reflect our business requirements and map to the latest international standards. This is a comprehensive initiative that will be implemented across all divisions of Infigen. The initiative forms part of a wider HSE strategy to continually improve health and safety conditions in our workplaces.

tertiary education. Infigen currently provides professional development support to five employees participating in either post graduate studies or further tertiary education.

## Industry Leading Parental Leave Benefits

In 2019, Infigen reviewed its parental leave policy in line with best practise recommendations from the Workplace Gender Equality Agency. Our Policy was updated to include:

- 4 months paid parental leave in addition to any government funded leave;
- A secondary carer can take up to one month paid parental leave at the time of birth or adoption of a child. If the secondary carer becomes the primary carer, they will be entitled to four months of total paid parental leave.
- Superannuation contributions are paid for the entire duration of paid and unpaid leave, capped at 12 months.
- Sometimes pregnancies do not go as planned, in which case special leave is offered at the same rate as paid parental leave for unexpected circumstances, including still birth.

## Diversity and Inclusion Activities



### Harmony Day

Harmony Day encourages our team to celebrate our cultural diversity and is always a popular day on our Wellbeing Calendar. At the lunch, employees share meals associated with their cultural heritage. With 23 countries in our cultural DNA, the event catalyses conversations about our backgrounds, values and communities.

### Lockhart River Art Auction

Lockhart River is a remote indigenous community located on the eastern side of Cape York. Infigen Energy helped raise \$66,540 for the Lockhart River community by sponsoring the 3rd annual Lockhart River Gala held in Brisbane. 27 pieces of local aboriginal art were auctioned off on the night and all the proceeds went to the Lockhart River Artists and the Puuya Foundation. The Puuya Foundation seeks to empower the local community of Lockhart River to set goals and visions for their community's future and to develop and nurture the skills, knowledge and confidence needed to realise their vision.

### R U OK?Day

In the week following 12 September 2019, in support of "R U OK?Day", we shared inspiring clips and messages throughout the office, reflecting on the message: "Ask. Listen. Encourage. Action. Check in."

Depression is silent, so we encouraged conversation in our lunchrooms, our social circles and our communities to provide support to start conversations that can be difficult and provide support and tips on how to start the conversation.

## Diversity and Inclusion Objectives

Infigen aims to create a workplace culture where individuals feel comfortable bringing their whole self to work. We value individuality, and believe that embracing differences in ethnicity, gender, sexuality, age, experience and training contributes to superior team performance. At Infigen's employee engagement survey in December 2018, 100% of

participants "agreed" or "strongly agreed" that "members in our team respect each other's differences, cultures and backgrounds".

Infigen's Nomination & Remuneration Committee (NRC) previously approved four Diversity Objectives. Infigen continues to focus on making progress towards these diversity objectives.

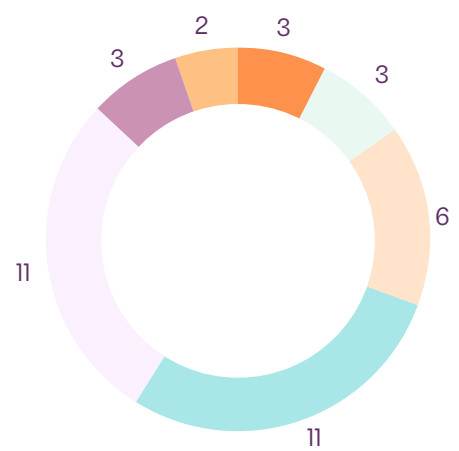
Objective	Our Performance
<b>Maintain progress towards achieving an equal proportion of workplace participation of females and males.</b>	<ul style="list-style-type: none"> <li>- Recruitment decisions continue to be based on merit and external recruiters are required to present a shortlist that is ethnically and gender diverse.</li> <li>- In FY19, more males were hired in new roles than females. Therefore, while Infigen employed the same number of women in FY19 (vs FY18), the overall participation rate declined by 2%.</li> <li>- In FY20, the COVID-19 pandemic and our expanded technological capabilities have facilitated extensive remote working. Management expects this to facilitate higher levels of remote working in the future.</li> </ul>
<b>Implement an emerging leader mentor program to attract, develop and retain emerging leaders.</b>	<ul style="list-style-type: none"> <li>- In FY20, priority will be given to developing a programme enabling emerging leaders to realise their full potential.</li> </ul>
<b>Implement a lesbian, gay, bisexual, transgender and intersex (LGBTI) Diversity and Inclusion Plan.</b>	<ul style="list-style-type: none"> <li>- In FY20, Infigen will retain its gender diversity objectives and in addition will initiate an internal discussion of broader forms of employee inclusion. The objective will be to ensure that the business values are representative of the diversity of the community we operate in.</li> </ul>
<b>Achieve gender pay equity within each occupational group.</b>	<ul style="list-style-type: none"> <li>- Infigen is committed to the principle of gender pay equality and have been measuring pay equity since 2014.</li> <li>- Our challenge is that we have a small workforce with many specialised roles. This does not always present opportunities for like-for-like role comparison.</li> </ul>

Objective	Our Performance
<p><b>Achieve gender pay equity within each occupational group (continued)</b></p>	<p><b>Consequently, we adopt several methods to ensure that the principles of pay equality are upheld. This includes:</b></p> <ul style="list-style-type: none"> <li>- All positions have a job description;</li> <li>- We openly discuss recruitment, promotion, performance and pay decisions so that they are not influenced by stereotypes or gender bias;</li> <li>- Benchmarking remuneration internally across a range of roles and teams, and externally through reputable sources of market, industry and role data;</li> <li>- Promoting career opportunities through scholarships, employment and promotion in typically male dominated engineering and operational roles;</li> <li>- Set objectives to increase female participation within the workforce;</li> <li>- Identify and develop future leaders;</li> <li>- Regularly survey employee motivation, job satisfaction and engagement, including a question asking employees whether “they feel that they are fairly compensated for the work they do”.</li> <li>- Implement best practice Parental Leave benefits to ensure that long-term leave does not diminish an employee’s career opportunities or remuneration.</li> <li>- As at 30 June 2019 we identified like-for-like comparators for 69% of the organisation. There were no pay gaps within this group.</li> <li>- We will continue to apply these principles of pay equality and monitor the entire workforce to ensure that gender pay gaps do not occur.</li> </ul>

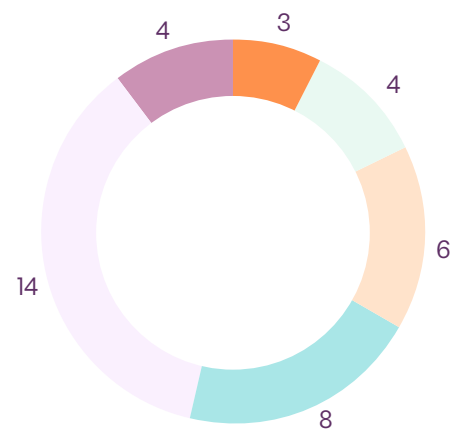


### Males at Infigen by Role (Number of People)

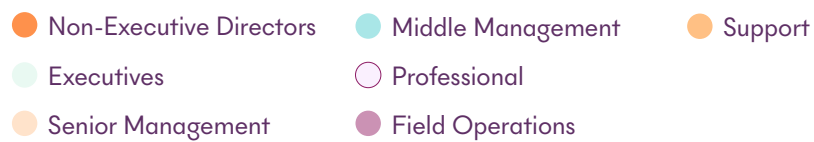
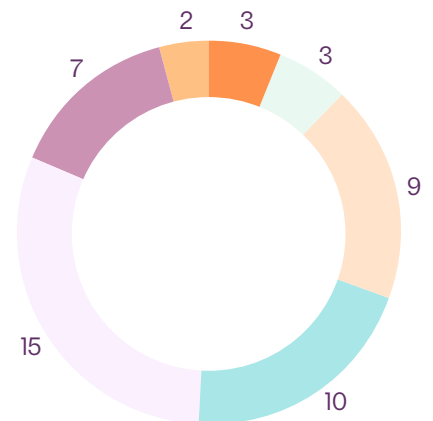
FY17 \_\_\_\_\_



FY18 \_\_\_\_\_



FY19 \_\_\_\_\_



— 02.

# Our Customers

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Infigen

“Over 95% of our generation is renewable, with the balance sourced from our flexible, fast-start assets which manage intermittency risks associated with wind and solar generation.”

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+19%

In FY19 we increased contracted Commercial and Industrial customer electricity sales by 19% to 768GWh

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20%

No single customer accounts for more than 20% of expected generation

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40%

Customer demand for renewable energy continues to grow, with RE100 seeing a 40% increase in membership in the Asia Pacific region

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## Who Are Our Customers?

Infigen is a renewable energy generator, strategically focused on Australian Commercial and Industrial (C&I) customers. Over 95% of our generation is renewable, with the balance sourced from our flexible, fast-start assets which manage intermittency risks associated with wind and solar generation. Our customers include manufacturers, food and beverage processors, telecommunications providers, building and construction companies, universities, local councils, other utilities and commercial enterprises.

Our customers are located in New South Wales, Victoria and South Australia – the south-eastern states in the National Electricity Market where Infigen's generation is focused. Our customers buy electricity and green products from us in different contract structure and tenors.



Over 95% of our generation is renewable, with the balance sourced from our flexible, fast-start assets which manage intermittency risks associated with wind and solar generation.

## Our Approach to Our Customers

Our customers expect us to work diligently to understand their energy needs. They expect us to offer them supply contracts that are easy to understand, solutions-oriented and cost-efficient. They expect us to provide a service culture that is personal, attentive, responsive, honest and friendly. They expect their bills to be transparent, accurate, prompt and

predictable. Our customers often seek flexible products, behind the meter solutions and bespoke energy market analytics. Our customers value our commitment to providing market insights, and our commitment to working with them on their specific energy needs.



Customers expect their bills to be transparent, accurate, prompt and predictable.

# Our Three Channels to Market

We sell electricity to C&I customers, and PPA customers and we are a net seller into the merchant (or spot) markets. Going forward, Infigen's strategy is to increase C&I sales as our renewable volumes increase.

## 01. Electricity Sales to C&I Customers

- C&I contracts reflect actual usage of each customer and the terms of the contract.
- Prices reflect market conditions at time of contract and the commercial terms and conditions agreed with the customer. Prices are influenced by a range of factors including: wholesale market conditions at time of contract; contract tenors; cost to serve customer; customer load profiles; region in NEM; treatment of inflation; counterparty credit quality; time of day pricing and demand response or high price event clauses.
- This channel also includes Wholesale contracts.

## 02. Electricity Sales to PPA Customers

- Infigen receives a fixed price for run of plant production. Infigen therefore has volume risk, but not price risk.
- Infigen has two run of plant PPAs: Alinta Wind Farm, expiring 2026 and Bodangora Wind Farm (60%), expiring 2030.
- Infigen's PPA sales generally have inflation escalators.

## 03. Merchant Electricity Sales

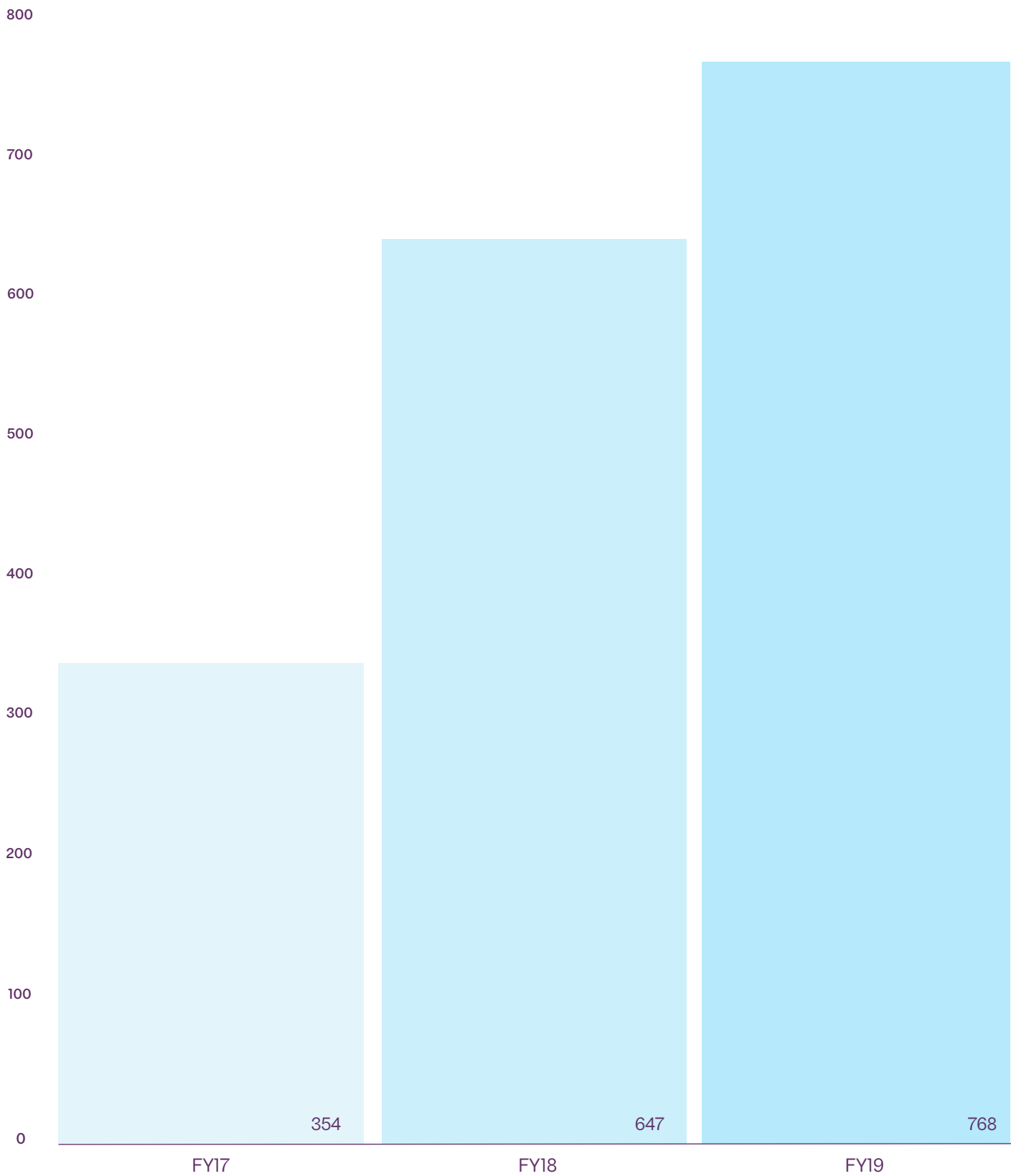
- Sales to spot electricity markets. This occurs when Infigen's electricity generation output is greater than our customer contract quantity commitments.
- Electricity purchases from the spot market.
- Smithfield OCGT revenue from cap sales and pool sales, net of short run marginal cost and net of cap payouts.
- SA Battery revenue from regulation FCAS, contingency FCAS and energy arbitrage.
- Financial firming positions such as FCAS hedges and cap payouts.

# Customer Satisfaction, Behaviour and Growth

In FY19 we increased contracted C&I customer electricity sales by 19% to 768GWh. This was facilitated by our investments in customer service staff and customer billing systems. Going forward, Infigen plans to continue investing in systems and processes that increase billing transparency for customers. In addition, in FY20 we intend to implement a new corporate website, with an increasing focus on customer service, acquisition and retention. We also intend to refresh our corporate brand and communications such that it reflects our transitioned, customer centric, strategy.

Customer demand for renewable energy continues to grow, with RE100 – an association of large corporations committed to sourcing 100% of their electricity from renewables – showing a 40% increase in membership in the Asia Pacific region. In our own sales of LGCs, we have also observed increasing buying activity by non-obligated entities, as companies voluntarily surrender LGCs to offset their carbon footprint. We have also observed leading enterprises acquiring more than the minimum obligation, as they seek to make their own businesses more resilient to climate related risks.

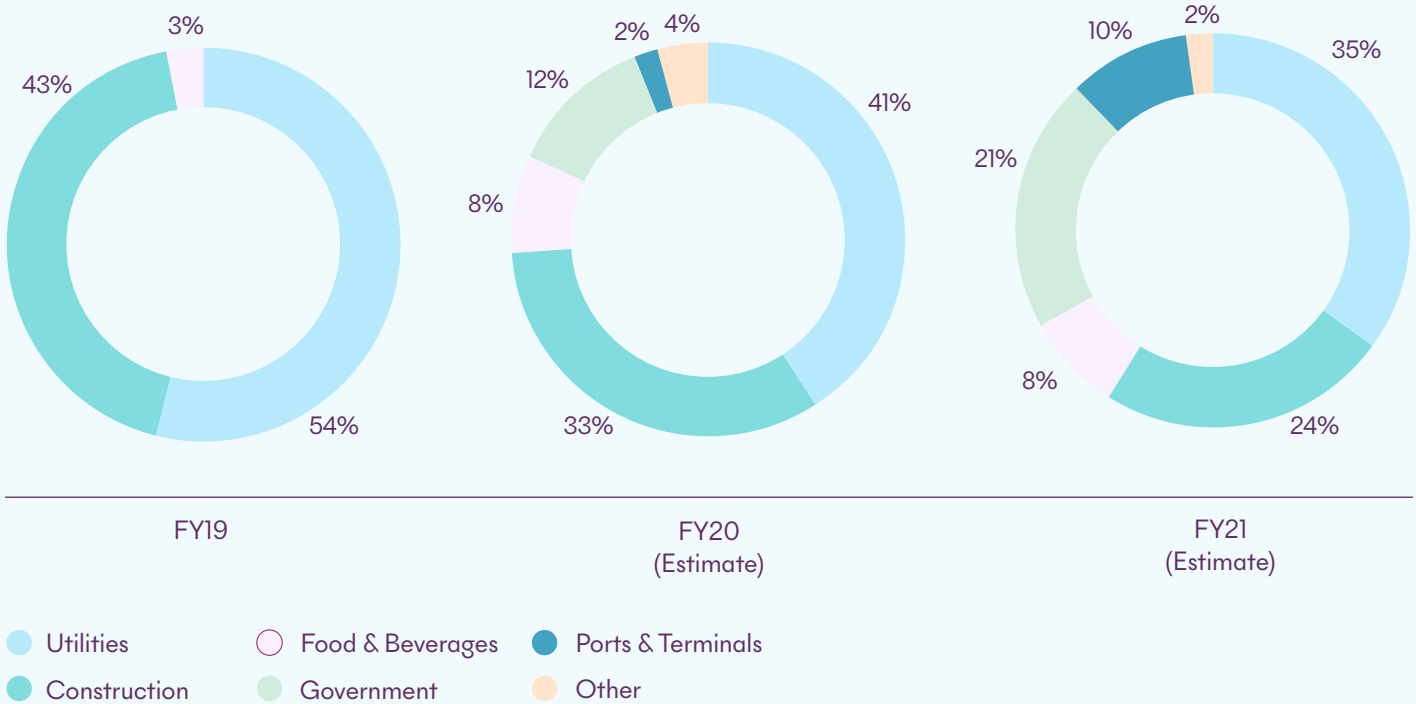
## C&I Customer Load Growth (GWh)



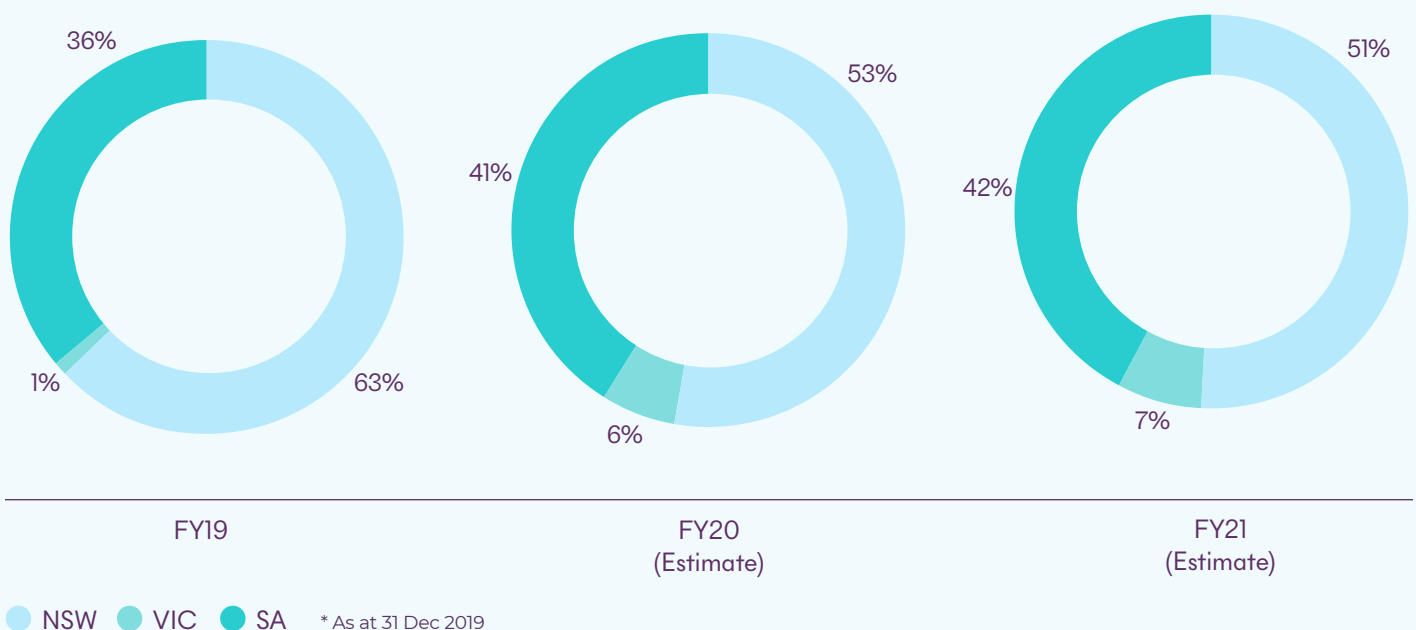
# Diversifying Our Customer Base

In addition to evaluating the counterparty credit risk of our commercial and industrial customers, we aim to limit concentration risk by maintaining a diverse customer base. In FY19 and FY20, no single customer accounts for more than 20% of our expected renewable energy generation. In addition, our commercial and industrial customers are well diversified by state and industry, as indicated in the charts below.

## C&I by Sector (Sales, GWh)



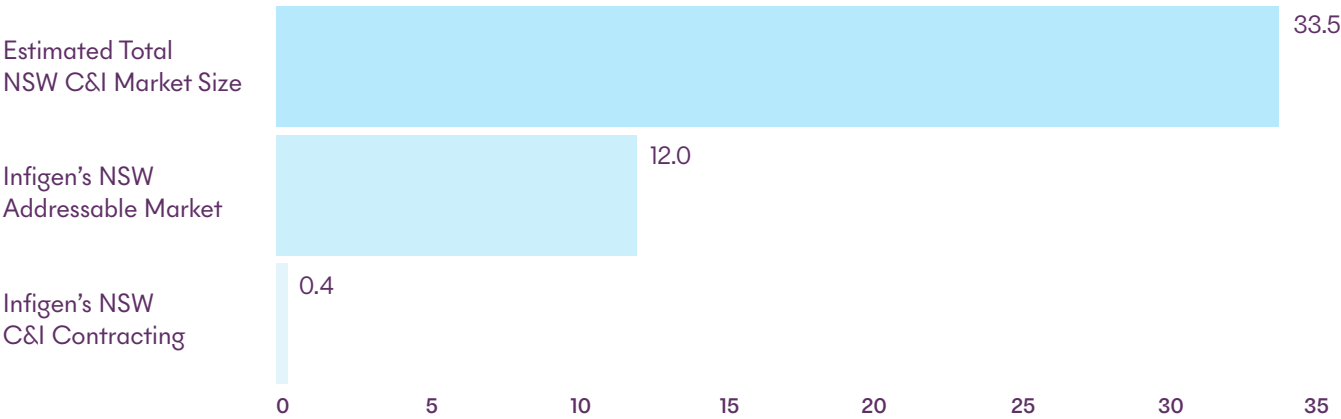
## C&I by State (Sales, GWh)



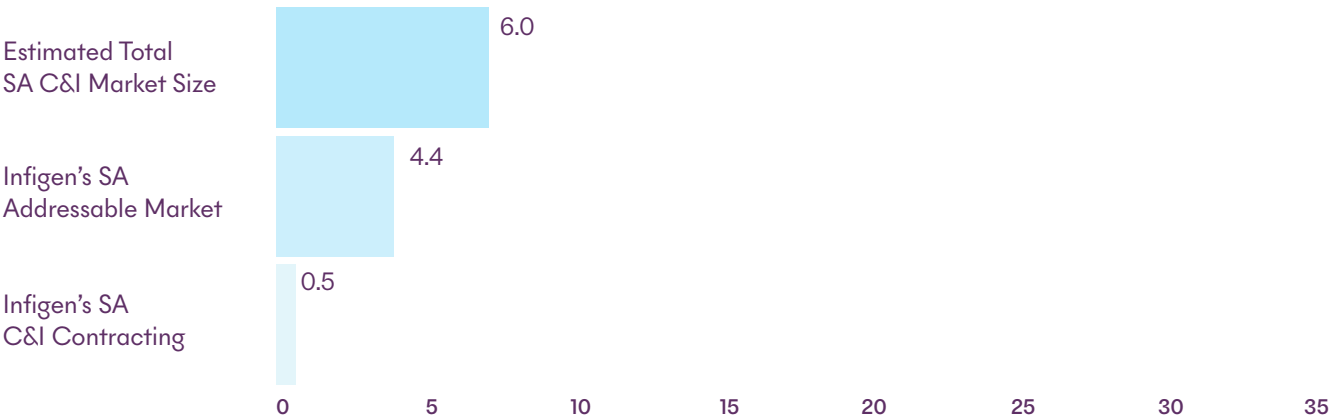
# The C&I Customer Opportunity

We have ambitious plans to increase our renewable energy sales to commercial and industrial customers in Australia. We have achieved strong growth since adopting this strategy, and there is still substantial room to grow in our key markets of NSW, SA and VIC.

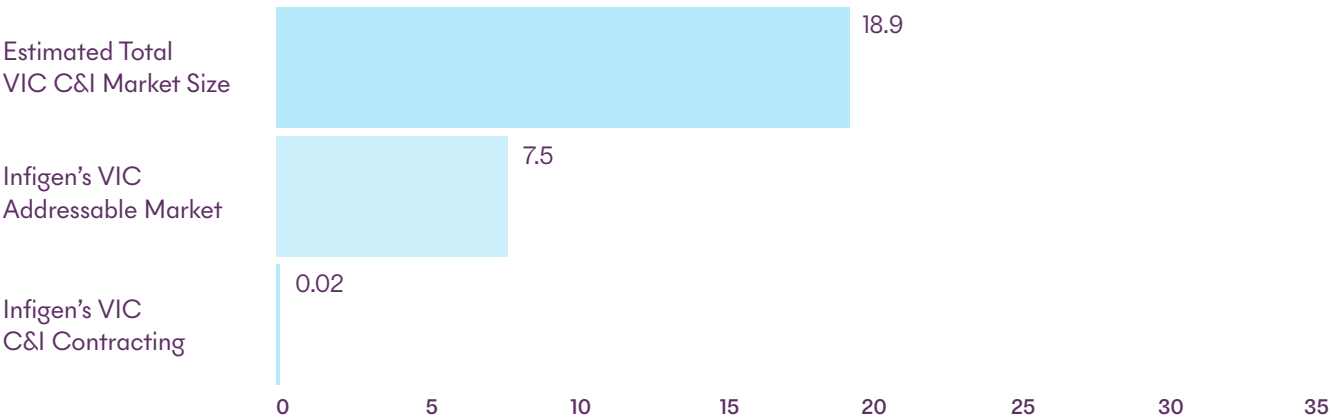
## Infigen Has a Significant Growth Opportunity for C&I Sales in NSW (TWh p.a.)



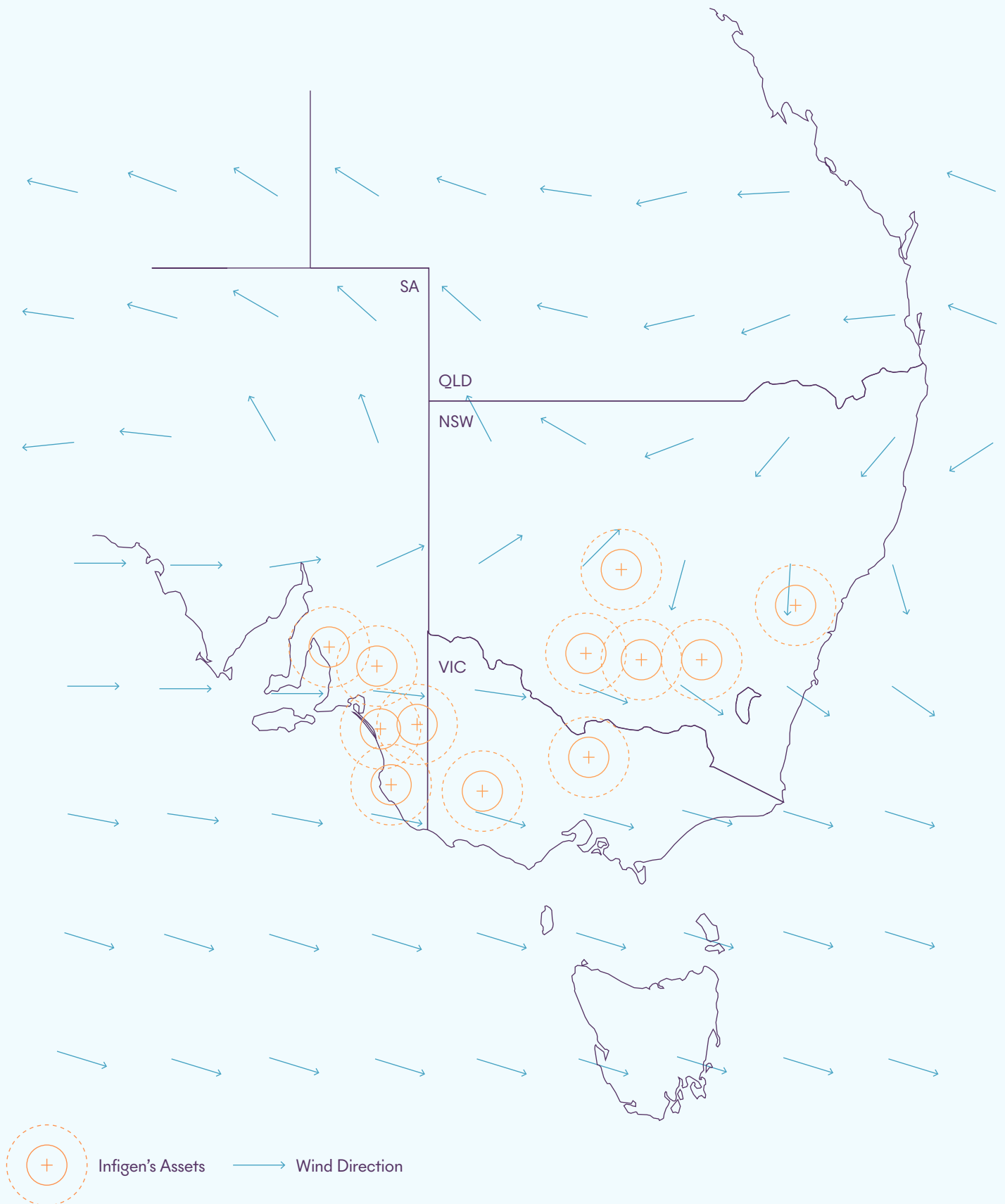
## Infigen Has a Significant Growth Opportunity for C&I Sales in SA (TWh p.a.)



## Infigen Has a Significant Growth Opportunity for C&I Sales in VIC (TWh p.a.)



## Average Wind Patterns in FY19 at Infigen's Assets



Source: Data from the NCEP/NCAR model of ESRL, a division of NOAA.

— 03.

# Our Communities

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Infigen

“We engage in extensive consultation through the life-cycle of our projects to ensure we communicate with, and are responsive to, our communities.”

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\$338,000

During FY19, we continued to support our local communities with over \$338,000 spent on events, advocacy, engagements, donations and projects.

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24/7 Hotline

Our Operational Control Centre manages a 24/7 telephone hotline where community issues or complaints can be logged and potentially addressed at all sites and all times.

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\$254,000

Infigen contributed \$254,000 to the NSW Biodiversity Conservation Trust.

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## Who are Our Communities?

Our communities include the landowners, neighbours, local communities, councils and the traditional owners of the land. We have communities at our operating assets and our development sites. At our operating assets, our communities are primarily centred around Wellington, Tarago, Bungendore, and Smithfield in NSW, Millicent and Mount Gambier in SA and Walkaway in WA. Our assets are on the traditional land of the Aboriginal people with whom we have constructive

long-term relationships. Our communities also comprise groups and industry bodies that have an interest in our business and operations, which includes community groups, universities, industry bodies, and the media.



Our communities include the landowners, neighbours, local communities, councils and the traditional owners of the land.

## Our Approach With Respect to Our Communities

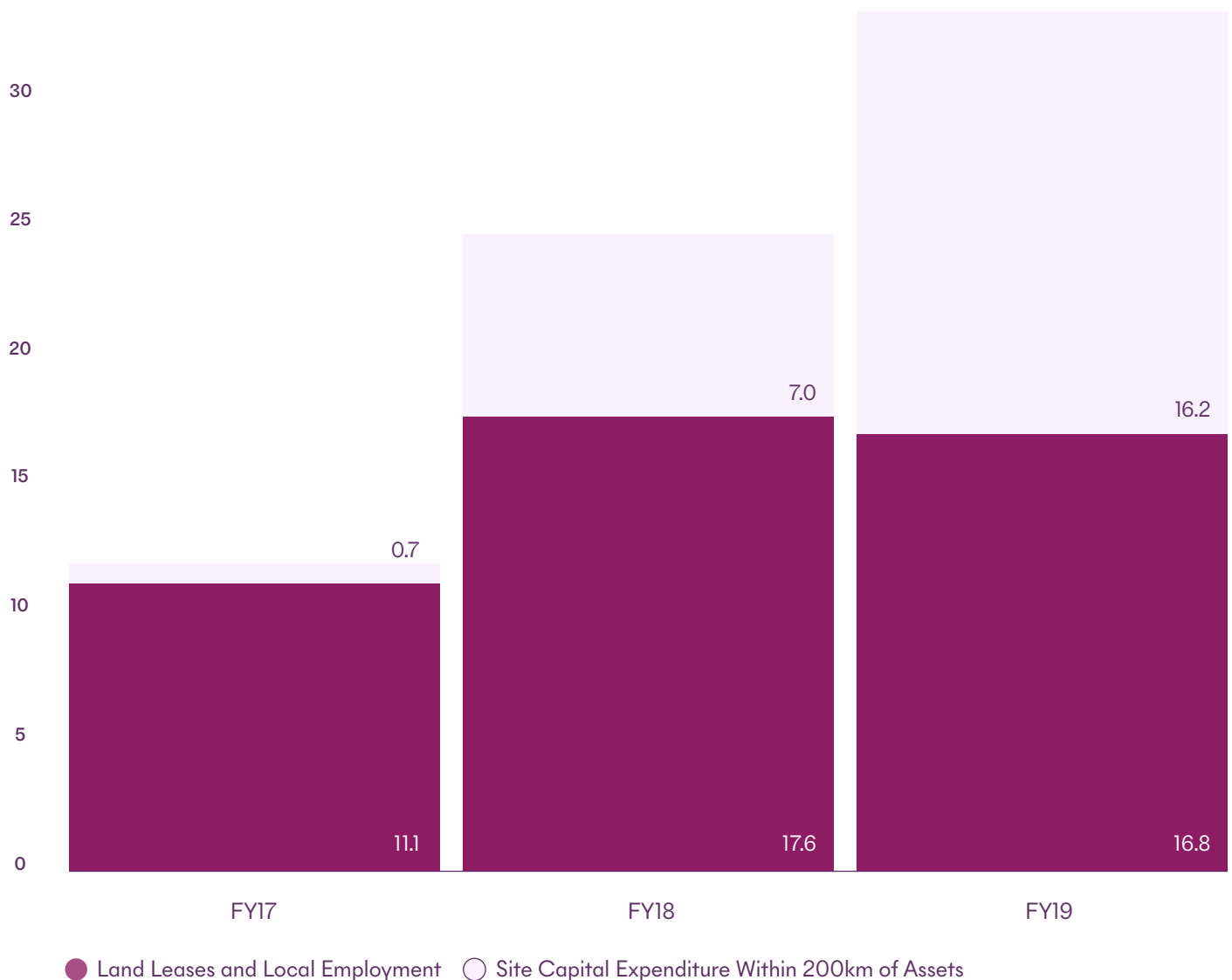
Our business depends on the support of the communities that host us and our assets. We seek to ensure our operations make valuable social and economic contributions to our communities and at the same time do not negatively affect the safety of the community, the natural environment or heritage. We engage in extensive consultation through the life-cycle of our projects to ensure we communicate with and are responsive to our communities.

Our communities expect us to be genuine, cooperative and transparent in our communication. They also seek our support to create fair, flexible and reasonable social and economic contributions reflecting our long-term relationship.

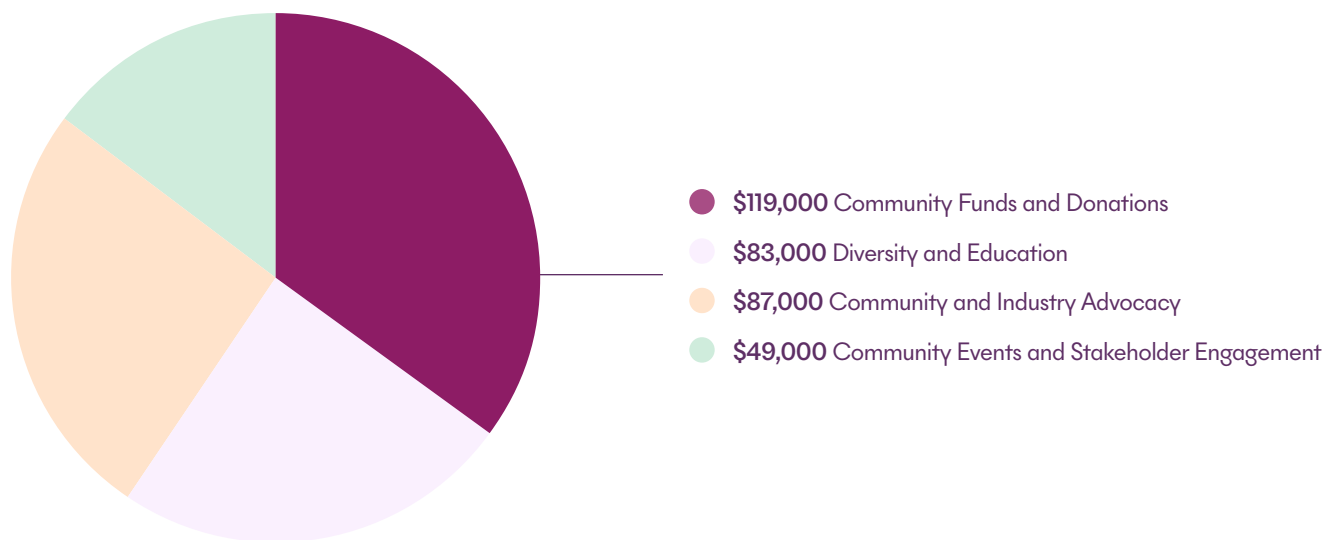
We engage our communities during the development stage by identifying the stakeholder groups relevant to our projects and establishing community committees to seek feedback and address legitimate concerns in relation to our development and operating sites. We maintain this engagement through the life-cycle of a project, endeavouring to always act honestly and fairly.



We maintain this engagement through the life-cycle of a project, endeavouring to always act honestly and fairly.



## Community Donations in FY19 (\$)

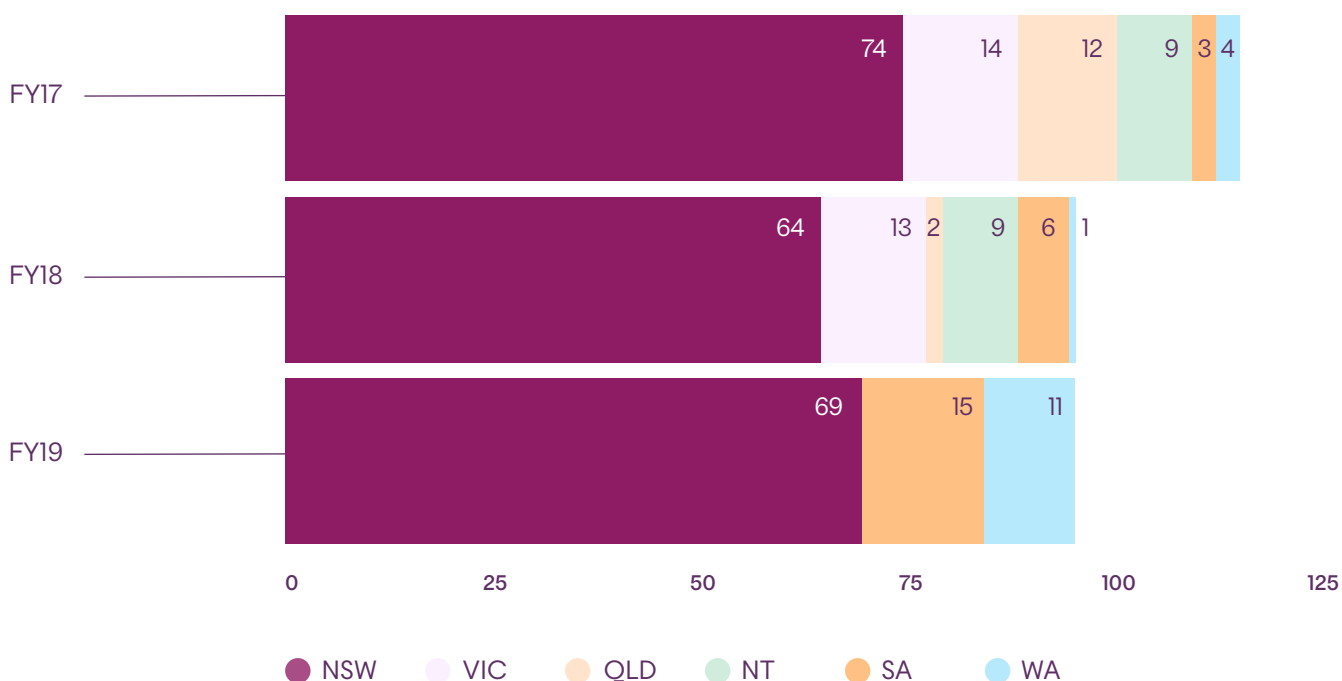


## Our Approach to Community Engagement

When developing new projects, we inform and consult, ensuring our communities have their voices heard. We have identified key stakeholder groups with whom we engage to achieve or maintain community support for projects. Community committees are formalised to discuss concerns

and provide feedback. Establishing community committees may not be appropriate for all development projects or operating assets and is considered on a community and site basis.

## Community Meetings, Consultations and Site Visits (Number)



## Community Committees

The key community considerations for wind projects regard biodiversity, visual amenity, and noise. Our communities expect us to effectively manage their feedback in relation to our operating assets, and to address all legitimate concerns. To foster respectful, responsive and enduring relationships with our local communities, we place a high priority on addressing any complaints

received from our stakeholders and follow a formal complaints management process to channel and resolve legitimate issues. Infigen's Complaints Handling Policy outlines the priorities and processes for resolving any community concerns. All material complaints are reported to the Board.

## Ongoing Monitoring

We implement a community engagement plan that follows the Clean Energy Council's Community Engagement Guidelines, which include the engagement framework based on the public participation spectrum of the International Association for Public Participation. The spectrum outlines activities beyond informing and

consultation that assist with achieving community support. The spectrum is used to communicate performance of community engagement and enables Infigen to communicate the status of our social licence to operate.

## Complaints Management

Our Operational Control Centre manages a 24/7 telephone hotline where community issues or complaints can be logged and potentially addressed at all sites and all times. Community complaints are logged in Infigen's

register and escalated as appropriate. Infigen also records complaints pursuant to its Australian Financial Services License obligations. Infigen had no AFSL complaints in FY19.

Objective	FY17	FY18	FY19
Unresolved complaints at beginning of the year	3	2	14
New complaints made during the year	11	13	6
Complaints resolved during the year	12	4	15
Unresolved complaints at end of period	2	11	5

# Our Community Activities in FY19

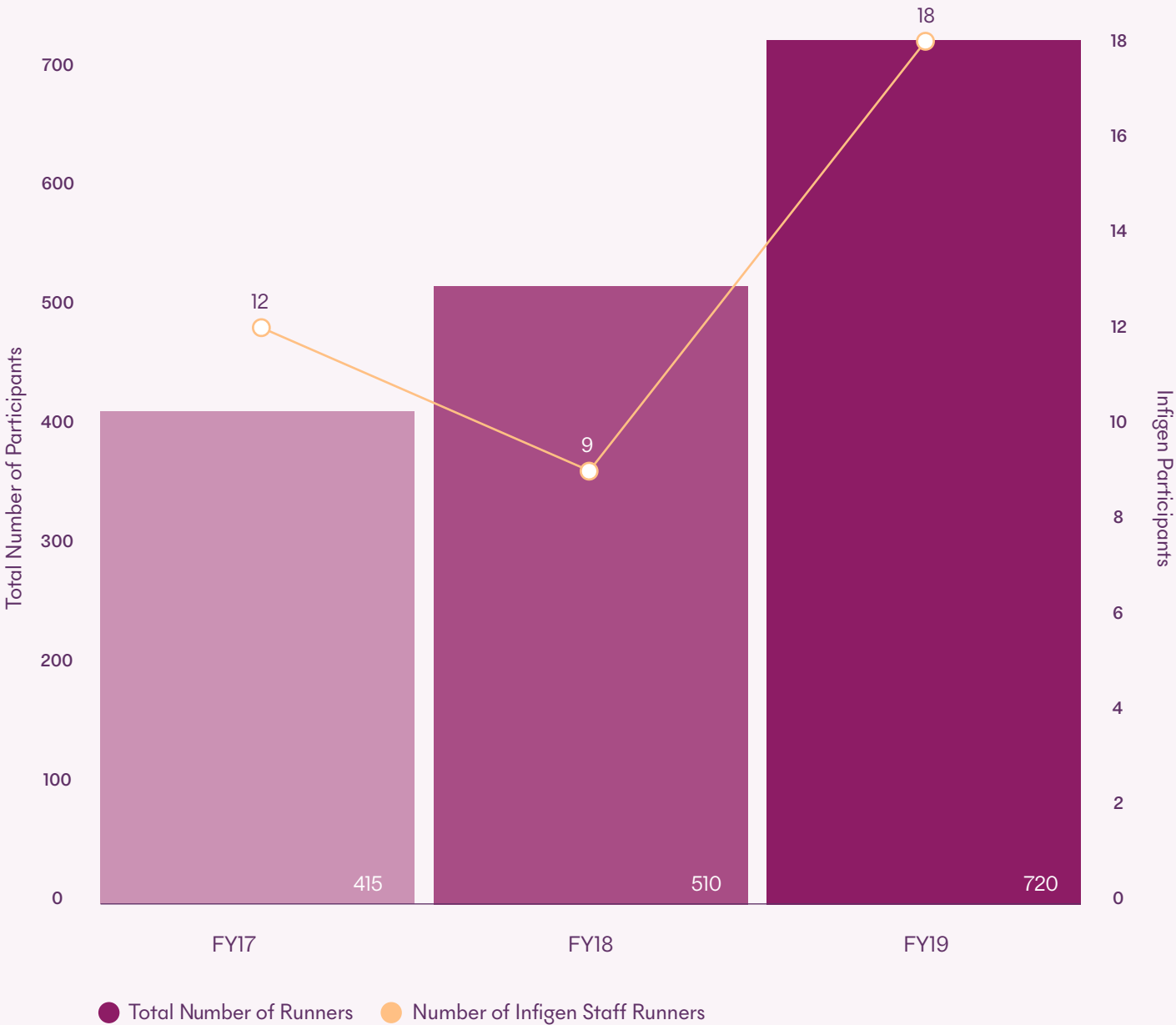
\$37,000

Sponsorship for our Run with the Wind event

## Run With The Wind

In October 2018, Woodlawn Wind Farm hosted the 8th annual “Run with the Wind” open day. The annual event consists of a 5km and 10km fun run, sponsored by Infigen. In FY19, approximately 700 runners participated with Infigen allocating \$37,000 of sponsorship for the event. The open day showcases the social and environmental benefits of wind energy.

Run With the Wind (Participants)





Millicent Gala Day, Girls



Millicent Gala Day, Boys

# \$38,000

Contributed to community activities and funding around the Lake Bonney Wind Farms.

## Lake Bonney Wind Farms and SA Battery

In FY19, Infigen continued to engage closely with the communities around the Lake Bonney Wind farms. A total of \$37,000 was contributed to local community activities including major sponsorship of Millicent Basketball Association, Millicent Football and Netball Club, Tantanoola Football and Netball Club, and the Millicent Show. Infigen also worked with local primary and secondary schools, with a focus on education in Science, Technology, Engineering and Maths.

# CY20

Infigen's Reconciliation Action Plan is focused on providing education and engagement opportunities to our people, strengthening and corporate relationship with Aboriginal communities.

## Reconciliation Action Plan

In FY20, we submitted our Reconciliation Action Plan (RAP) that articulates our organisation's commitments to providing opportunities to Australia's First Peoples. The plan reflects the recommendations of the Reconciliation Action Plan Committee, a group that meets at least four times a year. The members of Infigen's RAP Committee include: Ross Rolfe; Chief Executive Officer, Megan Richardson; Development Manager, Edward Arena; General Manager- People and Culture, Dr Valerie Cooms; Quandamooka woman and board member of Indigenous Business Australia and Mike Nolan; Wiradjuri man and CEO of Wellington Local Aboriginal Land Council.

In CY20, Infigen's RAP is focused on providing education and engagement opportunities to our people, strengthening our corporate relationship with Aboriginal communities, reviewing internal policies and procedures to ensure no barriers exist for Aboriginal and Torres Strait Islander job applicants, and reporting on our year's performance to Reconciliation Australia.



Community Benefits Fund Presentation, FY19

## Bodangora Wind Farm

In February 2019, we commenced commercial operations at Bodangora Wind Farm. At the peak of the construction phase the site employed over 140 people and on an ongoing operations basis the project has directly created seven local jobs.

As part of the agreement with Dubbo Regional Council, we contribute \$50,000 per annum (indexed) to the Bodangora Community Benefit Fund. Eligible applicants and community projects are evaluated by Dubbo Regional Council and the Community Consultative Committee. In addition, during the FY19 construction phase of Bodangora Wind Farm, Infigen contributed to 14 additional projects.

In total, Infigen contributed to more than 30 projects in the region, with major projects including:

- Boosting Macquarie River fish stocks with the Twin Rivers Fishing Club.
- Propagating growth of native species with the Burrendong Botanic Garden and Arboretum.
- Funding a disabled access ramp at the Wellington Girl Guides Hall.
- Contribution to the Bodangora Fire Brigade.
- Major sponsorship of the Wellington Show Society.
- Major sponsorship of the Mt Arthur Challenge.

The construction activities of the Bodangora Wind Farm disturbed a small amount of native vegetation. In order to offset this impact and as part of the project approval conditions, Infigen contributed \$254,000 to the NSW Biodiversity Conservation Trust. In February 2019 Infigen awarded the third round of the Bodangora Wind Farm Community Benefit Fund of \$25,000 taking the total funding distributed to local community groups during the construction phase of the project to \$150,000. Direct investment into the community will be approximately \$3 million over the life of the wind farm.

# \$83,000

Contributed to education,  
training and scholarships.

## Community Education

In FY19, we contributed \$83,000 to education, training and scholarships to promote careers in renewable energy, build our talent pipeline, and develop internal talent. Specific initiatives included:

- The UNSW Women in Engineering program (two students).
- The UNSW Co-op program (three students).
- Indigenous scholarship program.

Through team Baby Beau, Infigen supports the Stillbirth Foundation, a 100% community funded charity dedicated to stillbirth research, education and advocacy. In Australia, six babies are stillborn each day, a rate that has not reduced for two decades. The cause of death is unknown in 40% of cases.

Infigen's employees, contractors and suppliers. An additional \$2,000 was raised at Infigen's Melbourne Cup Calcutta auction. Team Baby Beau competed in the Blackmores Running festival again in FY20 bringing the total amount raised for the Stillbirth Foundation to \$80,000 over the fourteen months to September 2019.



Team Baby Beau, FY19



100%

Infigen matches in eligible employee donations.

In FY19, our team at Alinta (Walkaway) Wind Farm contributed \$15,000 to supporting the local community with a focus on health and recreational investment. We contributed to the Walkaway Recreation centre, Geraldton Yacht Club, Greenough Polocrosse Club, Walkaway Tennis Club, the Walkaway Sporting Complex and the MidWest Wind Fest watersports event in Dongara. The site hosted more than ten site visits, community meetings and school tours.

Infigen recognises that its employees support numerous charitable initiatives in their wider communities. “Contrib-o-meter” is Infigen’s employee donation matching programme, where Infigen matches eligible donations at a rate of up to 100%. In FY19, Infigen matched employee contributions to a variety of causes including: Triathlon Pink - Breast Cancer research, Chris O’Brien Lifehouse in support of Villa Walkers, Stillbirth Foundation, Soldier On, Leukaemia Foundation’s World’s Great Shave and The Christchurch Foundation resulting in \$18,665 of total donations. In FY20, Infigen is targeting \$20,000 of community and charitable donations via “Contrib-o-meter”.

— 04.

# Our Environment

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Infigen

“We understand that environmental management does not end with carbon emissions. We monitor and manage resource efficiency, water usage, effluent and waste, biodiversity and heritage conservation.”

78%

78% of Infigen's staff voluntarily opt in to our Green The Team initiative, offsetting their personal electricity emissions.

# +95%

+95% of our electricity comes from renewables with the balance from fast-start firming assets.

# 100%

Infigen targets sourcing 100% of its office and wind farm electricity from renewable sources, a target it achieved in FY19.

## Our Definition of Environment

We consider our environment to be both local and global. Locally, our generation assets operate within rural and regional Australia, with office presences in the central business districts of Sydney, Brisbane and Adelaide. In these local environments, we consider how to minimise our impacts and improve resource

efficiency, protect biodiversity and conserve natural ecosystems. Globally, we are supporters of the Paris Agreement's objective of keeping a global temperature rise this century well below 2 degrees Celsius. We measure, monitor and target the 100% offset of our carbon emissions.



We measure, monitor and target the 100% offset of our carbon emissions.

## Our Approach to the Environment

We believe that preserving, protecting and, where necessary, remediating the natural environment, is essential for the wellbeing of current and future generations.

Our purpose is to lead Australia to a clean future, today. Renewable energy generation is central to our business strategy and the achievement of this purpose. In FY19, we generated and sourced 1,775GWh of renewable energy from 8 wind projects across Australia – enough electricity to power approximately 350,000 Australian households. The fact that we generate renewable electricity is of great importance to our employees, the majority of whom now offset their household electricity usage through the purchase of Large-Scale Generation Certificates (LGCs) from Infigen.

We understand that environmental management does not end with carbon emissions. We monitor and manage resource efficiency, water usage, effluent and waste, biodiversity and heritage conservation. We are advocates for sustainable development and environmental conservation.

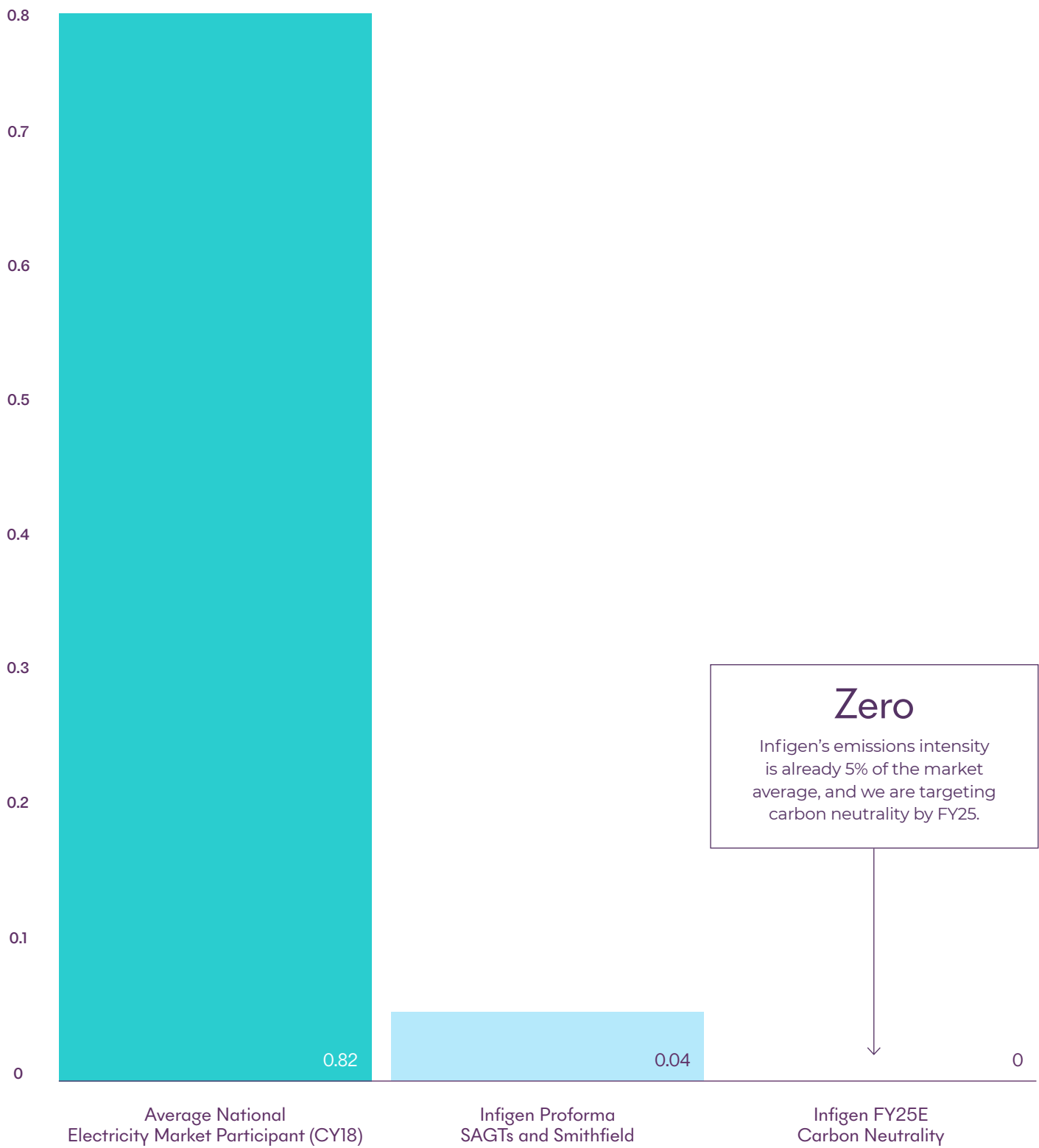
At Infigen, we also believe that managing the environment will improve long-term business performance. Climate conditions influence wind patterns and the frequency of adverse climate events such as heat waves, bush fires and lightning strikes. It is in the interests of all our stakeholders for Infigen to conduct business in a manner that is environmentally sustainable.



We monitor and manage resource efficiency, water usage, effluent and waste, biodiversity and heritage conservation.

Infigen continues to source 100% of its office and wind farm site power from renewable sources.

Infigen’s Relative Emissions Intensity (Tonnes CO<sub>2</sub>e MWh generated)



Smithfield OCGT was acquired on 23rd May 2019, resulting in less than two months of ownership in FY19. However, in line with NGERs reporting standards, Smithfield's full year emissions have been consolidated and reported by Infigen, resulting in the significant increase in Scope 1 emissions in FY19 vs FY18.

# Heritage and Environmental Compliance

Developers of wind and solar farms are required to determine whether the relevant site has the potential to have heritage value. Conducting a risk assessment and landscape character and utilisation modelling prior to any field studies are essential to ensure that potential areas of importance to Aboriginal people are identified.

These areas can then be assessed during field studies managed during construction. Once preliminary research has been completed, archaeologists, anthropologists, and specialist indigenous advisors are engaged to conduct research and consultation to identify indigenous cultural values and ensure they are protected in accordance with regulatory requirements.

# Protecting Biodiversity

We seek to ensure our operations protect the biodiversity in the natural environment. We use ecological surveys to understand environmental sensitivities and determine effective management strategies. These surveys include flora and fauna risk assessments and vegetation and fauna habitat assessments. Results of these investigations are provided to key government stakeholders such as environmental authorities and state planning departments prior to project approval.

Environment, biodiversity and heritage management strategies and emergency response plans are formulated for the construction and operational phases of each project and operating asset. Emergency response plans are tested regularly. During the consultation and construction stages we engage with external subject matter experts, who provide their knowledge and overall risk assessment of each project site.

The increase in Bird & Bat monitoring figures is due to the operation of the Bodangora Wind Farm. The ecological environment surrounding the Bodangora Wind Farm is diverse with many species of bird life residing in the area due to the mountain structures surrounding Wellington, NSW. As a new asset, Bodangora Wind Farm has begun the two-year comprehensive ecological study, as required by the Office of Environment and Heritage (OEH), with intensive on the ground assessments of bird life in the area. During this period all bird finds are investigated, logged as part of the study, and notified to the OEH.

\$74,831

Amount spent on Bird & Bat monitoring & management in FY19

Birds and Bats	FY17	FY18	FY19
Number of Bird Deaths	3	3	5
Number of Bat Deaths	0	0	1
Number of Endangered Species Deaths	0	0	0

# Managing Waste and Toxic Materials

Infigen’s wind farms contain only moderate quantities of chemicals and as such are not designated as “Hazchem” sites. The chemicals stored include gearbox oil, lubricants for wind turbine servicing, and small amounts of diesel for back-up generators. All chemicals are stored in bunded areas, containing spill response management plans. All chemicals are stored in accordance with dangerous goods storage guidelines and audited annually. Sites have Pollution Incident Response Management Plans (PIRMP) which are tested annually to ensure spill response readiness. Smithfield OCGT carries low levels of dosing biochemicals used for water sanitation for the water-cooling towers. Gas for Smithfield OCGT is provided as needed from a pipeline and is not stored onsite.

In FY19, during the construction phase, a notifiable waste spill occurred at the South Australia Battery involving a small oil spill on the battery pad. The higher incidence of non-reportable incidents in FY18 related to minor plant oil and vehicle oil spills during the construction of Bodangora Wind Farm.

Period Ending	FY17	FY18	FY19
Number of minor waste spills	1	11	2
Number of notifiable waste spills	0	0	1

# Our Approach to Water Use and Recycling

Water is a precious resource and our operating protocols reflect this. At our wind farms, water is not an input in the electricity generation process. However, modest amounts of water are used for irrigation, cleaning and on-site lavatories. All of this water is sourced from rainwater run-off, collected from the roofs of the main site facilities. Potable drinking water on these sites is provided by the Principal Contractor in 10-15L bottles and dispensed by a water cooler. Precise consumption levels are not measured, but we estimate approximately 12,000 litres of potable water consumption per annum across our asset portfolio. Depleted water bottles are stored on site and periodically recycled.

At Smithfield OCGT, water is sourced from the local utility, water is not a major input in the generation process. At Smithfield OCGT water consumption is approximately 7280 kilo-litres pa. Water from the site’s catchment is processed through an oil water separator before being discharged according to the site’s environmental regulations.

In FY20 and FY21, management will explore the merits of installing water counters onto the wind farm site rain water tanks in order to increase data capture on rainwater usage.

Tahlia Nolan and Marcus Dorreen - Infigen's Green the Team champions.

## Introducing reporting under the recommendations of Taskforce for Climate Related Financial Disclosures (“TCFD”)

01.

### Our Approach to the TCFD Recommendations

The TCFD recommendations are designed to help businesses evaluate their financial exposure to climate change. Following the Paris Agreement of December 2015, nearly 200 countries agreed to substantially reduce greenhouse emissions and accelerate the transition to a lower-carbon economy – seeking to avoid the most severe risks posed by unchecked anthropogenic climate change. This commitment implies risks for fossil fuel based businesses, and opportunities for businesses focused on decarbonisation.

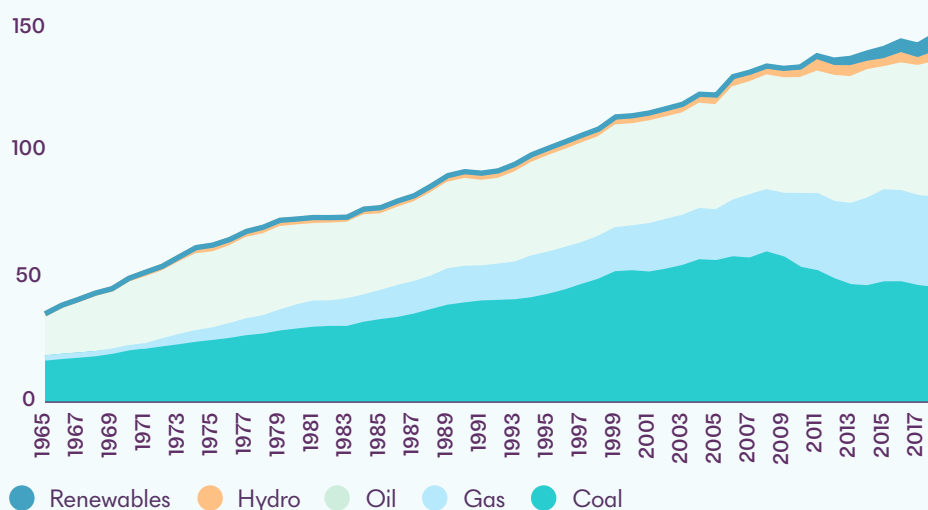
In this TCFD report, we aim to provide useful, forward looking information regarding our financial exposure to climate change. We outline the economic, environmental, and policy settings that influence our financial sensitivity to climate factors. Within this context, we report against the four pillars of the framework: (1) Governance; (2) Strategy; (3) Risk Management; and (4) Metrics and Targets. We also outline the next steps in our ongoing adoption of the TCFD recommendations into our business processes and policies.

02.

### Australia's Energy Mix Needs to Change

Despite recent growth, renewables remain a small component of Australia's total primary energy demand, representing just 7.7% of Australia's total primary energy consumption, with the remaining 92.3% split between coal, gas and oil. The preponderance of fossil fuels in Australia's energy mix has resulted in our national per capita emissions tracking at approximately three times the global average. As scientific consensus, international pressure, and community expectations militate towards a more sustainable energy mix, producers and consumers of fossil fuels may face material business risks. The energy transition also provides opportunities, with renewable energy, low carbon technologies, and energy efficiency the likely beneficiaries. Infigen's electricity generation is split between renewables (~95%) and gas (~5%), with a business strategy predicated on using fast start firming assets (gas peakers and batteries) to accelerate the growth of renewables. The resilience of our business model will be determined by our ability to navigate the forthcoming transition of Australia's energy system.

### Australia's Energy Consumption by Source (Mtoe)



Source: BP Statistical Review of World Energy

The chart displays the GDP per capita in current prices for three entities from 1960 to 2014. The Y-axis represents the value in current prices, ranging from 0 to 20. The X-axis represents the year, with labels every two years from 1960 to 2014.

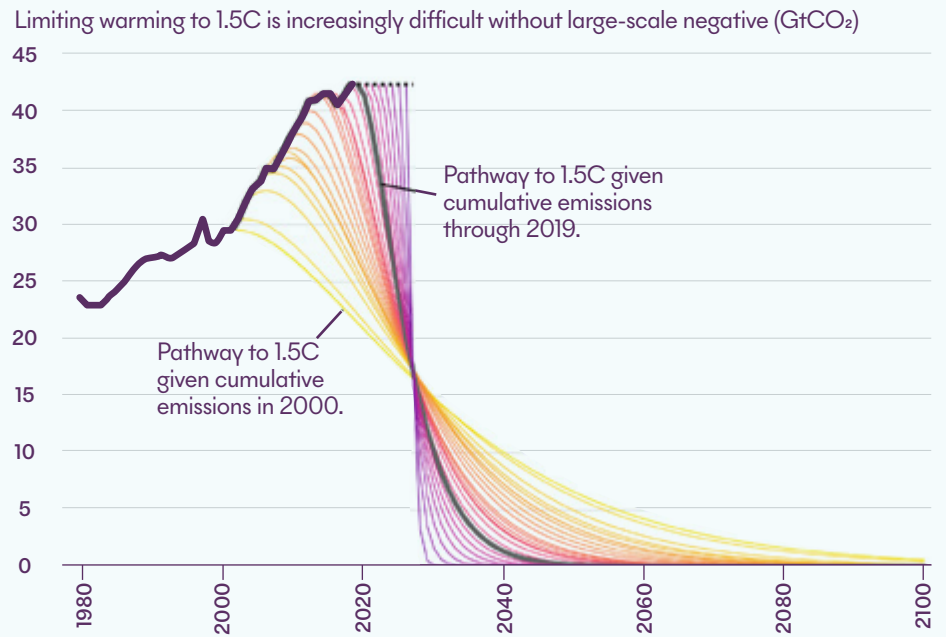
- Australia (Green line):** Starts at approximately 8.5 in 1960, rises to about 10.5 by 1966, and then continues a general upward trend with some fluctuations, reaching a peak of nearly 19 around 2008 before declining to approximately 15.5 by 2014.
- European Union (Blue line):** Starts at approximately 5.5 in 1960, rises steadily to about 9.5 by 1974, and then fluctuates between 8 and 10 until the late 1990s, after which it shows a gradual decline to about 6.5 by 2014.
- World (Red line):** Starts at approximately 3.0 in 1960, rises steadily to about 4.5 by 1974, and then continues a slow but consistent upward trend, reaching approximately 5.0 by 2014.

Source: World Bank database

## The Decarbonisation Challenge is Urgent

Despite the widespread ratification of the Paris Agreement, neither the world in general, nor Australia in particular, is on an emissions trajectory that will deliver the Paris target. In addition, with each year of inaction, the carbon abatement requirement for future periods becomes increasingly onerous. In short, the later emissions peak, the harder it becomes to limit warming to 2C or 1.5C. This is illustrated in the analysis of [resilience.org](#), showing that emissions trajectories steepen with ongoing inaction. Urgent action is needed by fossil fuel consumers and producers in order to put us on an achievable trajectory towards the Paris target.

Source: [resilience.org](http://resilience.org)



Source: [resilience.org](https://resilience.org)

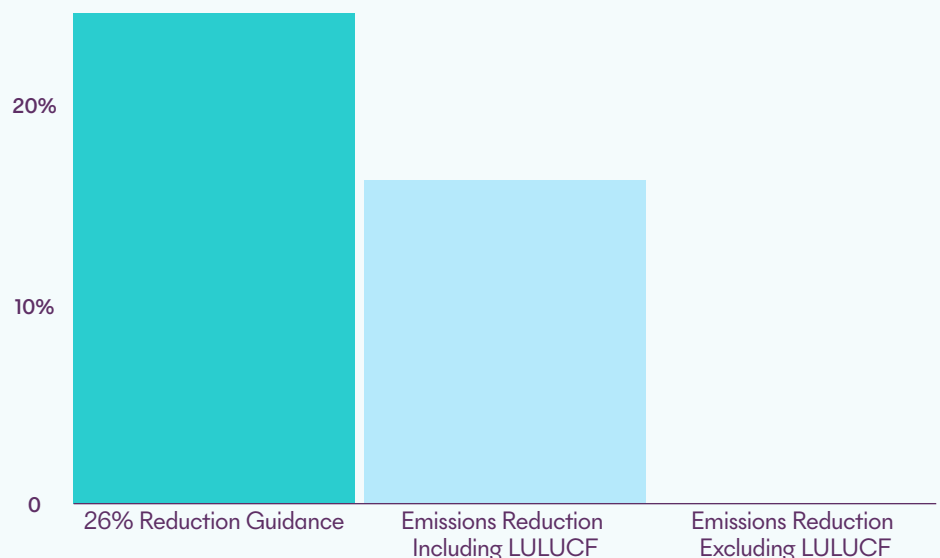
#### 04.

#### Australia is Not on Track to Meet the Paris Target

With the ratification of the Paris Agreement, Australia's Federal Government guided to an emissions reduction target of 26-28% for the entire economy. This abatement is against a 2005 benchmark, with delivery required by 2030<sup>2</sup>. There is substantial evidence suggesting that this 26-28% trajectory is not in fact aligned with the Paris Agreement target of a 2C or below scenario<sup>3</sup>. Consequently, there is a risk that the Federal Government guidance of 26% underestimates the level of decarbonisation required by Australia's economy.

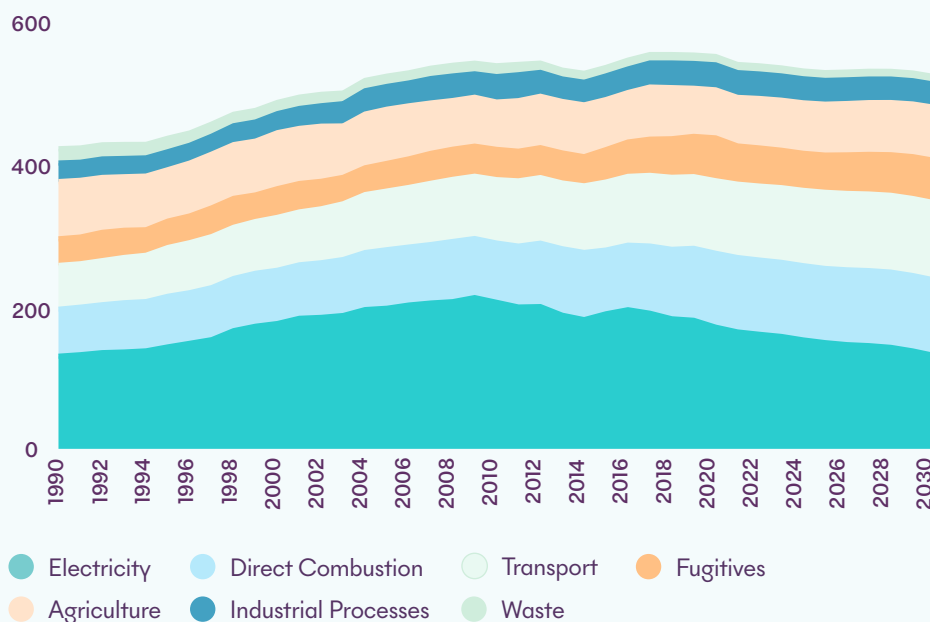
The projections of the Federal Department of Environment and Energy<sup>4</sup> suggest that in 2030 Australia's economy wide emissions will be 16% lower than the 2005 benchmark. This substantially underperforms the 26-28% guidance. Moreover, as shown in the charts below, outside of changes in land use (Land Use, Land Use Change and Forestation, LULUCF), no decarbonisation of Australia is projected. Emissions in other sectors remain flat or increase, only offset by projected improvements in the electricity sector.

#### Federal Projections for Emissions Reduction vs 26% Guidance (%)



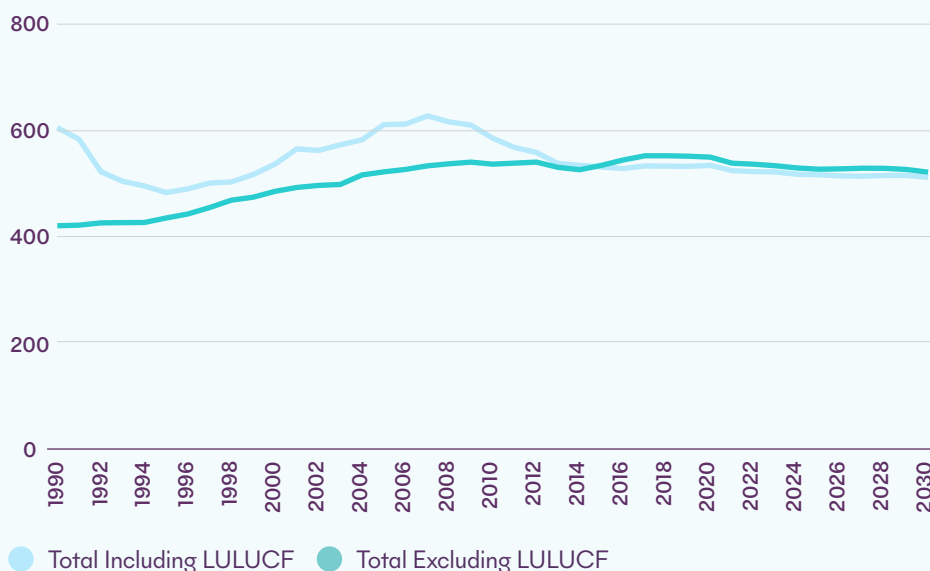
Source: Federal Department of Environment and Energy, "Emissions Projections 2019"

## Australia's Annual Carbon Emissions by Sector (Mt CO<sub>2</sub>e)



Source: Federal Department of Environment and Energy, "Emissions Projections 2019"

## Australia's Annual Carbon Emissions: the Impact of Federal Projections for LULUCF (Mt CO<sub>2</sub>e)



Source: Federal Department of Environment and Energy, "Emissions Projections 2019"

2. For the purpose of comparability, this analysis holds the benchmark date and target date for the annual carbon emissions decline constant, at 2005 and 2030. This methodology is aligned with Australia's Renewable Energy Target legislation and the Paris Agreement.

3. Independent scientific analysis organisation Climate Action Tracker identified Australia's current targets as "Insufficient" to meet the Paris Agreement, and consistent with a 3 degrees of warming world. This aligns with the most recent forecast from the Australian Energy Market Operator, the Draft 2020 Integrated System Plan, which stipulates that a 39% reduction in National Electricity Market sector emissions (a level higher than the 34% stipulated by the federal projections) is in line with 3 to 4.5 degrees Celsius of warming. In 2015, the Government's Climate Change Authority used Garnaut's method of "modified contraction and convergence" for global emissions to identify Australia's fair share of global emissions reduction; a 40-60% reduction in Australian emissions by 2030 was consistent with a 67% chance of avoiding 2 degrees of warming. Updated analysis by University of Melbourne ([https://www.climatechange.vic.gov.au/\\_data/assets/pdf\\_file/0018/421704/Deriving-a-1.5C-emissions-budget-for-Victoria.pdf](https://www.climatechange.vic.gov.au/_data/assets/pdf_file/0018/421704/Deriving-a-1.5C-emissions-budget-for-Victoria.pdf)) in 2019 considered even tighter carbon budgets would be required to limit warming to 1.5 degrees.

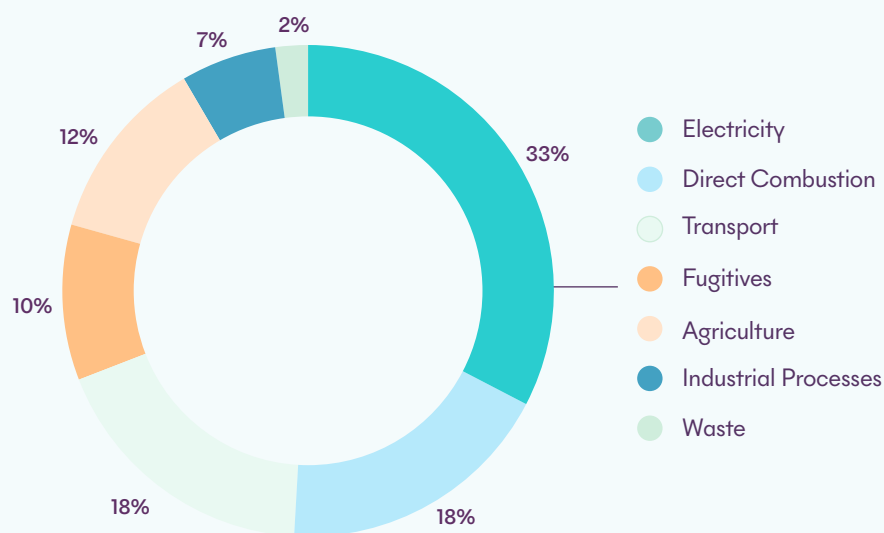
4. "Emissions Projections 2019", <https://www.environment.gov.au/climate-change/climate-science-data/emissions-projections>

05.

### Implications for Australian Industries

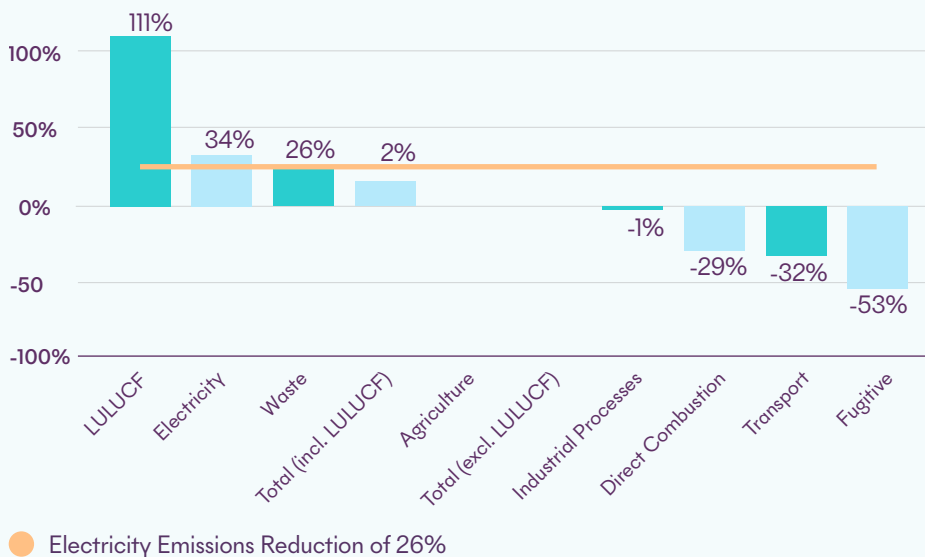
In CY19, approximately 33% of Australia's carbon emissions were the result of electricity generation. Other major sources included transport, direct combustion (generally combustion of natural gas), agriculture, industry and fugitive emissions. The 26-28% Federal emissions reduction guidance is required for the economy as a whole; however, not all these industries have obvious mechanisms for rapid, economically efficient decarbonisation. While light vehicles can transition from oil to electricity, and the electricity sector can transition from fossil fuel to renewables, the decarbonisation options available to agriculture, aviation, shipping, heavy trucking and industry are less apparent. As a consequence, certain sectors, such as electricity, will be required to make higher contributions to near-term abatement targets, with other sectors, such as transport, direct combustion, industry, and fugitive emissions, making lower contributions. Notwithstanding the optimistic expectations for land use change in the Federal projections, the overall result is only a 16% reduction, versus the 26-28% guidance. This begs the question: what would be required of the Electricity sector if it were to close the gap to the 26% economy wide reduction?

### Australia's 2019 Emissions by Sector (%)



Source: Federal Department of Environment and Energy, "Emissions Projections 2019".

### Federal Projections for Emissions Reduction by Sector (%)



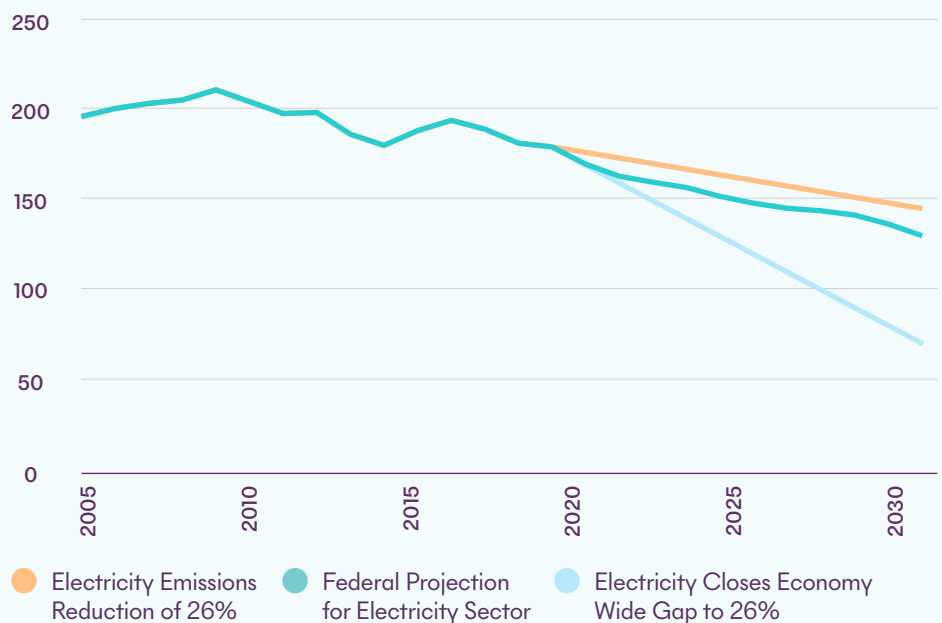
Source: Federal Department of Environment and Energy, "Emissions Projections 2019; Infigen analysis".

## 06. The Opportunity for Infigen

The electricity sector is uniquely positioned to decarbonise at scale. Electricity decarbonisation has a known cost, using proven technologies on a predictable timeframe, and could be rapidly deployed.

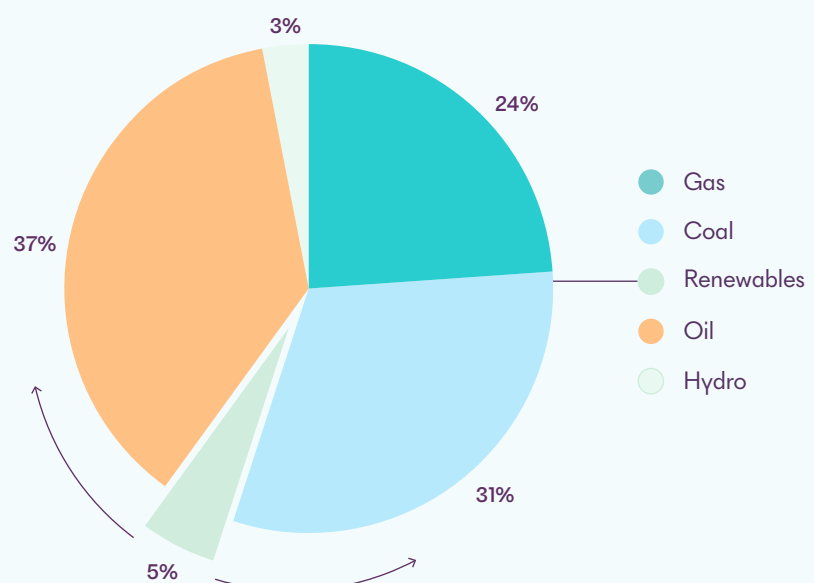
If the electricity sector were called on to provide additional emissions reduction such that the economy as a whole reached the 26% guidance level, it would be required to decarbonise from 180mtpa today to approximately 70mtpa by 2030, a 60% reduction. Recent modelling by AEMO for the Draft 2020 Integrated System Plan suggests that this may require approximately 19,000MW of additional large-scale renewable energy capacity, for which an appropriate price signal would be required. For reference, 19,000MW is approximately 6000 wind turbines, or approximately 100 new wind farms.

### Electricity Sector Emissions by Scenario (Mt CO<sub>2</sub>e pa)



Source: Federal Department of Environment and Energy, "Emissions Projections 2019; Infigen analysis".

### Australia Primary Energy Consumption (CY18) (%)

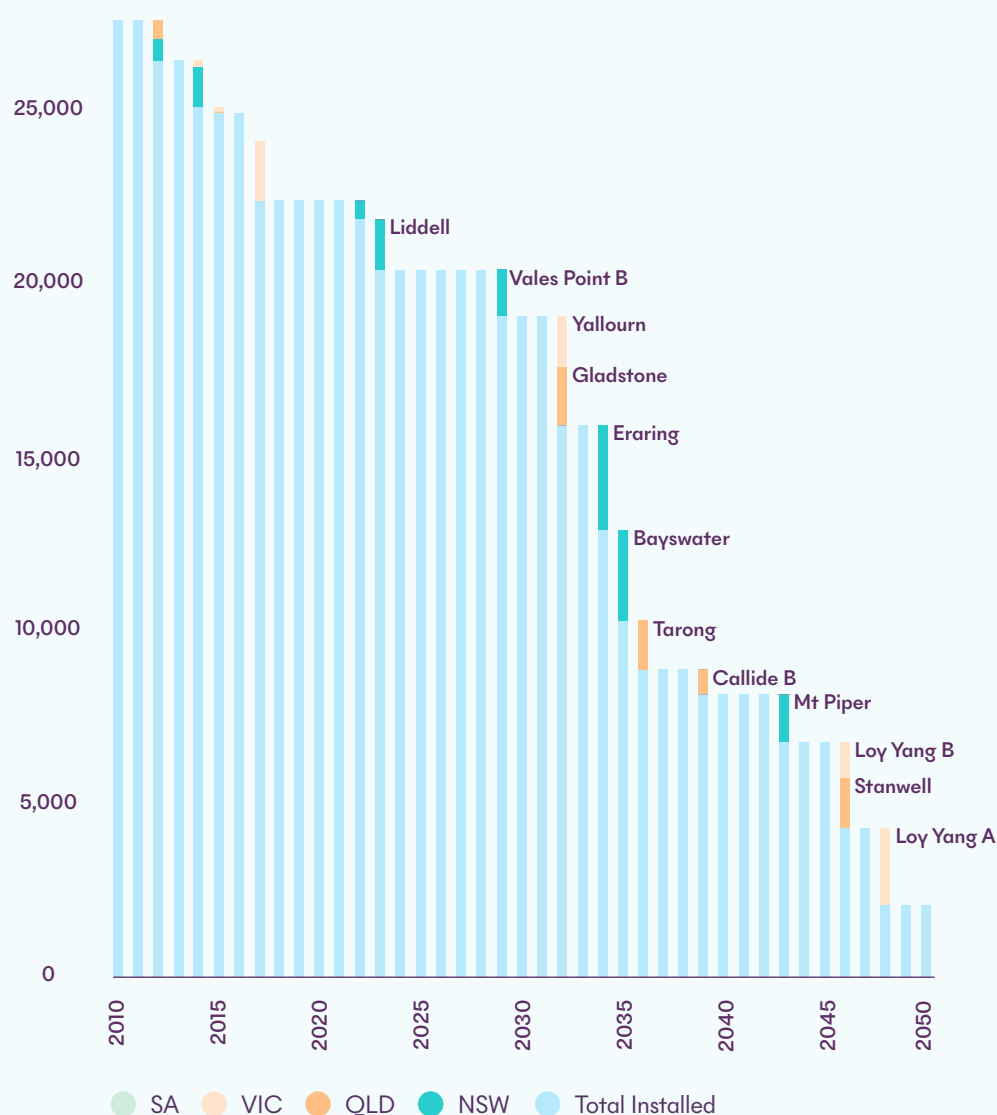


Source: BP Statistical Review of World Energy

All else equal, this trajectory implies a sector wide emissions intensity of approximately 0.30-0.35tCO<sub>2</sub>/MWh, a substantial reduction from the 0.80-0.85tCO<sub>2</sub>/MWh emitted by the sector today. Importantly, this scenario is consistent with Infigen's business model. Our strategy of combining large volumes of intermittent renewables with small volumes of flexible fast start generation results in an average emissions intensity of approximately 0.05tCO<sub>2</sub>/MWh. Moreover, we believe that the capacity within our existing firming portfolio enables us to double the amount of renewable energy we source and sell to our customers.

Additionally, there are several exogenous factors that will drive further decarbonisation and growth of the electricity sector. For example, future decarbonising of the transport sector will rely heavily on electrification, but this is only an effective mechanism for carbon reduction in a low emissions electricity grid – requiring further renewable generation. Similarly, in the longer-term, domestic consumption of natural gas will ultimately need to be electrified – either directly or through the production of renewable fuels such as hydrogen from low emissions electricity. Moreover, the NEM is dominated by an ageing fleet of inflexible baseload coal generators, assets that may be required to retire early for economic, policy or safety reasons. These factors will tend to drive a market where renewable generation assets are increasingly valued.

### NEM Coal Retirements Historical and Forecast, by State and Asset (Capacity, MW)



Source: Source: AEMO age based forecast, ANU Research.

Fiscal Year	Number of people (million)
FY19	0.2
FY20	0.2
FY21	0.2
FY22	0.3
FY23	0.4
FY24	0.5
FY25	0.7
FY26	1.0
FY27	1.5
FY28	2.5
FY29	3.5
FY30	5.0
FY31	6.5
FY32	8.0
FY33	9.5
FY34	11.0
FY35	12.5
FY36	14.0
FY37	15.5
FY38	17.0
FY39	18.5
FY40	20.0

When taken together, these factors suggest that if Australia is to achieve the 26% emissions reduction, a significant contribution from the electricity sector, well above its pro-rata share, will be required. Facilitating this transition would require a price signal. The price signal may come in the form of a cost on carbon, or an incentive for low carbon generation. Infigen's existing generation may benefit from this price signal, which will need to be sufficient to incentivise new capacity plus grid integration costs. Infigen would be well positioned to participate in the renewable energy capacity growth required by this scenario.

Infigen's strategy of facilitating decarbonisation by combining renewables with fast start firming assets is supported by the findings of leading energy market commentators. Indeed, in the AEMO Integrated System Plan, 2018, the market operator argues that "the cheapest way to replace generation capacity will be a portfolio of solar, wind and power storage complemented by flexible gas fired power plants." Similarly, Bloomberg New Energy Finance, identifies the important role that gas peakers will play in the energy transition: "As thermal plants retire and variable renewables increase... new flexible capacity will be needed and there are limits to what renewables and batteries can do together...We expect peaker gas to grow by almost a factor of four by 2050."

## 07. The Risks for Infogen

Climate change also poses several material risks for Infigen. Wind patterns may change, resulting in lower production or less predictable production. Extreme weather events may be more frequent or severe, potentially resulting in lost production. Heat waves may result in thermal de-rating of generation or transmission equipment, resulting in lower production and revenue outcomes. Reporting obligations and costs are likely to increase. New technologies are likely to evolve and may threaten Infigen's installed asset base. Ongoing energy policy change may result in uncertainty which may increase the cost of capital. New regulations or policies may not be favourable. As the electricity mix changes, higher levels of de-centralised generation may impact system regulation and design. Insurance costs may increase. As Infigen continues to implement TCFD, we will endeavour to provide quantitative sensitivities to these factors in future TCFD aligned reports.

## TCFD Pillar 1

## Governance

01

We treat climate-related risks as core business risks. The Board has ultimate responsibility for Infigen's risk management framework and delegated responsibility for overseeing its implementation and monitoring to the Audit Risk and Compliance Committee (ARCC). As indicated in our Business Risks disclosures, we implement a Three Lines-of-Defence model for the management of business risks. This includes specific risk management by the executive leadership team, oversight of risks by management committees, and internal and external audit of risk management procedures, reporting directly to the ARCC and Board.

The first line of defence is risk management by the executive leadership team. Climate-related risks and opportunities regarding capital availability and financial sensitivity are primarily managed by the Executive Director, Finance and Commercial. Climate risks and opportunities regarding carbon pricing, energy policy, technological change and customer behaviour are principally managed by the Executive General Manager, Energy Markets. Climate-related risks and opportunities regarding the impact of changing climate on asset performance are principally managed by the Executive General Manager, Operations. The Chief Executive Officer has ultimate management responsibility for all climate-related risks.

## TCFD Pillar 2

## Strategy

02

Our corporate purpose is to lead Australia to a clean future, today. Our business strategy of firming low cost renewables for sale to commercial and industrial customers is designed to accelerate the decarbonisation of the Australian electricity sector. As a consequence, our TCFD analysis indicates numerous opportunities including generation growth and customer growth, as outlined above. We also identify risks, such as changing weather patterns, the potential for increasing incidence of heat waves, and higher carbon offset costs for our gas peakers, which generate approximately 5% of our annual output. We have evaluated our strategy against a 2-degree scenario. We observe that our portfolio's emissions intensity is resilient to that scenario. In addition, we target the 100% offset of our Scope 1 and Scope 2 carbon emissions by FY25.

## TCFD Pillar 3

### Risk Management

03

Infigen has adopted an enterprise risk management framework that is aligned with ISO31000, modified for the inclusion of sustainability risks, including long-term climate-related risks. This framework facilitates the identification, management and review of key risks. The framework is iterative, proposing ongoing review, monitoring and evaluation. Infigen maps the likelihood and materiality of the key business risks, with management reporting the risk map at least quarterly. Within this framework, one set of risks Infigen has identified are climate-related.

## TCFD Pillar 4

### Metrics and Targets

04

Infigen's strategy is designed to contribute to, and therefore succeed in, a low carbon energy future. Infigen's key metric is the emissions intensity of its generation portfolio compared to the national average. Infigen currently has an emissions intensity of less than 0.05t CO<sub>2</sub> per MWh, less than 5% of the market average of 0.8t CO<sub>2</sub> per MWh. Infigen targets sourcing 100% of its office and wind farm electricity from renewable sources, a target it achieved in FY19. Infigen also targets a carbon neutral generation portfolio by FY25, which will be pursued via the 100% offset of its Scope 1 and Scope 2 electricity emissions.

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### Infigen's Ongoing Steps in TCFD Implementation:

In FY20, Infigen began implementing the TCFD recommendations in its regular business processes. This included the FY20 Budget and included our ongoing capital allocation decisions, such as the agreement to lease the South Australian Gas Turbines. In addition, Infigen performed a long-term carbon price sensitivity for its

business. In FY20 and FY21, Infigen aims to broaden its analysis of climate-related factors, particularly with chronic and acute climate-related risks. These include the potential financial impacts of heatwaves on Infigen's plant and a sensitivity to climate change induced variation in wind patterns.

— 05.

# Our Supply Chain

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Infigen

200+

# FY20

In FY20, Infigen intends to implement a Procurement and Supply Chain Policy relevant to all employees and contractors.

## Who is Our Supply Chain?

Our supply chain consists of over 200 suppliers, each of whom provides Infigen with equipment, services and advice that are relevant to our business strategy and operational performance. Our supply chain includes our long-term operations and maintenance service providers, Vestas, General Electric and Tesla, along with their staff,

and sub-contractors. It also includes professional service providers in the fields of technical, legal, accounting, tax, insurance, HR and marketing, as well as groups such as travel agencies, event managers, caterers, property managers, auditors and suppliers of IT goods and services.



Our supply chain consists of over 200 suppliers, each of whom provides Infigen with equipment, services and advice that are relevant to our business strategy and operational performance.

## Our Approach to Our Supply Chain

Infigen has high expectations of its supply chain and suppliers can expect high standards from us in return. Our supply chain is an extension of our business: the behaviour of our suppliers is a reflection of our own brand and reputation. Infigen expects its suppliers to prioritise the safety of its people, communities and environment as we do. Our ideal suppliers are centres of excellence who are enthusiastic to offer more than the minimum obligations of the contract. Where relevant, we expect our suppliers to provide timely and accurate reporting on non-financial metrics and to be proactive in offering advice on sustainable procurement and resource efficiency.

We endeavour to role model this approach by providing accurate planning and fair timelines to our suppliers. Clear communication is key to our operations and we strive to have an experienced and responsive point of contact for our suppliers. This approach will help us in providing flexibility to our suppliers and allow us and them to offer more than minimum obligations of the contract.

We aim to structure supply contracts with high levels of alignment and appropriate levels of flexibility. Where appropriate, we endeavour to be pragmatic, compromising, fair and collaborative. We understand the importance of prompt payment for services.



Clear communication is key to our operations and we strive to have an experienced and responsive point of contact for our suppliers.

# Responsible Procurement

We recognise that material impacts may occur in the development of new projects. We are committed to sourcing materials and services from locally based suppliers, where feasible.

In FY20, Infigen intends to implement a Procurement and Supply Chain Policy relevant to all employees and contractors. The policy will provide guidance on due diligence requirements for vendors, levels of authority for engaging suppliers, guidance on conflicts of interest and guidance on efficiently managing tender processes. Infigen's financial policies for procurement are part of the wider compliance management practices integrated within the broader enterprise risk management and governance frameworks.

In CY20, Infigen will be required to report under the Modern Slavery Act (Commonwealth). This legislation requires all companies with revenue of more than A\$100m to assess risks relating to modern slavery across the company's supply chain.



— 06.

# Our Regulators

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Infigen

“Ultimately, our regulators want us to act in good faith, taking a long-term approach to providing a stable and reliable electricity network in Australia.”

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\$87,000

\$87,000 spent on  
Community and  
industry advocacy

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7

7 formal submissions  
made regarding energy  
policy and regulation

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10

Active member of  
10 leading industry  
associations

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## Who are our Regulators?

Our regulators monitor and enforce the rules, systems and guidelines that govern our business. This includes federal, state and local government departments along with statutory authorities and other regulators. Market Operations, regulation and policy-making specific to the energy sector, are undertaken by the Australian Electricity Market Operator (AEMO), the Australian Energy Regulator (AER)

and the Australian Energy Market Commission (AEMC), respectively. The Clean Energy Regulator (CER) manages the market for renewable certificates. Our regulators also include the Australian Securities and Investments Commission (ASIC), the Australian Securities Exchange (ASX), and the Australian Competition and Consumer Commission (ACCC).



Our regulators monitor and enforce the rules, systems and guidelines that govern our business.

## Our Approach to Our Regulators

Our regulators want more from us than just compliance. Our regulators want us to communicate with them in a manner that is clear, precise, transparent and prompt. They want us to share expertise regarding prospective rule changes and to share

information regarding changing market conditions. They want us to respect their objectives. Ultimately, our regulators want us to act in good faith, taking a long-term approach to providing a stable and reliable electricity network in Australia.



Our regulators want us to act in good faith, taking a long-term approach to providing a stable and reliable electricity network in Australia.

# Engaging With Policy Makers

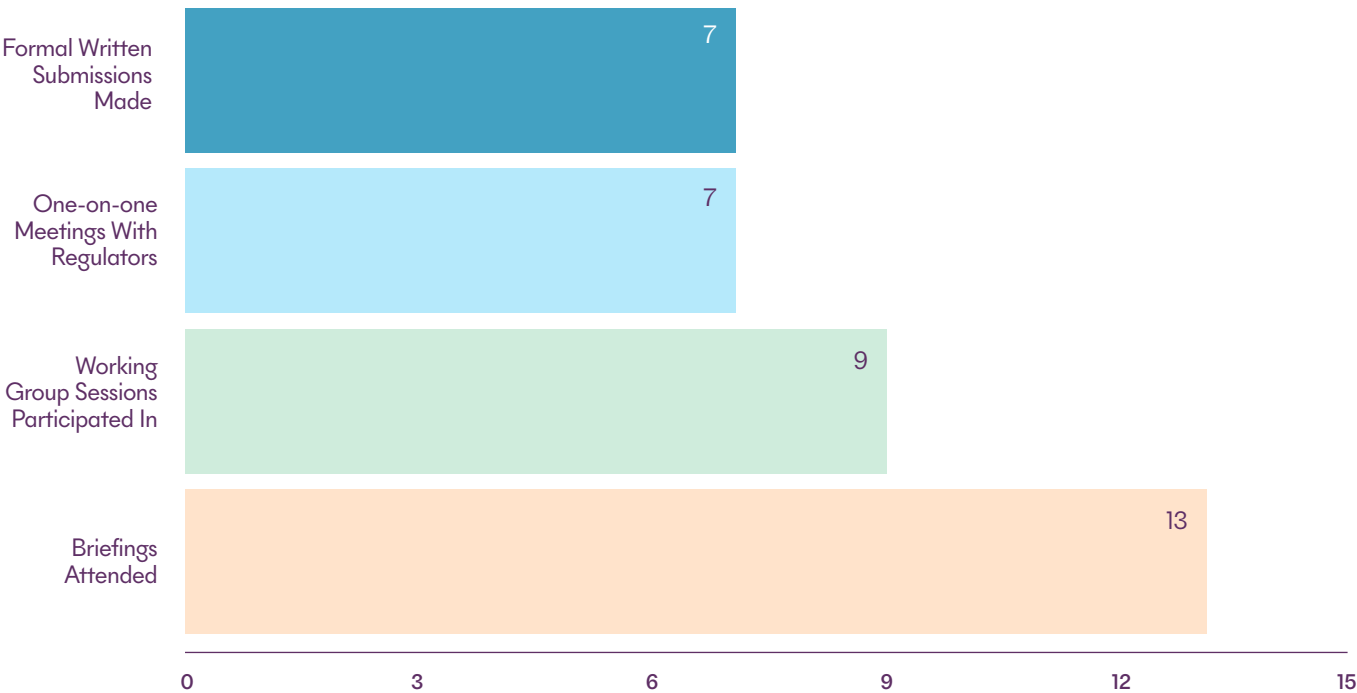
We believe that long-term economic and environmental benefits to consumers should be at the forefront of all policy decisions. We believe that generators, retailers and customers in the NEM all benefit from predictable regulation and policy. Electricity assets are long-term investments, with useful lives generally in excess of thirty years. Stable market settings allow participants to make long-term investment commitments and allow them to better manage market risks. Together these facilitate the entry of private capital and contribute to lower electricity costs for consumers. We also believe that the Australian energy market is in the early stages of a structural transition to renewable energy plus flexible, fast start firming assets – a fundamental shift that may require changes to energy policy and regulation. To the extent that policy change is required, we advocate for holistic long-term solutions.

We also believe that the central tenet of a healthy, functional electricity market is competitive neutrality: the provision of a level playing field for all participants to compete on market terms. Respect for this principle encourages new projects and participants to enter the market, ensuring that through the investment cycle, incumbents do not extract economic rent.

These beliefs were articulated in Infigen's FY19 regulatory submissions. In our submission regarding the 'Reliability and Reserve Trader' (RERT), we highlighted the centrality of consumer benefit to energy policy and the importance of market signals driving efficient investment resulting in the importance of minimising interventions. In our submission regarding the Short Term Forward Market (STFM), we highlighted that there is value in instruments that allow market participants to better manage their risks.

In FY19, Infigen interacted directly with each of the main energy market regulatory bodies, including AEMO, AEMC, AER, and the Energy Security Board (ESB). This included one-on-one meetings, interactive working groups and written submissions. In our meetings and submissions, Infigen strives to not just represent Infigen's interests, but contribute to good public policy through data analytics and fundamental research supporting the efficient operation and decarbonisation, of the electricity system.

## Regulatory Participation (Number of Engagements)



# Some of Infigen’s key public positions in FY19 included:

- Regulators and policy makers regularly underestimate the pace of change – including historical data on demand forecasts and renewable energy uptake. Therefore, it’s essential that regulators consider both the likely and the possible scenarios in planning – particularly around decarbonisation. We made these points in our submission to AEMO’s Integrated System Planning consultation, and noting these shortcomings, AEMO has developed a new “Step Change” scenario where Australia rapidly reduces its carbon emissions.
- Government-backed Contracts for Differences (CfDs) for renewable energy have been effective at kickstarting the industry in Australia, but if pursued on a large-scale, will reduce the availability of hedge contracts for customers to manage their price risk (as energy is increasingly contracted with the government, rather than with customers). Our Executive General Manager (EGM) of Energy Markets, Professor Paul Simshauser AM, submitted a manuscript analysing this issue to *Energies*, a peer reviewed academic journal. The article was published in 2019. This article also further identified the need to develop a national climate policy.
- Infigen prepared a detailed submission in response to the AEMC’s proposed reforms regarding how access to the transmission network should be allocated, and who should pay for it. We highlighted the risks this could pose to the transition to renewable generation, as well as the many technical challenges to be addressed. As a result of this submission, Infigen was invited to participate in the AEMC’s Technical Working Group, where we have continued to provide evidence-based advice to the AEMC and engage broadly with the other industry and government members.
- Infigen prepared a detailed submission to the ESB’s Post-2025 Market Design review, which critically analysed some of the proposed problems and solutions for the NEM and the risks to consumers of unnecessary reforms.
- Infigen’s regulatory submissions are available on our website.
- Infigen participates actively in energy policy working groups, such as those conducted by the Australian Energy Market Commission and the Energy Security Board. For example, our Regulatory Affairs Manager, Dr Joel Gilmore, was invited to participate in a working group on coordinating generation and transmission infrastructure, and our EGM, Prof. Paul Simshauser AM, was invited to be on the ESB’s Advisory Panel. Prof. Simshauser was also recently appointed to the AEMC’s Reliability Panel, where he will be working to ensure that the costs and benefits of the NEM’s reliability standard continues to reflect consumer preferences.

# Donations to Political Parties

Infigen is committed to maintaining constructive relationships with all major political parties. From time to time, Infigen may make political contributions where they are deemed to be in the long-term best interests of our stakeholders. Infigen’s political contributions remain modest at \$12,000 in FY19.

	FY17	FY18	FY19
Donations to Political Parties	33,500	30,000	12,000

## Standards and Protocols

**Infigen adheres to the following standards and best practice guidelines relevant to its business model:**

- Australian National Wind Farm Commissioner's Observations and Recommendations, supplemented by the Clean Energy Council's Community Engagement Guidelines
- Community Consultative Committee Guidelines (relevant to New South Wales)
- ISO 14001 (Environment) Standards
- ISO 31000 (Risk Management) Standards
- National Greenhouse Emissions Reporting Standards (NGERS)
- New Zealand Standard 6808:2018, Acoustics - Wind Farm Noise (relevant to Victoria)
- OHSAS 18001 (Occupational Health and Safety Standard)
- Task Force on Climate-related Financial Disclosures
- Carbon Disclosure Project
- Global Reporting Initiative
- The Safe Work Australia's Code of Practice

## Memberships and Associations

**Infigen holds corporate memberships that allow us to engage with our stakeholders, contribute to the success of the renewable energy industry in Australia and represent our interests in public forums. As at 30 June 2019, Infigen's corporate memberships include:**

- Australasian Investor Relations Association
- Australian Energy Council
- Australian Financial Markets Association
- Australian Information Security Association
- Australian Institute of Energy
- Clean Energy Council
- Committee for Economic Development of Australia
- Energy Users Association of Australia
- The Hawthorn Club
- Smart Energy Council

ESG Category	\$	Assumptions
Community and Industry Advocacy	\$87,305	Renewable energy related subscriptions/memberships or Community business related (CEC, AFMA, AEC, Bungendore Chamber of Commerce and Industry Incorporated, Bodangora CCC, Smart Energy Transition Fund donation).

— 07.

# Our Financial Stakeholders

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Infigen

“Our Financial Stakeholders provide the capital resources that are critical to all aspects of our business.”

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\$165.3m

Infigen’s underlying EBITDA up 11%.

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9.1 years

The weighted average age of our owned renewable energy assets is only 9.1 years, compared to an expected operating life of 25 to 30 years.

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2cps p.a.

Reintroduced distributions which are expected to be sustainable through the cycle.

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## Who Are Our Financial Stakeholders?

Our Financial Stakeholders provide the capital resources that are critical to all aspects of our business. They include our providers of equity and our providers of credit. Our providers of equity are our security holders. Our providers of credit are our corporate and project finance lenders.

Infigen's security holders comprise an array of asset owners including active, passive, quantitative and ethical investment managers, along with hedge fund managers, family offices, superannuation funds and individual financial stakeholders from across the world. Our security holders have an interest in the business' profits and its distributions alongside various ownership rights.

Infigen's providers of credit include the syndicate of lenders in our Corporate Facility and its project finance lenders at Bodangora Wind Farm. Infigen's lenders have different levels of seniority in the capital structure and security over certain assets.



Our security holders have an interest in the business' profits and its distributions alongside various ownership rights.

## Our Approach to Our Financial Stakeholders

Our financial stakeholders have entrusted us with their capital and they expect us to allocate and manage that capital in a way that delivers them sustainable risk-adjusted returns. Our financial stakeholders expect clear and transparent reporting, a strong governance framework, an alignment of interests, a culture of risk management, a resilient long-term strategy and a commitment to making the most of the growth opportunity in Australia's energy sector.

Our financial stakeholders expect to be treated fairly, with equal access to material and timely information provision. They value open communication from management and the board. Providing our financial stakeholders with sustainable risk-adjusted returns is central to Infigen's business strategy.



Providing our financial stakeholders with sustainable risk-adjusted returns is central to Infigen's business strategy.

# Our Capital Structure

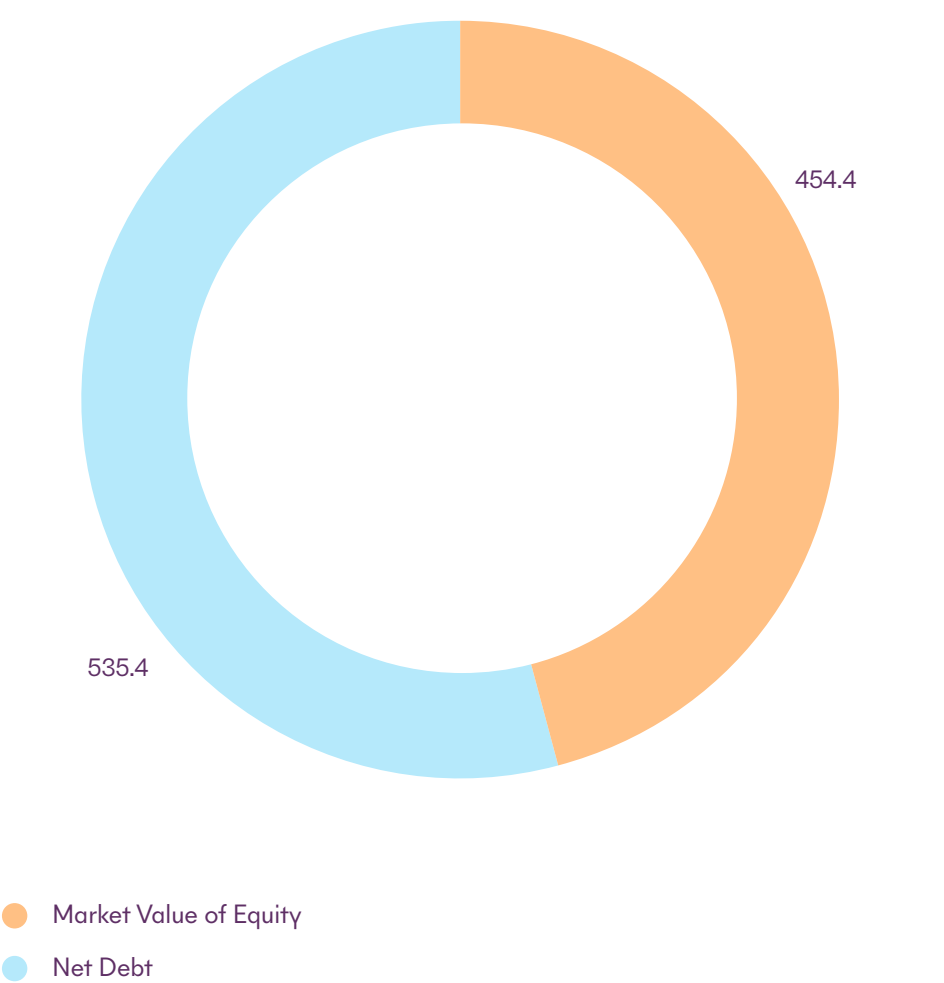
Our business utilises capital from a variety of different sources including equity, corporate facilities and project finance. As at 30 June 2019, the market value of Infigen's equity was \$0.475 per security for a market capitalisation of \$454.4m with Net Debt of \$535.4m.

Infigen's Corporate Facility was established in April 2018 with a five year maturity. It consists of Term Loan A, with annual amortisation, Term Loan B, with a bullet payment at maturity, along with associated working capital and letter of credit facilities. The Corporate Facility is priced off the base rate and a margin. The base rate is the three month Australian Bank Bill Swap Rate (BBSY) with a floor of 1.0%.

In addition, Infigen has a Project Finance facility with respect to Bodangora Wind Farm. This facility was established in FY18 and amortises over its maturity to 2034.

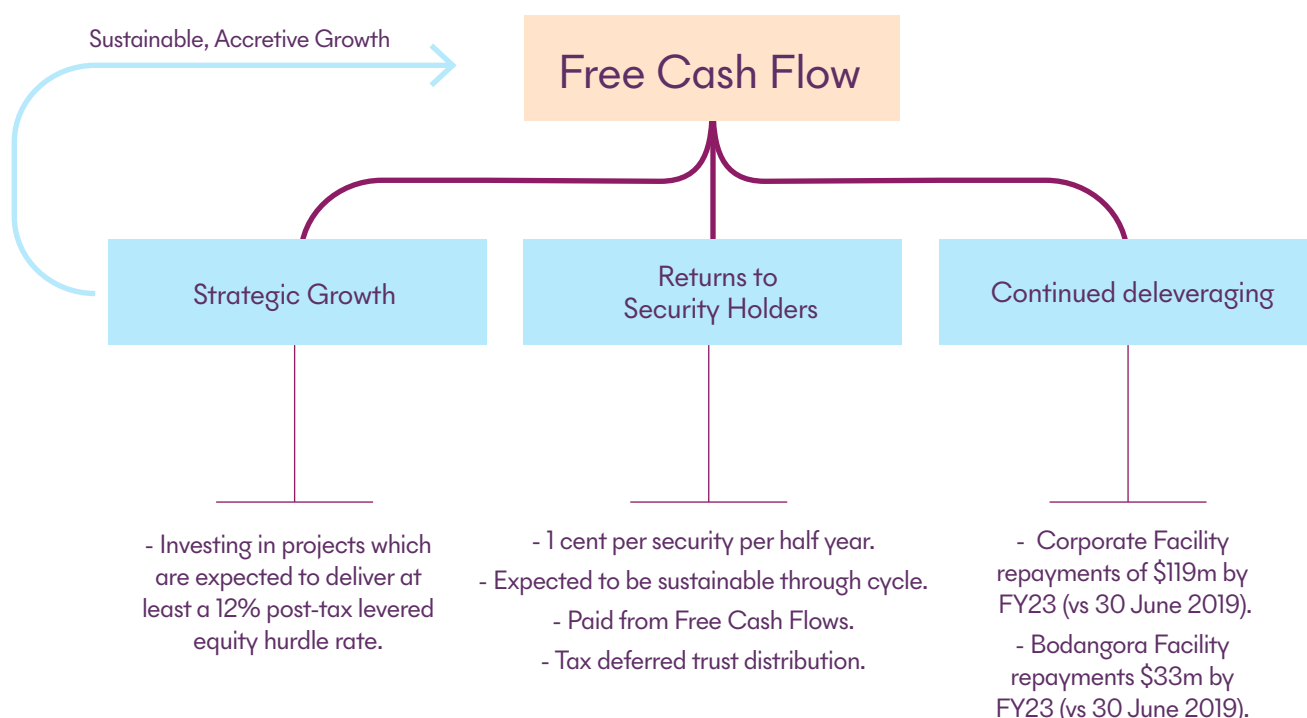
Infigen has entered into a number of interest rate swaps to manage interest rate risk. Additional information regarding the swap and the amortisation schedule are available in Infigen's FY19 Annual Report.

Infigen Enterprise Value as at 30 June 2019 (\$ million)



## Our Capital Management Strategy

Balancing accretive business growth, sustainable returns to security holders and continued deleveraging.

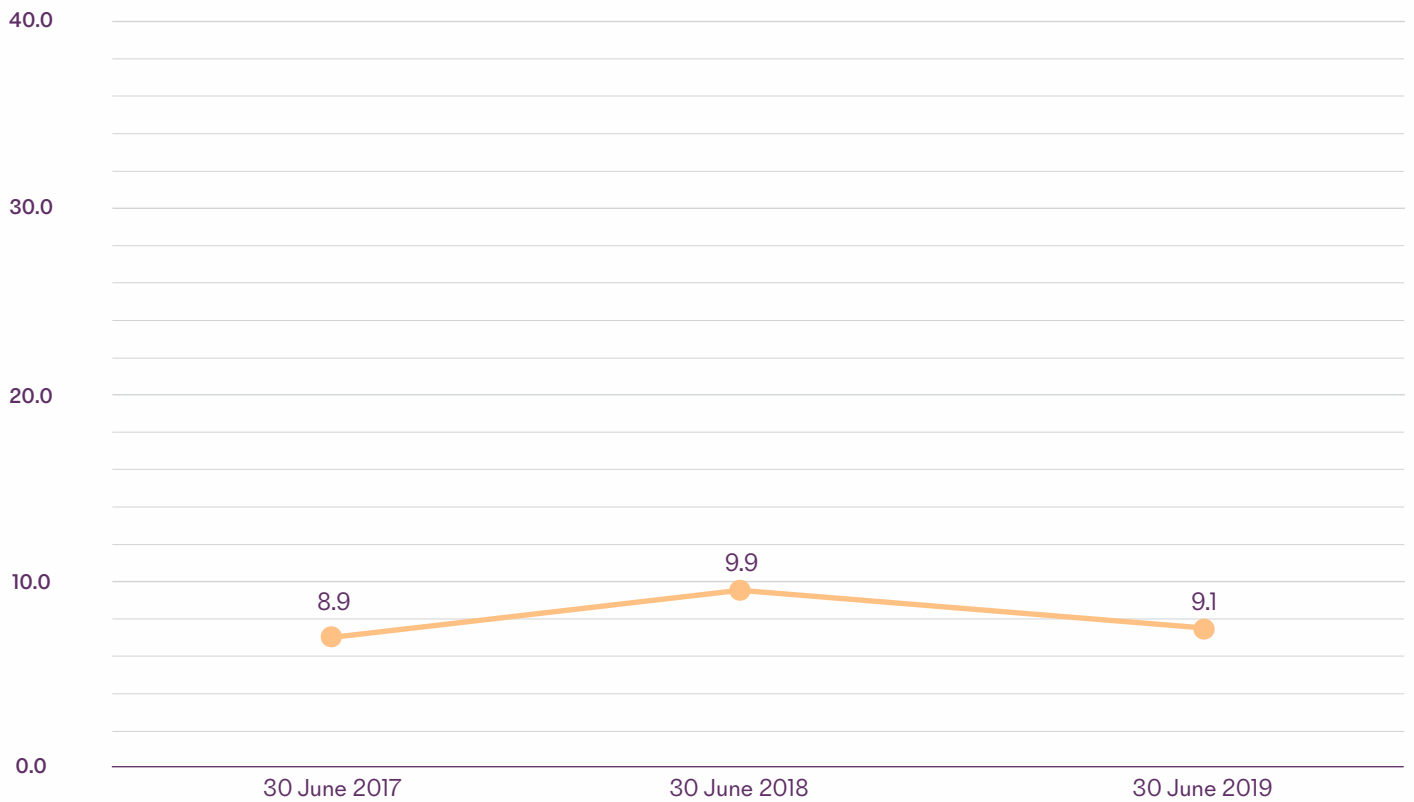


## Operational Performance

In FY19, our fleet of owned operating assets continued their strong performance, exceeding budgeted availability and production targets. The weighted average age of our owned renewable energy assets is only 9.1 years, compared to an expected operating life of 25 to 30 years. In FY19, total turbine availability was 97.3%.

Our wind farms are covered by long-term contracts with Vestas and General Electric, covering operations, maintenance and associated sustaining capital expenditures. The contracts are in place until the 20th anniversary of commercial operations, with turbine availability guarantees agreed until contract maturity. Outperformance against the availability targets results in incentive payments to the contractors while failure to meet the availability target results in compensated revenue to Infigen. This arrangement creates long-term alignment.

## Weighted Average Age of Owned Renewable Energy Assets (Years)



## Total Turbine Availability Factor (%)



# Ethical and Responsible Decision Making

Infigen's Code of Conduct sets out processes for employees and directors regarding safety, workplace bullying, equal employment opportunity, sexual harassment, confidentiality, cyber security, conflicts of interest and securities trading. Infigen encourages ethical behaviour and, in accordance

with Infigen's Whistleblower Policy, provides protection for those who raise genuine concerns and report any actual or potential breach of legal requirements, the Code of Conduct or other Infigen business policies. Infigen's Code of Conduct is available on Infigen's website.

# Compliance and Governance

The Board has established the following standing committees: an Audit, Risk and Compliance Committee (ARCC) for each of Infigen Energy Limited and Infigen Energy RE Limited and a Nomination and Remuneration Committee (NRC).

The ARCCs oversee the implementation and ongoing management of systems of internal control, risk management and compliance at Infigen, ensuring that management has processes in place to identify, assess and properly manage risks. In addition to its nomination, succession and general human resource responsibilities, the NRC is responsible for monitoring and recommending the level of remuneration for Directors, as well as providing advice in relation to the level of remuneration for other key management personnel.

The Committee Charters detail the responsibilities of each Committee and how they exercise their authority. During FY19, the ARCCs comprised at least three members, all of whom were Non Executive Directors and a majority of whom were independent Directors. The Chair of the ARCCs throughout the period was an independent Director. The NRC was comprised of three Non-Executive Directors throughout the reporting period, all of whom were independent Directors. Accordingly, the Chair of the NRC throughout the period was an independent Director.

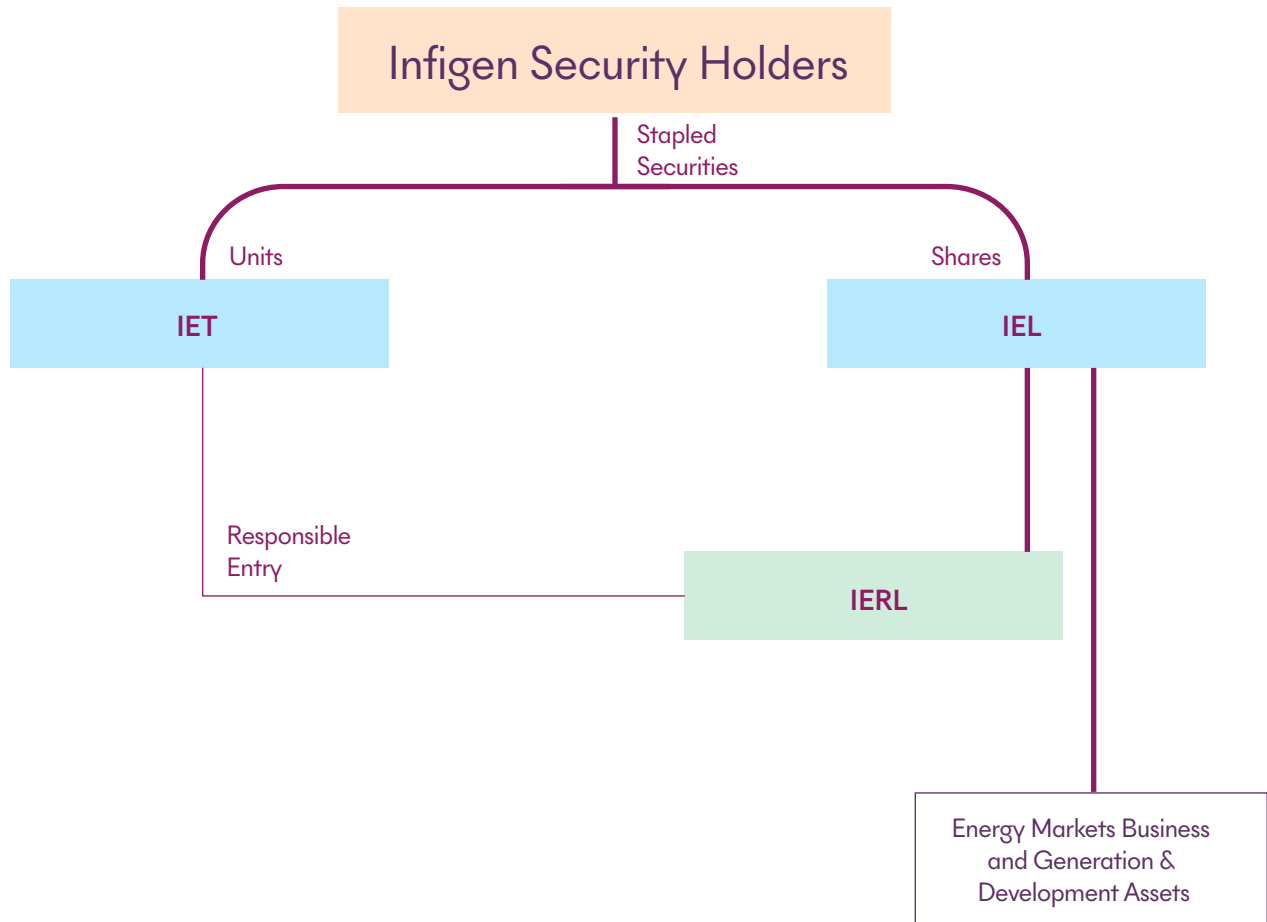
	FY17	FY18	FY19
Directors' Average Tenure (years)	5.16	4.39	3.66

# Corporate Structure

Infigen is a publicly listed entity on the Australian Securities Exchange (ASX) under the ticker IFN. The entity is a stapled security comprising one share in Infigen Energy Limited (IEL) and one unit in Infigen Energy Trust (IET) with interests in the controlled entities of IEL and IET. IET is a Registered Scheme (the Scheme) and Infigen Energy RE Limited (IERL) is the Responsible Entity of IET. The relationship of the Responsible Entity and the Scheme is governed by the Constitution of IET. IET has raised the majority of the contributed equity for Infigen. IET has also been the stapled entity through

which distributions have historically been paid to security holders. During the year, IET held interests in financial investments. The previous stapled structure included the now de-stapled Infigen Energy (Bermuda) Limited (IEBL). IEBL was never used as an operating part of Infigen. Accordingly, it was unstapled on 22 November 2018 after security holder approval at the Annual General Meeting on 16 November 2018. IEBL is now a subsidiary of IEL.

### The Following Diagram Represents the Structure of Infigen



# Corporate Governance Statement 2019

Infigen has policies and procedures in place which adhere to the Principles and Recommendations of the ASX Corporate Governance Council guideline (Third edition). Infigen's Corporate Governance Statement (CGS) sets out the framework and the extent to which Infigen followed the Principles and Recommendations for the financial year ended 30 June 2019. This is summarised below. Our CGS for 2019 was approved by the Board. The full statement, including the diagram representing the structure of the Infigen Energy group at 30 June 2019 is available at [www.infigenenergy.com/CGS](http://www.infigenenergy.com/CGS).

ASX Principle	Infigen's compliance in FY19
Lay solid foundations for management and oversight	Complied
Structure the board to add value	During FY19 Infigen continued a board renewal program which resulted in the appointment of an additional independent Director on 12 December 2018. Prior to that appointment, there was a period within the reporting period where there were an equal number of independent and non-independent Directors on the boards, rather than a majority of independent Directors. At no time during the reporting period was there a majority of non-independent Directors on the Boards.
Act ethically and responsibly	Complied
Safeguard integrity in financial reporting	Complied
Make timely and balanced disclosure	Complied
Respect the rights of security holders	Complied
Recognise and manage risk	Complied
Remunerate fairly and responsibly	Complied

## Highlights from Engagement with Proxy Advisors

Ahead of its 2019 Annual General Meeting, Infigen's Chairperson; Len Gill, Chief Executive Officer; Ross Rolfe, and General Manager-People and Culture; Edward Arena, consulted with three major proxy advisors. The proxy advisors unanimously recommended the that security holders vote in favour of the resolutions that the Board recommended be passed at the AGM.

The key themes that emerged from discussions with proxy advisors regarded energy policy and measures to mitigate the risks identified in the Hayne Royal Commission. In general, the proxy advisors indicated an increasing interest in non-financial performance measures including a focus on corporate culture and a focus on integrating environmental, social and governance measures in key performance measures. Infigen's Nomination and Remuneration Committee will continue to evaluate remuneration structures in the context of best practice.

AGM Voting	FY17	FY18	FY19
% of AGM resolutions proposed by board that passed	100%	100%	100%
% of votes cast for Remuneration Report	92%	95.2%	99.1%

# Supplementary Data

## People

Safety by gender	FY19 Total	FY18 Total
Lost time injuries	0	1.0
Lost time injury frequency rate	2.6	2.85
Medical treatment injuries	5	3.0
Total recordable injury frequency rate	8.7	13.7

Employees and directors by category and diversity	30 June 19			30 June 18		
	Total #	Female %	Male %	Total #	Female %	Male %
Non-executive directors	5	40%	60%	4	25%	75%
Executives	4	25%	75%	5	20%	80%
Senior management	9	0%	100%	7	14%	86%
Middle management	19	47%	53%	16	50%	50%
Professional	30	50%	50%	28	50%	50%
Field operations	7	0%	100%	4	0%	100%
Support	5	60%	40%	7	100%	0%
Employees and directors	79	38%	62%	71	45%	55%

Remuneration ratio female to male (female : male)	30-Jun-19	30-Jun-18	Variance %
Non-executive directors	1.0	1.0	0%
Executives	1.2	1.3	-8%
Senior management	n/a	0.9	n/a
Middle management	0.75	0.8	-6%
Professional	1	0.8	25%
Field operations	n/a	n/a	n/a
Support	1.0	1.1	-9%

Parental leave	30-Jun-19	30-Jun-18	30-Jun-19		30-Jun-18	
			Female %	Male %	Female %	Male %
Full-time and part-time	1	0	100%	0%	n/a	n/a

Employees by employment and gender	30-Jun-19				30-Jun-18			
	Total #	Total #	Female %	Male %	Total #	Total #	Female %	Male %
Full-time	70	95%	34%	61%	61	91%	36%	55%
Part-time	4	5%	75%	25%	6	9%	83%	17%

Employees by region	Sydney, NSW	Bungendore, NSW	Walkaway, WA	Millicent, SA	Wellington, NSW
Full-time	71	1	1	1	1
Part-time	4	0	0	0	0

Employee and director turnover	FY19			FY18		
	Total #	Female %	Male %	Total #	Female %	Male %
Restructure	2	1	1	2	1	1
Voluntary turnover	11	5	6	8	2	6
New hires and appointments	21	7	14	15	5	10

Diversity in the board and committees	30-Jun-19			30-Jun-18		
	Over 50	Female %	Male %	Over 50	Female %	Male %
Board	100%	43%	57%	100%	33%	67%
ARCC	100%	50%	50%	100%	25%	75%
NRC	100%	33%	67%	100%	25%	75%

## Community and Economic

Complaints across all sites and projects	FY19 #	FY18 #
Unresolved complaints at the beginning of the year	14	5
New complaints made during the year	6	13
Complaints addressed during the year	15	4
Complaints to be resolved	5	14

Direct community investments	FY19 \$	FY18 \$	Variance %
Community funds and donations	118,528	115,075	3%
Diversity and education	82,750	103,585	-20%
Community and industry advocacy	87,305	99,311	-12%
Community events and stakeholder engagement	49,422	43,523	14%

Spending on products and services (operating assets)	FY19 %	FY18 %
In-state	16%	28%
Interstate	84%	72%
Overseas	0%	0%
Total	100%	100%

Indirect community investments	FY19 \$ million	FY18 \$ million	Variance %
Spending within 200km of assets	16.22	7.00	132%
Land leases and local employment	16.79	17.55	-4%
Total	33.02	24.55	34%

## Carbon Footprint and Environment

Emissions	Unit	FY19	FY18	Variance %
<i>Emissions from generation:</i>				
Scope 1 - transport and equipment fuels	tonnes CO <sub>2e</sub>	2043	167	1123%
Scope 1 - emission of SF <sub>6</sub>	tonnes CO <sub>2e</sub>	219	183	20%
Total scope 1 emissions	tonnes CO <sub>2e</sub>	2262	350	546%
Scope 2 - imported from the grid	tonnes CO <sub>2e</sub>	2546	2405	6%
Scope 2 - office electricity consumption	tonnes CO <sub>2e</sub>	80	245	-67%
Total scope 2 emissions	tonnes CO <sub>2e</sub>	2626	2650	-1%

Total scope 1 and 2 emissions	tonnes CO <sub>2e</sub>	4888	3000	63%
<i>Indirect emissions:</i>				
Scope 3 - business travel	tonnes CO <sub>2e</sub>	316	210	50%
Scope 3 - waste, IT equipment, fuels & electricity	tonnes CO <sub>2e</sub>	58	90	-36%
Total scope 3 emissions	tonnes CO <sub>2e</sub>	374	300	25%
<i>Emissions intensity:</i>				
Electricity production	GWh	1740	1549	12%
Emissions intensity of production	tCO <sub>2e</sub> /MWh	0.003	0.002	55%
Energy	Unit	FY19	FY18	Variance %
Wind farm consumption	GJ	13,793	12,932	7%
Transport and equipment fuels	GJ	38,547	2,505	1439%
Non-renewable electricity consumption	GJ	1,032	1,282	-20%
Total energy consumed within organisation	GJ	53,372	16,719	219%
<i>Energy intensity:</i>				
Sales (revenue)	\$'000	257,506	223,755	15%
Energy intensity of sales	\$/GJ	4,825	14,504	-67%
Materials	Unit	FY19	FY18	Variance %
Lubricants used in wind farm maintenance	kilolitres	26	37	-30%
Spending on environmental compliance services	FY19	FY18	Variance %	
Environmental, archaeological, noise, landscape and other protection services	155,953	170,503	-9%	
Public policy	FY19	FY18	Variance %	
Donations to political parties	12,000	30,000	-60%	

# General Disclosure

General Disclosure		Reference (page number unless otherwise specified)
102-1	Name of the organisation	Infigen Energy (Infigen).
102-2	Activities, brands, products, and services	5-8, 19-20, 69.
102-3	Location of headquarters	25. Registered Office: Level 17, 56 Pitt Street, Sydney, NSW 2000
102-4	Location of operations	6, 45.
102-5	Ownership and legal form	83, 87-88, FY19 Annual Report p. 62, 99-100.
102-6	Markets served	3, 37-38.
102-7	Scale of the organisation (employees, operations, revenue, debt and equity, production)	6, 17-21, 25-28, 38-40, 82-86, 93 and Annual Report FY19 p. 58-59.
102-8	Information on employees and other workers	12, 23-34. Data is compiled by analysing human resources database and consulting managers located at operating sites.
102-9	Supply chain	14, 72-74.
102-10	Significant changes to the organisation and its supply chain	During FY19, Infigen acquired the Smithfield OCGT facility (a 123MW fast-start gas fired generator in NSW), and constructed the SA Battery, which will provide 15MW/52MWh of fast-response firming in SA. Construction of Bodangora Wind Farm was also completed, adding 113MW of new owned capacity in NSW. Annual Report FY19, p. 8.
102-11	Precautionary Principle or approach	Infigen applied the Precautionary Principle in relation to environmental protection where uncertainty exists.
102-12	External initiatives	31, 44, 47-48, 49-52, 76-80, 92.
102-13	Membership of associations	80.
102-14	Statement from senior decision-maker	7-8.
102-16	Values, principles, standards, and norms of behaviour	9, 25, 37, 45, 55, 69, 73, 77, 80, 83, 87 and Code of Conduct on Infigen's website.
102-17	Mechanisms for advice and concerns about ethics	48, 87 and Code of Conduct on Infigen's website.
102-18	Governance structure	12, 15, 87-89.
102-19	Delegating authority	12, 69, 74, 87-88.

102-20	Executive-level responsibility for economic, environmental, and social topics	12, 69, 87-88.
102-21	Consulting stakeholders on economic, environmental, and social topics	45-48, 58, 78-80, and Complaints Handling Policy on Infigen's website.
102-24	Nominating and selecting the highest governance body	12, 87-8889, and Corporate Governance Statement on Infigen's website.
102-25	Conflicts of interest	12, 74, 87-88.
102-26	Role of highest governance body in setting purpose, values, and strategy	Managing Director/ CEO
102-27	Collective knowledge of highest governance body	12, 15, 87-88, Corporate Governance Statement on Infigen's website, Annual Report FY19 p. 36-38.
102-28	Evaluating the highest governance body's performance	87-88, Annual Report FY19, p. 33 & 35.
102-29	Identifying and managing economic, environmental, and social impacts	9-16.
102-30	Effectiveness of risk management processes	12-15, 87-88.
102-32	Highest governance body's role in sustainability reporting	The ESG Report is reviewed by executive directors and the Board.
102-33	Communicating critical concerns	48, 87-88 and Complaints Handling Policy on Infigen's website.
102-34	Nature and total number of critical concerns communicated to the highest governance body	48.
102-35	Remuneration policies	31-33, 87, 89 and Annual Report FY19 p. 40-53.
102-36	Process for determining remuneration	87 and Annual Report FY19 p. 40
102-37	Stakeholders' involvement in remuneration	Annual Report FY19 p. 40
102-40	List of stakeholder groups	9, 10.
102-41	Collective bargaining agreements	No employees are covered by collective bargaining agreements.
102-42	Identifying and selecting stakeholders	3, 9.
102-43	Approach to stakeholder engagement	3, 37-38, 45-48, 73-74, 77-80, 83-85, 89.
102-44	Key topics and concerns raised through stakeholder engagement	3, 48, 78-80, 89.
102-45	Entities included in the consolidated financial statements	Annual Report, p. 81-82.

102-46	Defining report content and topic boundaries	3-4 and GRI Index.
102-47	List of material topics	2, 3, 9.
102-48	Restatements of information	Restatement of FY18 closing number of complaints. Capital expenditureex within 200km restated to include payments through contracted parties.
102-49	Changes in reporting	There were no changes to reporting in the material topics and topic boundaries.
102-50	Reporting period	1 Reporting period: (FY19) (1/7/18 – 30/6/19).
102-51	Date of most recent report	08/04/2019 (ESG Report 2018).
102-52	Reporting cycle	Annual.
102-53	Contact point for questions regarding the report	peter.campbell@infigenenergy.com and/or tracey.stephens@infigenenergy.com
102-54	Claims of reporting in accordance with the GRI Standards	The report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	The index is provided in this table.
102-56	External assurance	No external assurance has been sought for this report

## Sector Disclosure (Electric Utilities)

Sector disclosure (electric utilities)	Disclosure (page number unless otherwise specified)	Boundary (causer of impact)
EU1: Installed capacity, broken down by primary energy source and by regulatory regime	6, 19.	Internal
EU2: Net energy output broken down by primary energy source and by regulatory regime	6, 93, Annual Report FY19 p. 26.	Internal
EU10: Availability and reliability: planned capacity against projected electricity demand over the long-term, broken down by energy source and regulatory regime	6, 21-22.	Internal
EU12: Transmission and distribution losses as a percentage of total energy produced	Annual Report FY19, p 26.	Internal & external
Research and development	78.	Internal
Disaster/Emergency planning and response	15, 58.	Internal & external

## Topic-Specific Disclosure

GRI disclosure	Reference (page number unless otherwise specified)	Boundary (causer of impact)
Economic: Economic Performance; Indirect Economic Impacts; Procurement Practices		
103-1 Explanation of the material topic	83.	Internal & external
103-2 The management approach	83.	Internal & external
103-3 Evaluation of the management approach	83.	Internal & external
201-1 Direct economic value generated and distributed	17-18, 82.	Internal
201-2 Financial implications and other risks and opportunities due to climate change	61-70.	Internal & external
203-2 Significant indirect economic impacts	46-47, 49-52, 92.	External
204-1 Proportion of spending on local suppliers	46.	Internal

Environmental: Materials			
103-1	Explanation of the material topic	73-74.	External
103-2	The management approach	73-74.	External
103-3	Evaluation of the management approach	Site-specific management plans and procedures are reviewed as required.	External
301-1	Materials used by weight or volume	93.	External
Environmental: Biodiversity			
103-1	Explanation of the material topic	55, 58.	Internal
103-2	The management approach	55, 58.	Internal
103-3	Evaluation of the management approach	Site-specific management plans and procedures are reviewed as required.	Internal
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	There were no endangered species affected by our operations	Internal
Environmental: Energy; Emissions			
103-1	Explanation of the material topic	8, 56-57.	Internal & external
103-2	The management approach	56-57.	Internal & external
103-3	Evaluation of the management approach	Site-specific management plans and procedures are reviewed as required.	Internal & external
302-1	Energy consumption within the organisation	56-57, 93.	Internal & external
302-3	Energy intensity	56-57, 93.	Internal & external
305-1	Direct (Scope 1) GHG emissions	56, 92-93.	Internal & external
305-2	Energy indirect (Scope 2) GHG emissions	56, 92-93.	Internal & external
305-3	Other indirect (Scope 3) GHG emissions	56, 92-93.	Internal & external
305-4	GHG emissions intensity	56-57, 92-93.	Internal & external
305-7	Significant air emissions: nitrogen oxides (NOX), sulphur oxides (SOX), persistent organic pollutants, volatile organic compounds, hazardous air pollutants, particulate matter	56-57, 92-93. Sulphur hexafluoride (SF <sub>6</sub> ) has a global warming potential of 23,900 times that of CO <sub>2</sub> and is a hazardous air pollutant. Other types of air emissions identified are not relevant to Infigen's operations.	Internal & external

<b>Environmental: Effluents &amp; Waste</b>			
103-1	Explanation of the material topic	55, 59.	Internal & external
103-2	The management approach	55, 59.	Internal & external
103-3	Evaluation of the management approach	Site-specific management plans and procedures are reviewed as required.	Internal & external
306-3	Total number and total volume of recorded significant spills	59	Internal & external
<b>Environmental: Environment; Environmental Compliance</b>			
103-1	Explanation of the material topic	55, 58.	Internal & external
103-2	The management approach	55, 58-60, 80.	Internal & external
103-3	Evaluation of the management approach	Environment management plans are reviewed as required.	Internal & external
307-1	Non-compliance with environmental laws and regulations	There were no incidents of non-compliance with environmental laws and regulations.	Internal & external
<b>Social: Occupational Health &amp; Safety</b>			
103-1	Explanation of the material topic	12, 29.	Internal & external
103-2	The management approach	8, 29, 73.	Internal & external
103-3	Evaluation of the management approach	Health, Safety and Environment policies are reviewed as required.	Internal & external
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	<p>29, 90. Zero fatalities.</p> <p>Methodology: Safety performance is measured on a rolling 12- month basis in accordance with standards of Safe Work Australia. First-aid level injuries are excluded from calculation.</p> <p>The total recordable injury frequency rate is calculated as the sum of recordable lost time injuries and medical treatment incidents multiplied by 1,000,000 divided by total hours worked.</p> <p>The lost time injury frequency rate is calculated as lost time injuries multiplied by 1,000,000 divided by total hours worked. Lost time injuries include scheduled work time and begins with the first full day lost.</p>	Internal & external
<b>Social: Training &amp; Education</b>			
103-1	Explanation of the material topic	30.	Internal
103-2	The management approach	30.	Internal
103-3	Evaluation of the management approach	Human Resources policies are reviewed as required.	Internal

404-2	Programs for upgrading employee skills and transition assistance programs	30, 51.	Internal
404-3	Percentage of employees receiving regular performance and career development reviews	All (100%) full-time and part-time employees have the opportunity to receive regular performance and career development review.	Internal
Social: Diversity & Equal Opportunity			
103-1	Explanation of the material topic	25-27, 31-34.	Internal
103-2	The management approach	25, 32.	Internal
103-3	Evaluation of the management approach	Diversity objectives are set every two years.	Internal
405-1	Diversity of governance bodies and employees	24, 26-28, 34, 91, Annual Report FY19 p. 36-38.	Internal
405-2	Ratio of basic salary and remuneration of women to men	90.	Internal
Social: Local Communities			
103-1	Explanation of the material topic	45.	Internal
103-2	The management approach	45.	Internal
103-3	Evaluation of the management approach	Community Engagement program is reviewed as required.	Internal
413-2	Operations with significant actual and potential negative impacts on local communities	48, 55, 58, 59, 91.	Internal
Social: Public Policy			
103-1	Explanation of the material topic	77-78.	External
103-2	The management approach	77-78.	External
103-3	Evaluation of the management approach	Business strategy is reviewed as required.	External
415-1	Political contributions	79, 93.	External

# Glossary

<b>AEMO</b>	Australian Energy Market Operator; responsible for operating the National Electricity Market and the Wholesale Electricity Market.
<b>AER</b>	Australian Energy Regulator; enforces the laws for the National Electricity Market and spot gas markets in southern and eastern Australia.
<b>AFSL</b>	Australian Financial Services Licence.
<b>AGM</b>	Annual general meeting.
<b>ASX</b>	Australian Securities Exchange.
<b>Board or Boards</b>	Unless otherwise stated, the Boards of IEL and IERL.
<b>Capacity</b>	The maximum power that a wind turbine generator was designed to produce.
<b>C&amp;I</b>	Commercial and industrial.
<b>CER</b>	Clean Energy Regulator; administers schemes legislated by the Australian Government for measuring, managing, reducing or offsetting Australia's carbon emissions.
<b>Community consultative committee</b>	Committees formed to provide a forum for discussion between a development proponent and representatives of the community.
<b>Development projects (also Developments)</b>	Infigen's prospective renewable energy projects that are in various stages of development prior to commencing construction. Stages of development include: landowner negotiations; wind and solar monitoring, project feasibility and investment evaluation; community consultation, cultural heritage assessment, environmental assessment; design, supplier negotiations and connection.
<b>EES</b>	Environmental, economic and social impacts.
<b>ERA</b>	Economic Regulation Authority; enforces the laws of the Wholesale Electricity Market in Western Australia.
<b>ESG</b>	Environmental, social and governance.
<b>ERM</b>	Enterprise Risk Management.
<b>FY</b>	Financial year. A period of 12 months starting on 1 July and ending on 30 June in the next calendar year.
<b>GRI</b>	Global Reporting Initiative; sustainability reporting framework.
<b>Grid</b>	The network of power lines and associated equipment required to deliver electricity from generators to consumers.

<b>GW</b>	Gigawatt. One billion watts of electricity.
<b>HSE</b>	Health, Safety & Environment.
<b>IEBL</b>	Infigen Energy (Bermuda) Limited.
<b>IEL</b>	Infigen Energy Limited.
<b>IERL</b>	Infigen Energy RE Limited (AFSL 290 710), the responsible entity of IET.
<b>IET</b>	Infigen Energy Trust.
<b>IFN</b>	The code for the trading of listed IFN stapled securities on the ASX .
<b>Infigen</b>	Infigen Energy .
<b>LGC</b>	Large-scale Generation Certificate.
<b>Marginal losses</b>	As electricity flows through the transmission and distribution networks, energy is lost due to electrical resistance and the heating of conductors. Revenue is subject to marginal loss factors that are fixed annually by AEMO to account for network losses.
<b>MW</b>	Megawatt. One million watts of electricity.
<b>N.m.</b>	Not meaningful.
<b>NEM</b>	National Electricity Market; the interconnected power system of five regional market jurisdictions – Queensland, New South Wales (including the Australian Capital Territory), Victoria, South Australia, and Tasmania.
<b>OCC</b>	Operations Control Centre. A centrally located business function within Infigen that monitors and directs the operations of Infigen's wind and solar farms.
<b>Proxy advisors</b>	Advisors to security holders regarding voting on proposed resolutions at AGMs.
<b>Run of plant</b>	Type of contract for the sale of electricity whereby the offtaker (customer) buys 100% of the amount of electricity generated by the plant as generated in each trading interval.
<b>Spot price</b>	Wholesale electricity market price.
<b>tCO<sub>2</sub>e</b>	Tonnes of carbon dioxide equivalent. A measure used to compare the emissions from various types of greenhouse gas based on their global warming potential. The CO <sub>2</sub> equivalent for a gas is determined by multiplying the metric tons of the gas by the associated global warming potential.
<b>WEM</b>	Wholesale Electricity Market; the power system of Western Australia.

# Infigen

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