



26 August 2020

ASX ANNOUNCEMENT

APA Group (ASX: APA)

Sustainability Report

APA Group provides the attached Sustainability Report for the financial year ended 30 June 2020.

A handwritten signature in black ink, appearing to read 'N Codevelle'.

Authorised for release by Nevenka Codevelle

Company Secretary
Australian Pipeline Limited

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About APA Group (APA)

APA is a leading Australian energy infrastructure business, owning and/or operating around \$22 billion of energy infrastructure assets. Its gas transmission pipelines span every state and territory on mainland Australia, delivering approximately half of the nation's gas usage. APA has direct management and operational control over its assets and the majority of its investments. APA also holds ownership interests in a number of energy infrastructure enterprises including SEA Gas Pipeline, SEA Gas (Mortlake) Partnership, Energy Infrastructure Investments and GDI Allgas Gas Networks.

APT Pipelines Limited is a wholly owned subsidiary of Australian Pipeline Trust and is the borrowing entity of APA Group.

For more information visit APA's website, apa.com.au



celebrating 20 years.

sustainability matters.

sustainability report. 2020

about this report.

Our FY2020 Sustainability Report provides an overview of APA Group's sustainability performance and achievements from 1 July 2019 to 30 June 2020.

celebrating 20 years.

delivering responsible energy.

Boundary and Scope

APA Group comprises two registered investment schemes – Australian Pipeline Trust (APT) and APT Investment Trust (APTIT) – and their controlled entities.

This report relates to APA Group's wholly owned and operated assets (including projects under development and delivery), assets with an equity interest where APA maintains operational control and the operational aspects of non-APA assets where we maintained operational control during the reporting period.

Cover image: Wind Turbine at Badgingarra Wind Farm.

Contents image: Sunset over Wallumbilla Gas Hub.

Back page (top): Construction Manager Gordon Slattery, during construction on the Eastern Goldfields Pipeline.

Back page (below): The Wallumbilla Gladstone Pipeline, at Curtis Island.



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strengthening communities.

Statements about the future

The report contains forward-looking statements about plans, strategies and management objectives using reference to words such as 'focus areas', 'intentions', 'projects', 'strategies', 'should' and similar words or phrases.

These statements about the future are made with the best intentions. However, they are not guarantees or predictions of APA's future performance or deliverables. As a responsible operator, APA recognises that the future involves known and unknown risks and uncertainties, many beyond our control. This may cause our delivery to differ materially from these statements.

For additional information about APA Group's FY2020 sustainability performance, see the FY2020 APA Annual Report, ASX Corporate Governance Statement and Energy Charter disclosure.

Process of Verification

APA is committed to providing securityholders and other external stakeholders with timely, consistent and transparent corporate reporting. This Sustainability Report was prepared by the relevant subject matter experts and reviewed and verified by relevant APA executives and senior managers prior to Board approval.

Risk Management

APA's Risk Management System brings together the principles, approach and processes to ensure risk is effectively identified, assessed, managed and monitored. Sustainability risks (including environmental, social and climate change risks) are considered as a part of this approach. Material risk areas relevant for APA's business are identified and disclosed in the FY2020 Annual Report. This Sustainability Report provides further detail associated with the management of material sustainability risks.

this years highlights.

Climate Change
Position Statement
published



AFR Top 100 Graduate Employer Award 2020

and GradConnection's Top
10 Most Popular Internship
Employer Award (Small) 2020



54%

of our power generation
capacity was renewable
energy



9 Environmental Management Plans refreshed

and expanded disclosure
of key environmental
indicators

Mondarra Gas Storage Facility.



HSEH Strategy refreshed



Refreshed Gender Targets for 2025



Sustainability & Community function created

as part of our new operating structure



APA Customer Promise launched

externally to our customers and progressing Red Dot initiatives



Kept delivering energy and actively supported customers & communities

throughout the summer bushfires and COVID-19 pandemic



message from the Chairman and CEO.

The APA Group FY2020 Sustainability Report reflects our increased commitment to sustainability and its underpinning role in our refreshed Purpose to strengthen communities through responsible energy, and our Vision to be world class in energy solutions.

We present this report during a challenging time for Australian communities. Through bushfires, other natural disasters, the COVID-19 crisis and a changing energy landscape, APA has been adaptable and resilient in the way it has served its customers and the community. We have continued to deliver energy, sought to keep our workforce safe and provided support to customers in difficult circumstances across the country. We are proud of our people and what they have achieved during this period.

In FY2020, we restructured the business in order to be better able to deliver against our Purpose, Vision and Strategic Imperatives. As part of that restructure we established in late FY2020 a dedicated Sustainability & Community function. Strengthening our capability and maturity in these areas by focusing our actions to get the fundamentals right while addressing changing societal expectations will make us even more resilient.



During the year we continued to strengthen our evaluation and disclosure of climate change risks and opportunities for our business. In addition to taking steps to align our reporting and disclosures with the Sustainable Development Goals and the Sustainability Accounting Standards Board structure, we continue to strengthen our climate disclosures against the Financial Stability Board's Task Force Recommendations for Climate-related Financial Disclosures (TCFD). We are in the process of finalising expanded scenario analysis to test the resilience of our existing portfolio to 2050 and under a pathway which limits climate change to 1.5 degrees. This work will be a key input into our strategic business thinking. Later this year we will release the results of this analysis.

Customers remain central to our operating success. During FY2020, we ensured continuity of service during the bushfires and COVID-19, and proactively supported customers that needed assistance. We also continued to progress our Red Dot program to improve customers' experience, improving our customer engagement processes in line with our Customer Promise, to listen to understand and enable our people to respond. We are a proud founding member and signatory to the energy industry's Energy Charter and actively participate in industry wide forums and working groups to deliver better outcomes for customers and the community.

Our safety performance was mixed and overall not where it needed to be. While our employee safety performance was satisfactory, we ended FY2020 with an unacceptable injury rate amongst our contractor workforce. Key interventions have been undertaken and more are planned to improve safety performance. We will be monitoring performance closely and driving active safety leadership from our senior management. In regard to environment, we made good progress on the Environmental Management Plan Improvement Program and strengthened our focus on heritage management.

Through bushfires, the COVID-19 crisis and a changing energy landscape, APA has been adaptable and resilient in the way it has served its customers and the community.

Michael Fraser | Chairman





energy. connected.

celebrating 20 years.

20

delivering responsible energy.

We worked hard to remain a trusted community member during FY2020. Community consultation progressed on major projects and we continued to work together with communities to address expressed concerns. In the face of the summer bushfires, APA and our people provided communities with additional support. This included volunteering time and resources as well as making financial contributions to bushfire relief efforts and support organisations like local volunteer firefighters, the NSW Wildlife Information, Rescue and Education Service and the Red Cross.

Consistent with our Purpose and our Vision, our aspiration is to be a leader in sustainability performance and outcomes. As well as investing in capability, we are developing a Sustainability Roadmap to clearly articulate our sustainability direction and how we will get there.

We hope you find this report informative and useful, and welcome your feedback and suggestions. Please contact us at sustainability@apa.com.au

Michael Fraser
Chairman

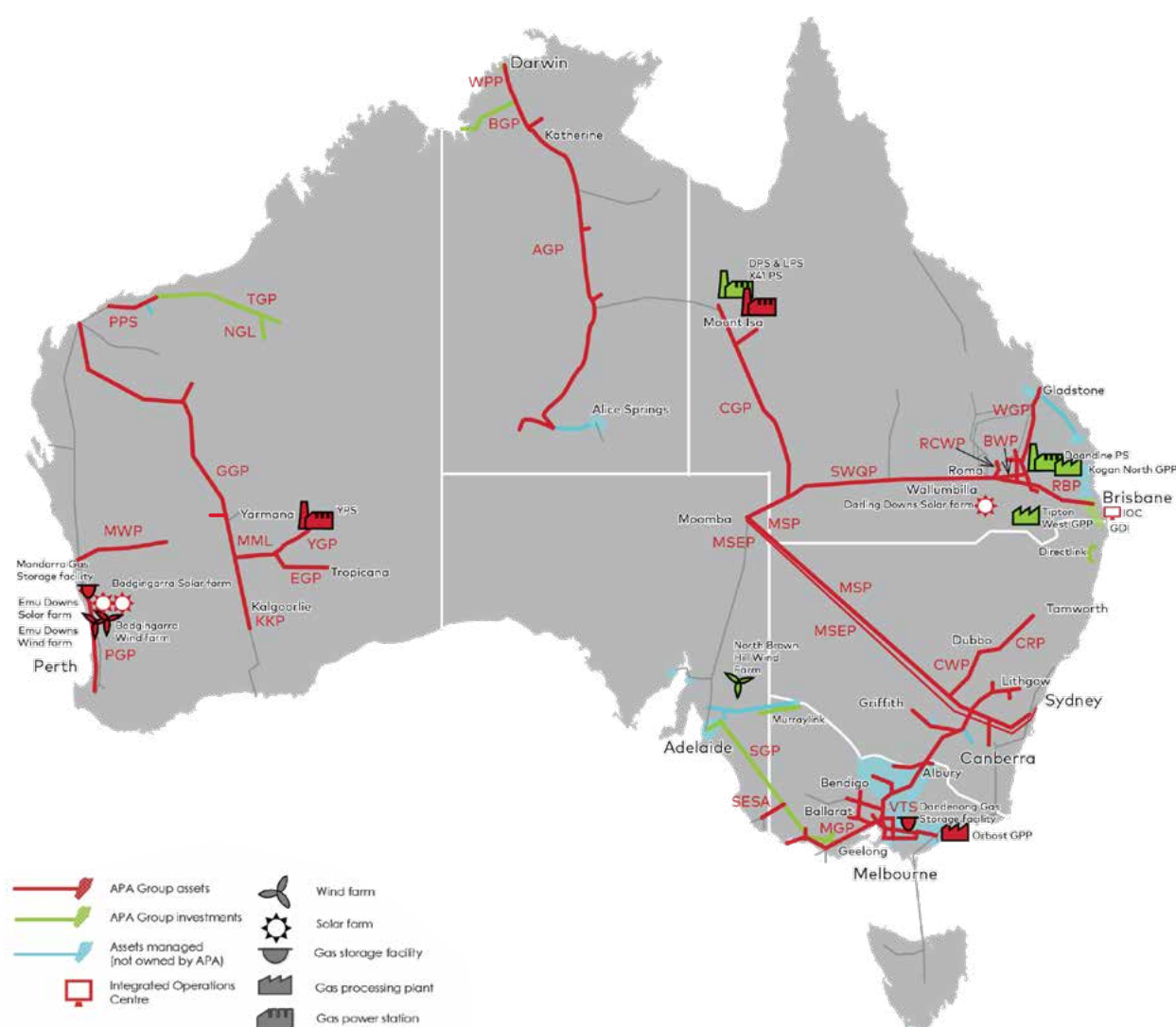
Rob Wheals
CEO & Managing Director



Rob Wheals | CEO & Managing Director

about APA Group.

As an industry leader, APA plays an important role in ensuring the long-term prosperity of many local communities and the national economy. Increasingly responding to change in our industry and nationally, we are continually evolving so our business remains responsible and sustainable and we can keep actively shaping Australia's energy future.



APA's assets span every state and territory on mainland Australia.



Who are we?

APA is a leading Australian energy infrastructure business developing, owning and operating energy infrastructure. It owns and/or operates around \$22 billion of energy infrastructure assets across Australia and operates these with a skilled workforce of around 1,900 people.

APA has a diverse portfolio of over 15,000 kilometres¹ of natural gas transmission pipelines that spans every state and territory on mainland Australia and delivers about half the nation's natural gas. It also owns or has interests in other related energy infrastructure assets such as gas storage facilities, gas processing facilities, gas compression facilities, electricity transmission and renewable and gas fired power generation assets.

How we work.

APA aims to deliver world-class responsible energy solutions that are safe, reliable, innovative, sustainable and cost effective. APA has maintained a consistent strategy of continued growth for two decades. It has been a successful strategy based on sustainable growth and investment discipline.

While we are committed to growing our business, we work closely with communities, governments and other stakeholders to make sure we do so responsibly and sustainably.

Our growth strategy is:

- Deliver services our customers value consistent with APA's Customer Promise
- Continue to strengthen asset and stakeholder management, development and operational capabilities
- Continue our growth focus to enhance APA's portfolio of:
 - gas transmission pipelines;
 - gas-fired and renewable power generation assets; and
 - midstream energy infrastructure assets, including gas storage and gas processing facilities.
- Explore growth opportunities in our core business of gas transmission and distribution in North America
- Maintain APA's financial strength.



+15,000 km
gas transmission
pipelines



\$22 billion
energy infrastructure
asset portfolio



+900 mw
total power
generation



1,900
workforce

1. Owned and/or operated by APA.

about APA Group.

Evolving to meet changing expectations.

APA already plays a significant role in the energy value chain and it's essential we keep evolving to adapt to changing operating conditions. In February 2020 the APA Board endorsed and formally launched APA's refreshed Purpose, Vision and Strategic Imperatives.

Purpose: Why we exist.



Purpose:

We strengthen communities through responsible energy.

By 'responsible energy', we mean:

- doing the right thing, even in tough situations
- creating value for all stakeholders
- taking a long-term view
- investing in new technologies and new energy
- innovating for a sustainable future.

Our approach to sustainability will be an intrinsic part of this Purpose.

Wallumbilla Gas Hub.



Vision: What we aspire to.



Vision:

To be **world class** in energy solutions.

This means we want to be known for our:

- integrity and credibility
- leadership in responsible energy
- customer focus
- operational capability
- safety and environmental performance.

We want people to be proud to work for us, and to make a positive impact on the communities we serve.



>\$1.4 million
customers



+490 mw
renewable energy
generation



about APA Group.



Pipeline construction in the Eastern Goldfields region, WA.

Strategic Imperatives



People and Culture

We value the potential, capability and wellbeing of all our people. We will grow and develop their skills and expertise, and enable them to meet the needs of our customers. We will also hold ourselves to high ethical standards and the APA values, ensuring our integrity and credibility



Operational Excellence

Optimising asset management and efficiency to achieve holistic and world class operational excellence, safety and environmental performance



Customer Centric

Our customers are at the centre of everything we do. We will listen to our customers and work with them in pursuing new opportunities, adding value and delivering their energy needs responsibly



Financial Strength

We constantly evaluate growth opportunities and cost efficiencies within our risk appetite, while maintaining a strong balance sheet with access to global debt and equity capital markets based on minimum investment grade credit ratings of Baa2 (Moody's) and BBB (S&P)



Growth and Innovation

We will continue to grow our energy infrastructure portfolio to meet our customers' needs – exploring and investing in new and emerging technologies where appropriate. We will actively pursue acquisitions that add value to our business



Stakeholder Relationship

We will engage constructively with regulators, governments and other stakeholders to help shape policy that facilitates responsible delivery of energy for the benefits of all. We will ensure the communities in which we operate and impact, benefit from what we do

To support APA's Purpose, Vision and growth strategy, we are building a more customer-focused, innovative, empowered and collaborative culture. To help us embed this culture, our [STARS values](#), our [Decision Compass](#) and Code of Conduct called [OurCode](#), guide our people's day-to-day actions and behaviours.



Operating model: Supporting a dynamic operating environment

To ensure we are set up for future success with capacity for innovation, scalability and agility to manage the changing nature of the energy landscape, we undertook a 360-degree review of APA's operating model during FY2020.

The new organisation structure has been designed to support the attainment and delivery of the six strategic imperatives. The structure consists of both business units to build and operate our assets safely and efficiently, and corporate functions to support the business units and focus on strategy and governance.

APA's New Operating Structure

Business Units: Execution



Infrastructure Development



Operations



North American Development

Corporate Functions: Govern & Support



People, Safety & Culture



Finance



Governance & External Affairs



Transformation & Technology



Strategy & Commercial

For more information, see the FY2020 APA Annual Report.

Governance

An important part of APA is conducting business to the highest standards of corporate governance. Having robust corporate governance policies and practices helps us to create long-term value for APA's security-holders and meet the expectations of other stakeholders.

For details of APA's corporate governance framework, practices and documentation, see our 2020 [Corporate Governance Statement](#). More corporate governance information about APA is also available on [our website](#).

sustainability at APA.

Doing business sustainably is about operating in a way that creates value and supports growth by doing business with integrity, and consistent with social, economic and environmental responsibilities. It makes organisations resilient so they thrive particularly in changing times. APA is here for the long-term, so during FY2020, we strengthened our sustainability capabilities, activities and reporting to reflect its vital role in APA's future.



Safety briefing at the opening of the Badgingarra Solar Farm.





What sustainability means to us

Every day, APA's decisions impact our customers, investors, workforce, communities and the environment and contribute to our future state, so we must always act responsibly. For APA, sustainability is simple: it's about being responsible in how we do business and contribute to society so we can thrive - now, and into the future.

To help us do this, we are making sustainability an integral part of how APA does business by:

- being part of Australia's successful transition to a lower-carbon future
- keeping customers front of mind
- caring for our people and communities
- maintaining Australia's environment and heritage
- building enduring relationships with community stakeholders
- promoting responsible procurement practices.

This report shows how we did this in FY2020.

Increased commitment

To help support APA's refreshed Purpose, Vision and Strategic Imperatives, we took an important step in our responsible energy journey in late FY2020 by creating a dedicated group wide Sustainability & Community function and team, led by a new General Manager.

The changes reflect our acknowledgement of societal views, expectations and the vital role that sustainability and community play in delivering APA's purpose, vision and responsible energy promise.

The team will be developing a comprehensive Sustainability Roadmap in FY2021. This will set the sustainability direction for APA and help us to continually improve our sustainability performance and disclosure.

Industry collaboration

APA faces similar challenges as the rest of our industry. As a responsible energy operator and industry leader, we believe collaboration is essential for overcoming them, so we regularly meet with our peers to exchange ideas, share experiences and develop industry-wide strategies to manage risks and explore opportunities.

We participated in many cross-industry associations and other business forums during FY2020, including:

- Australian Energy Market Operator
- Australian Hydrogen Council
- Australian Industry Energy Transitions Initiative
- Australian Petroleum Production & Exploration Association
- Australian Pipelines and Gas Association
- Business Council of Australia
- Chamber of Minerals and Energy of Western Australia
- Clean Energy Council
- Committee for Economic Development of Australia
- Dial Before You Dig
- Diversity Council Australia
- Energy Policy Institute
- Future Fuels CRC
- Male Champions of Change Institute
- Queensland Resources Council
- Safer Together
- The Energy Charter

Aligning with Sustainable Development Goals

To highlight how sustainability supports APA's refreshed Vision and Purpose, we have aligned the activities in this report with the relevant [UN Sustainable Development Goals](#) (SDGs) for our business.

This is the first year APA has done this and is an important step in communicating our contribution and commitment to sustainable development.

Each section indicates how it aligns with the relevant SDGs.



climate change.

APA takes the science of climate change seriously and supports a global transition to a lower-carbon future. We are taking steps to understand and manage the risks and opportunities presented by climate change to our business.



Berwyndale Wallumbilla Pipeline easement.



climate change.

APA's role

The challenge for the energy industry is to reduce carbon emissions while maintaining the reliable, affordable and secure energy supply that people want and need.

APA is well-placed to support Australia's successful transition over time to a lower-carbon future. In addition to our continued investigation of renewable and new energy technologies described in the next section, APA is continuing to take steps to understand and demonstrate our commitment to addressing the complex challenge presented by climate change. We:

- are continuing to improve our emissions data and reporting capabilities and systems
- are evaluating the resilience of our existing assets under a range of different transition scenarios
- keeping stakeholders informed of our approach and performance
- present our information to our stakeholders through disclosures aligned with the Taskforce on Climate-related Financial Disclosures (TCFD) framework
- collaborating and advocating for outcomes that we believe are in the best interests of our customers and the communities we serve.

Climate Change Governance

The [APA Board](#) is responsible for reviewing and considering the potential impacts of risks relating to climate change on APA's strategy and business.

In April 2020, we published APA's first [Climate Change Position Statement](#). This affirms APA's stance on climate change by succinctly communicating our approach and supporting our purpose of strengthening communities through responsible energy. A Climate Change Policy will be developed during FY2021 with a view to expanding and further articulating our approach and commitment.

Considering Climate Change in Strategy

Managing the potential impacts of climate change on our business is an integral part of APA's future growth plans.

During FY2020, we developed a Carbon Management Plan as a preliminary step towards operationalising consideration for climate risks. This is currently being expanded into a more comprehensive multi-year Climate Change Management Plan. This will represent a long-term, material organisational commitment, consistent with APA business's broader strategic direction and will aim to set clear targets and mechanisms to support decision-making.

Climate Change Risk Management

The process of identifying, assessing and managing the transition and physical risks driven by climate change is based on APA's risk management system and processes. These align with the international risk management standard (ISO 31000:2018), with [ASX Corporate Governance Principles and Recommendations](#) and the [TCFD recommendations](#).

Carbon Management Plan

During the year, we developed a Carbon Management Plan (CMP) as a preliminary step in managing risk and assessing opportunities to improve our greenhouse gas emissions management. With executive ownership, governance and support, it focuses on four key areas:

- Greenhouse gas emissions reporting and analysis
- Greenhouse gas emissions reductions
- Greenhouse gas offsets
- Climate scenario analysis.

We expect the CMP to keep evolving and plan to integrate it into our broader Climate Change Management Plan and Sustainability Roadmap.

Greenhouse gas emissions reporting and analysis

Ensuring credible, reliable and complete emissions data is important for progressing our Climate Change Management Plan. By building on APA's existing NGER processes, we are expanding and improving our emissions reporting and analytics capability. We will invest in technologies that automate processes and systems that capture and analyse our business emissions data. This initiative was approved in the reporting period and will commence in early FY2021 for implementation within a 12 to 18 month timeframe.

We are also planning to progress our emissions forecasting capabilities to support improved consideration of emissions in decision-making and to enable implementation of our Climate Change Management Plan.

Greenhouse gas emissions reduction

In FY2020, we initiated an emissions reduction assessment in line with the internationally recognised [Methane Guiding Principles](#). As part of the assessment, we established a representative Emissions Reductions Working Group to develop a 'current state' understanding of emissions reductions activities.

We also completed two workshops that focused on emissions reduction opportunities in our infrastructure development and operations divisions. We plan to analyse for feasible short- and medium-term opportunities and integrate these activities into our Climate Change Management Plan.

Badgingarra Solar Farm, with the Wind Farm in the background.



Greenhouse gas offsets

Investing in, and purchasing carbon offsets could make a strategic long-term contribution to APA's emissions reductions efforts.

During FY2020, we began screening potential approaches and opportunities. Ultimately, this work is likely to form part of the wider Climate Change Management Plan to be developed during FY2021.

Climate scenario analysis and resilience testing

An important input into APA's broader business strategic direction, our climate scenario analysis is an interdepartmental collaborative effort, supported by an expert third party, to test the resilience of our existing business under a range of climate scenarios.

Our first TCFD-aligned Climate Scenario Analysis conducted in FY2019, found that, because of our long term committed contracts, APA's inherent climate transition risks are low in the low and mid-climate mitigation scenarios in the years to 2030.

In FY2020, we continued this work to extend the time horizon of transition risks to 2050 and test the resilience of our existing assets against more extreme climate scenario pathways, including a ~1.5C scenario. In addition, building on insights from the International Energy Agency (IEA)

scenario datasets we used in FY2019, we expanded our input datasets in FY2020 by using the International Institute for Applied Systems Analysis' Shared Socioeconomic Pathways (SSP) because it:

- provides more complex projections of economic changes
- provides richer projections of climate changes
- allows APA to derive regional and domestic economic growth projections.

In line with the TCFD recommendations, we intend to make the outcomes of this analysis available once complete.

Climate Metrics, Targets & Indicators

This year we have increased APA's disclosure of climate indicators. By expanding our public data set for climate-related indicators, we are providing stakeholders with broader insights into APA's greenhouse emissions footprint.

Our Climate Change Management Plan currently under development will inform metric and target setting and be aligned to our broader business strategic direction.

For all comparative data, see the tables at the back of this report.

climate change.

National Greenhouse and Energy reporting

APA's business falls under the National Greenhouse and Energy Reporting Act 2007 (NGER Act) so every year, we prepare and submit an NGER report. The data and insights from this process help us to better understand APA's greenhouse gas footprint.

APA's main sources of direct emissions are from gas fired power stations (49%), combustion of natural gas in compressor stations (16%) and fugitive emissions associated with natural gas pipelines (11%), making up 76% of total emissions.

We are always looking to improve how we analyse and report this and other climate-related data. This year, we engaged a specialist external consultancy to audit, collate and lodge our FY2019 NGER submission. They found no non-compliances in the FY2019 report and the auditor's recommendations will help us to keep improving APA's NGER disclosure.

In FY2021, APA intends to voluntarily engage an independent auditor to assess NGER compliance for the FY20 reporting period. We anticipate this work being complete prior to Report submission.

For the sake of transparency, we voluntarily provided a copy of the audit report to the Clean Energy Regulator. This resulted in further data clarification and a minor data update that led to favourable changes to our FY2019 results.

In addition, APA was selected to be part of the Clean Energy Regulator's audit program for FY2019 reporting. The audit is expected to be complete in Q1 FY2021.

Our performance

In FY2019, APA's Scope 1 greenhouse gas emissions increased by 1.85% compared to FY2018.

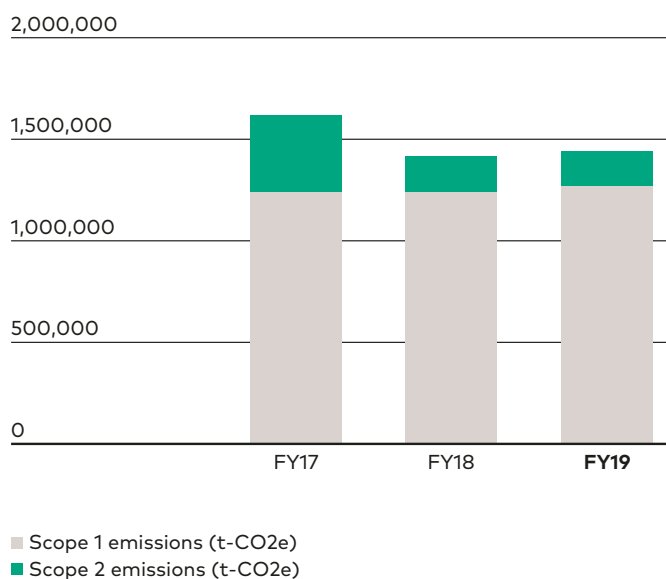
This was primarily due to an overall increase in gas combustion for power generation at Diamantina Power Station and by compressors on the South West Queensland Pipeline and the Goldfields Gas Pipeline.

APA's Scope 2 emissions decreased slightly in FY2019. This is primarily due to a reduction in electricity consumption on the SWQP compared to FY2018.

APA's FY2020 NGER submission is currently being prepared, and will be lodged with the Clean Energy Regulator by 31 October 2020.

For comparative emissions data, see the tables at the back of this report.

Total Scope 1 & 2 Emissions Footprint (t-CO₂e)



APA's Western Australian Renewable Energy Precinct.

Regulatory contributions

During FY2020, the Department of Industry, Science, Energy and Resources (Climate Change Division) continued consulting with the energy industry about options for varying the NGER Act's safeguard mechanism for gas transmission production facilities. Our in-house experts via the Australian Pipelines and Gas Association (APGA) contributed technical expertise in this area. Our common goal is to ensure the calculation methodologies are as accurate as possible. The consultation is ongoing and will continue next year.

FY2020 Planned actions vs performance – Climate Change

FY2020 Planned Actions	Achieved	Performance In Progress	Not Achieved	Notes
Continue to advance disclosure and supporting work against TCFD recommendations, including additional scenarios and/or extended timeframes beyond 10 years	✓			
Develop a corporate Climate Change Policy		✓		Climate Change Position Statement complete. Climate Change Policy for development in FY2021
Improve breadth and integrity of environmental data collection, validation and measurement to inform target setting	✓			
Establish a plan for carbon management	✓			
Plan to better monitor and manage our fugitive emissions	✓			

Focus areas for FY2021 – Climate Change

- Developing a comprehensive Climate Change Management Plan
- Finalising corporate Climate Change Policy

Restored easement after pipeline construction.





renewables and future energy mix.

While natural gas will continue to play an important role towards and in a lower-carbon world, APA recognises the importance of a diversified energy mix. As a result we have invested in wind, solar and other energy sources. We know that powering communities into the future will require innovation and investment, and we intend to play a key role.



Badgingarra Wind Farm.



renewables and future energy mix.

Our position

A dynamic shift in the energy landscape is underway in Australia and across most developed economies. The drive towards decarbonisation is creating a structural shift in energy policy, composition and investment. APA understands that embracing the opportunities that come from supporting a lower carbon economy is critical for long term success. Renewable energy generation will remain an important part of our portfolio as we pro-actively look at the role of our energy infrastructure in a decarbonised clean molecule future. We see natural gas playing a role in firming renewable power generation which will support increasing penetration of renewables in the Australian energy grid into the future.



\$750m

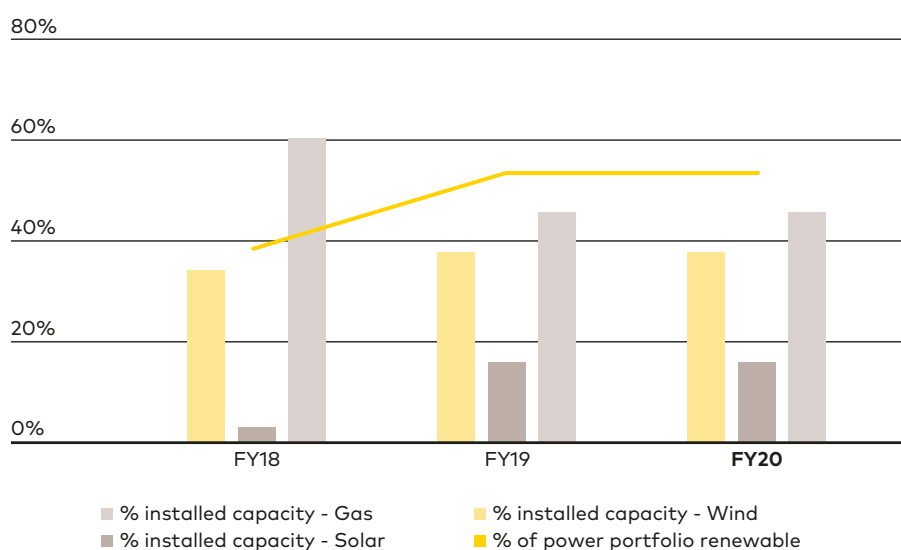
APA's total investment in renewable energy generation since 2009



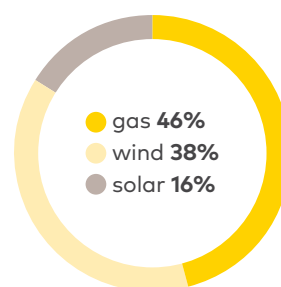
54%

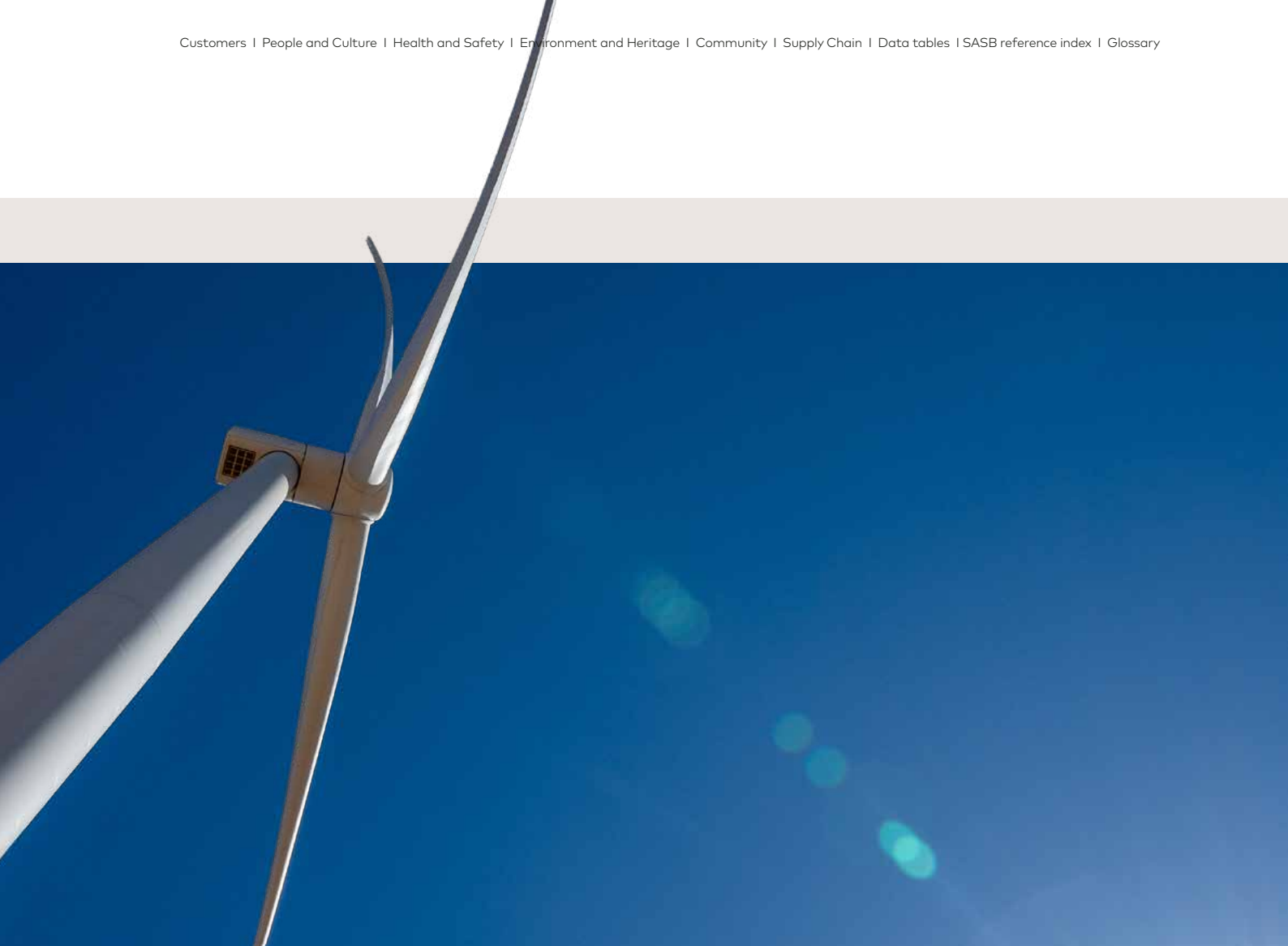
of our power generation portfolio is renewable energy

APA's Changing Power Generation Portfolio



FY2020 Power Generation Portfolio Capacity Mix





Badgingarra Wind Farm.

Building our capability

In FY2020, we furthered APA's future energy capabilities by establishing a dedicated Transformation & Technology division led by a newly created Group Executive role.

The team is tasked with enabling APA to effectively respond to the disruptive forces and opportunities of decarbonisation, decentralisation, and digitisation. They will drive the identification of emerging market opportunities whilst delivering business transformation, continuous improvement initiatives and technology solutions within our day to day business.



Badgingarra Solar and Wind Farm.

Focus on new technologies

To supplement existing investments in renewable energy assets such as wind farms and solar farms, we are pro-actively looking at the role of new technologies and options for future growth.

We are exploring the intersection of our existing assets with new energies such as renewable methane and hydrogen, improving our understanding of the role of carbon capture utilisation and sequestration (CCUS) technology and looking at how energy storage technologies such as batteries could complement renewables generation and support gas in firming of future energy networks.

Importantly, we are openly collaborating with researchers, customers, peers and other business who want to develop responsible and viable emissions reduction pathways for Australia.

renewables and future energy mix.

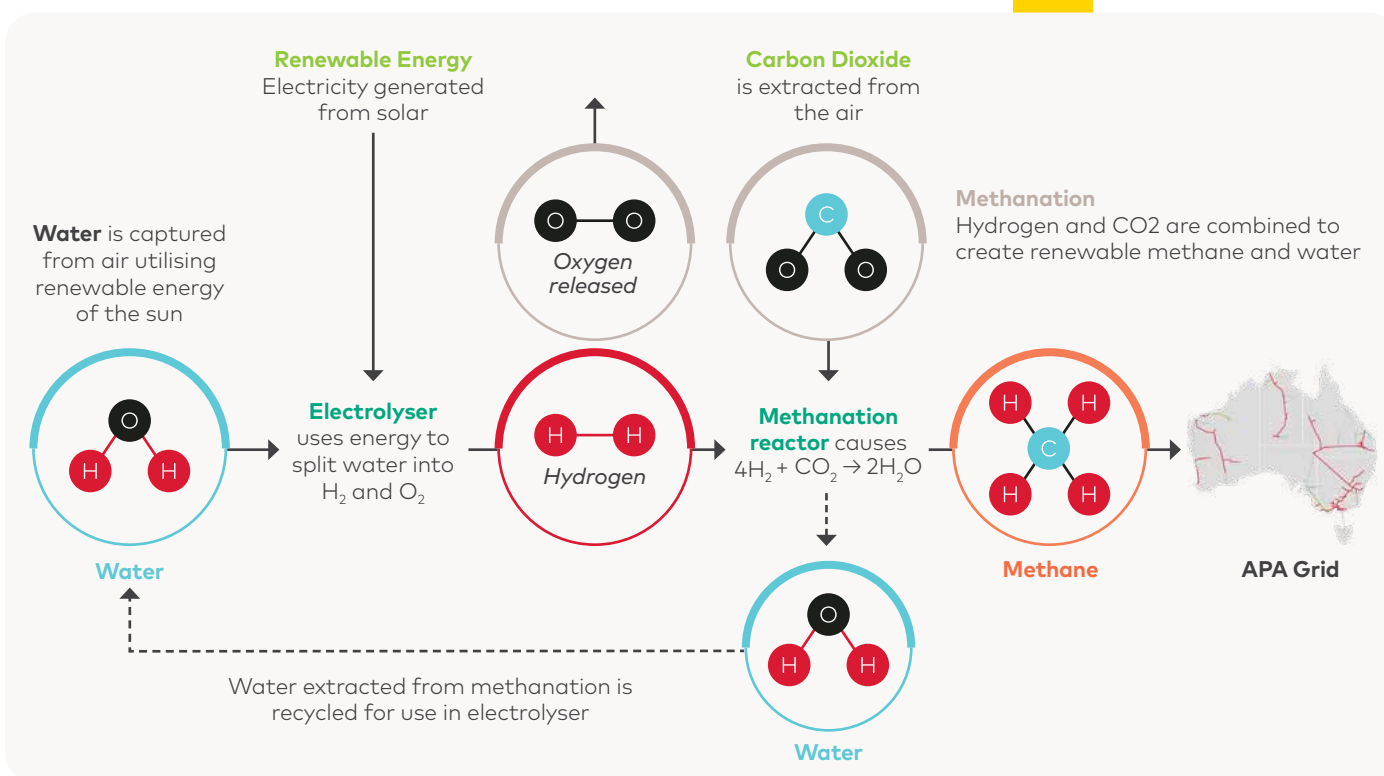
Renewable methane pilot project

In May 2020, we welcomed the [announcement](#) of \$1.1 million in funding contribution from the Australian Renewable Energy Agency (ARENA) towards our renewable methane pilot project.

To be developed in partnership with Southern Green Gas, the two-year pilot project is exploring the technical and commercial viability of producing hydrogen using solar energy and converting the hydrogen to methane for transportation in APA's existing pipeline infrastructure.

The pilot will help determine if this carbon-neutral process could be part of a broader green energy solution and examine whether APA's pipelines are suitable for transportation of renewable methane.

Renewable methane creation process



Solar farm openings

During the reporting period, we officially opened an additional 129.3MW of solar power generation to our portfolio at the Darling Downs Solar Farm in Queensland and the Badgingarra Solar Farm in Western Australia.

Sponsoring energy start-ups

During FY2020, APA announced a \$100,000 Gold Sponsorship of [EnergyLab](#), Australia's leading platform for launching energy start-ups. EnergyLab's accelerator program provides support at the later stages of developing new product prototypes. Our sponsorship will help these companies to deploy exciting new energy technologies and business models.

Supporting biomethane

In June 2020, APA co-signed an [open cross-sector letter](#) to the Commonwealth Government that advocated for biomethane injection into gas distribution networks. The letter recognised the role biogas (particularly biomethane) can play in solving energy market decarbonisation challenges while providing the lowest-cost transition to a decarbonised energy system.

Technology transition roadmap

APA welcomed the opportunity to engage with the Commonwealth Government on the [Technology Investment Roadmap Discussion Paper](#). In our submission, we highlighted our support for Australia to capitalise on its abundant and diverse resources to re-establish our advantage in energy-intensive manufacturing, for stretch targets for shortlisted technologies based on their potential contribution to the broader Australian economy, for the optimisation and leveraging of existing gas infrastructure to the maximum extent possible and our deep expertise in many of these areas.

Australian Industry Energy Transitions Initiative

In June 2020 APA joined the Australian Industry Energy Transitions Initiative, a new initiative that will see some of Australia's biggest companies work together to accelerate action towards achieving net zero emissions in supply chains by mid-century. APA see's working together to unlock new technologies as fundamental to Australia's low carbon future and will support the economic recovery.



Diamantina Power Station, Mount Isa.



1 NO POVERTY

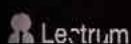


7 AFFORDABLE AND CLEAN ENERGY



the Australian success story that's built on energy

We've been connecting Australia with reliable and safe natural gas supply. With over 15,000km of pipeline across the country and a workforce that has served more than 1,700 people, we're anything but ordinary. And we're changing the way energy is supplied with energy. www.apa.com.au



APA Chairman Michael Fraser welcomes APA customers to the launch of our Customer Promise.

customers.

In an increasingly competitive energy market and rapidly changing world, customer expectations are constantly evolving. It's more important than ever for APA to understand current and future customer needs and work collaboratively to meet them with responsible solutions. Throughout FY2020, APA took further steps to put customers at the centre of our decisions, activities and plans.

customers.

Meeting changing customer needs

APA's customer base covers a broad spectrum. We provide energy services for large industrial companies, energy retailers, resources companies (transmission, midstream and power customers) through to small customers on gas distribution networks (network customers).

The energy market is facing significant change and challenges. Competition, the shift towards lower-carbon options and technology are all providing customers with more choice and more information than ever. At the same time, the world is grappling with the impact of a pandemic and volatile oil and energy prices.

To remain sustainable, it's vital APA meets customer expectations and continues to deliver strong and consistent outcomes for them. We continually review our product and service suite to provide innovative and optimal solutions for our customers. During the year, we continued our whole-of-organisation approach to embedding customer centricity through our Red Dot program and worked closely with our Energy Charter peers on industry-wide initiatives.

The Energy Charter

While APA plays a significant role in the Australian energy landscape, we are just one part of the supply chain. Better customer outcomes often require a whole of system approach and coordination across the supply chain.

APA is a founding member and active supporter of the energy industry's [Energy Charter](#), which brings together the whole energy supply chain. It recognises that we all need to be aligned and work together for better customer outcomes and experiences.

The Energy Charter commits signatories to disclosing our performance against five customer principles: customer at the centre; affordability; safe, reliable and sustainable energy; customer experience; and supporting vulnerable customers. Annual disclosure reports must be submitted to an independent Accountability Panel for an evaluation of performance against the principles.

APA submitted its [first disclosure report](#) in September 2019 and will submit the FY2020 disclosure report in September 2020. To see the Panel's recommendations for how the industry could improve see [its 2019 report](#).



#BetterTogether

The Energy Charter also provides a framework through which whole of energy industry collaboration takes place.

Examples of Energy Charter collaboration are the #BetterTogether initiatives. These initiatives bring together Energy Charter signatories and other stakeholders to develop and implement solutions across the supply chain for customer outcomes. For FY2020, the initiatives APA was involved in included:

- Together with Australian Pipelines and Gas Association (APGA) and customer groups, improving gas pipeline information reporting to keep customers better informed.
- Providing customers with a consistent approach to site readiness by developing and trialling an improved gas connections experience in Victoria based on shared communications and processes.
- Supporting customers and communities during the COVID-19 pandemic to ensure they have access to the right information on service commitments and financial support. The work included the Energy Charter "We've got you" customer communications published in 10 languages about types of assistance available to customers.
- Launch of the industry shared learning platform that showcases the best industry examples of customer engagement, how signatories are getting to know their customers and communities, how this improves participation and what the improved customer outcomes are.



energy charter #bettertogether campaign.



To remain sustainable, it's vital we deliver on our Customer Promise to listen to understand, enable people to respond and do what we say we'll do.



Improving the APA customer experience

Customer Promise

In August 2019, we launched the APA Customer Promise externally to our customers at a series of events around the country. The Promise commits to all customers that we will listen to understand; enable our people to respond; and to do what we say we'll do.

our customer promise:



Our promise is to deliver service you value.

We will...

- Listen to understand.
- Enable our people to respond.
- Do what we say we'll do.

Red Dot program

The red dot in APA's logo reminds our people to keep customers at the centre of everything we do.

The Red Dot program supports our Customer Promise by delivering a range of culture improvement, measurement and improvement initiatives that will improve the customer experience. Our initiatives directly target improvements to the customer journey including strategic account management, customer surveys, invoicing, gas allocation accuracy, maintenance notifications and formal customer complaints process.

Continuing the rollout in FY2020, the multi-year program is aligning our culture, service delivery and processes with the APA Customer Promise.

customers.

Transmission customer feedback and stakeholder engagement

The best way to know if we are meeting customer expectations is to ask, so we consult them regularly. Their feedback influences our planning and improves the customer experience journey.

For fully regulated assets we are making additional efforts to involve customers and other stakeholders in the earlier stages of decision-making through workshops and other forums so they can provide actionable input and help with problem-solving.

This year, we stepped up our customer and community engagement through:

- Voice of Customer surveys, which provided insights into overall customer satisfaction, the health of our business relationships and areas for strategic improvement.
- Post-deal surveys to help understand our customers' experience of contract negotiation and execution.
- Engaging with customers and consumer groups in the lead-up to APA's regulatory review processes. This included establishing the Amadeus Consumer Reference Group for gas customers, consumers and stakeholders in the Northern Territory who are impacted by the Amadeus Gas Pipeline, including revisions to the access arrangement.
- Holding Transmission customer forums in July 2019 to update them on Gas Day Harmonisation and APA's progress with responding to issues they raised in our Transmissions Customer Survey.

Networks customer feedback and support

APA's Networks business unit transports gas to customers on the distribution networks in Brisbane, Melbourne, Adelaide and parts of New South Wales. To know we are meeting the needs of these customers, our customer satisfaction score is a key measure.

Pleasingly, we ended FY2020 with an aggregate customer satisfaction score of 8.4 out of 10, with a score of 9.0 for those customer service interactions where the engagement was unplanned.

This year we continued to deliver on a number of customer initiatives to ensure our service standards remain high:

- Improving our SMS notification service to communicate with customers receiving new gas connections in Victoria
- Collaborating with other Victorian gas distribution businesses on an agreed single new connection process in Victoria
- Streamlining communication with our service-laying contractors by updating to a work status notification eform
- Improving the management of complex requests by implementing an electronic quoting request process
- Continually improving the skills our of call centre, operations and field staff via the ongoing roll out of our customer service training.

Maintenance Notification Project

After receiving feedback from our Transmission customers on our maintenance notification process, APA launched the Maintenance Notification Project. During FY2020 we delivered on some substantial project objectives, including:

- Reducing the number of non-capacity impacting notifications so customers can easily identify high-impact activities
- Making notifications easier to understand by using Plain English
- Improved integrated asset planning to more accurately forecast capacity impacting maintenance activities
- Creating a new role in our Commercial Operations team that provides a single point of contact for enquiries about maintenance notifications.

The initiatives in the maintenance notification project improved the notification process and benefited customers by allowing them to better plan activities.

Customer-centric responses to COVID

The COVID-19 pandemic created a unique and difficult operating environment for many APA customers this year. We responded in line with our commitments under the Energy Charter, particularly **Principle 5: We will support customers in vulnerable circumstances.**

Among other activities, we:

- Contacted commercial, industrial and small retail transmission customers for a quick pulse check to understand the impacts of COVID on them and how APA might be able to assist
- Provided targeted financial assistance for customers in vulnerable circumstances, including temporary discounts, credit term extensions and alternative prudential arrangements
- Offered additional gas market and systems training to help customers optimise their gas portfolios against changing market dynamics.

Stores Officer Rian Boddy and Capital Delivery Crew Leader, Lucy Wilson.



customers.

FY2020 planned actions vs performance - Customers

FY2020 Planned Actions	Achieved	Performance In Progress	Not Achieved	Notes
Increase direct executive and senior management involvement in the customer contact program		✓		Completion delayed due to operating model review and COVID-19
Expand the Transmission and Power customer feedback survey program		✓		Completion delayed due to operating model review and COVID-19 impacts
Deploy customer-orientated metrics to improve awareness of customer experience across all functions		✓		Completion delayed due to operating model review and COVID-19 impacts
Trial collecting Net Promotor Scores	✓			
Continue collaborating with Victorian distribution businesses and retailers to improve the new connections processes	✓			
Continue significant enhancements to the Transmission Division's APA Grid (customer-facing hydrocarbon accounting and billing system), including a new online customer portal		✓		Ongoing as part of a multi-year program of work
Make 90-day and 12-month pipeline capacity forecast reports available to customers in an easy-to-interpret graphic format			✓	Not achieved due to challenges aligning APA and customer data sets. Customer dashboard reporting a focus area in FY2021
Establish APA Power customer feedback program		✓		Completion delayed due to operating model review and COVID-19 impacts
Deploy new Customer Complaint Management system to provide a transparent systemic process for complaint investigation and resolution		✓		Completed in Transmission division. Wider rollout in progress. Further investigation underway
Continue our involvement in industry working groups and customer initiatives as part of the Energy Charter	✓			

Focus areas for FY2021 – Customers

- Maintain and improve Transmission and Power customer feedback survey program
- Enhance existing customer dashboard reporting
- Maintain and improve the Customer Complaint Management system

Raj Kallath, APA Infrastructure Project Manager and Michael Fox, APA Mechanical Engineer.





Michael Fox, APA Mechanical Engineer and Raj Kallath, APA Infrastructure Project Manager.

people and culture.

To ensure our business is sustainable, APA strives to create a culture that is customer-focused, innovative and collaborative, with empowered and energised teams. During the year we continued to invest in attracting and nurturing the best talent, and enhancing the employee experience.

4 QUALITY EDUCATION



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH





people and culture.

An evolving culture

To support the new APA Purpose, Vision and strategic imperatives, our people priorities during FY2020 focused on ensuring APA's STARS values were embedded at every level, with customer experience at the core.

To make sure we were on track, we held an employee Culture Survey in October 2019. The areas that emerged as our cultural strengths were safety, quality services, results, trustworthiness and leadership. While this is a pleasing result, our focus is on areas where people told us there were opportunities for improvement, such as recognition and collaboration. The results fed into the new operating model.

During FY2020, we continued to roll out culture programs focused on customer-centricity, risk awareness, diversity & inclusion and safety. The FY2021 culture program will take a holistic approach, bringing together all attributes into a single culture statement and program, as well as addressing areas for improvement.

To ensure we effectively plan for our people and changing business needs we strengthened our internal recruitment capability during the year. We continue to build a workforce planning capability whilst continuing to enhance a strong talent management program so there is a pool of talent and internal capability at APA now and into the future.

Key people statistics are included in this section. For more detailed performance results, see the data tables at the back of this report.

Diversity and Inclusion

At APA, we define diversity as embracing different thinking, background, sexual orientation, gender, ethnicity and other life experiences. We know a more diverse workforce creates a stronger organisation and better business outcomes by providing varied perspectives that support better decision-making.

Inclusion means respecting and harnessing these differences to create better outcomes for employees and customers.

APA does not tolerate any form of discrimination or exclusionary behaviour and strives to give everyone the opportunity to realise their full potential and contribute to APA's success. We regularly train our employees in their obligations regarding lawful and appropriate behaviour, discrimination and complaints and investigation processes. Our approach is described in the [APA Diversity and Inclusion Policy](#).

Towards the end of FY2020, we designed APA's Diversity and Inclusion (D&I) Strategy for 2020 to 2025, prioritising four areas where we can make the most meaningful difference to the cultural, gender and age diversity of APA's workforce and be recognised as an employer of choice: Gender equality (including, flexibility), inclusive leadership and culture, Indigenous Australians and Youth. In FY2021 this revised strategy will be communicated across the business and detailed plans developed to progress the prioritised areas.

Gender equality

APA's 2018–2022 Gender Targets Action Plan (GTAP) is a core strategic initiative organised around five critical elements:

- attraction
- recruitment
- retention
- development
- performance metrics and targets.

As part of our GTAP activities in FY2020, we ran 'Inclusive Leadership and Unconscious Bias' learning and development programs, conducted awareness for leaders on gender equality, created new norms for gender representation on interview panels and increased the promotion of flexibility in our job advertisements.

At APA, we define diversity as embracing different thinking, background, sexual orientation, gender, ethnicity and other life experiences.



Increase in female representation
on APA Board



Increase in female representation
among Senior Leaders



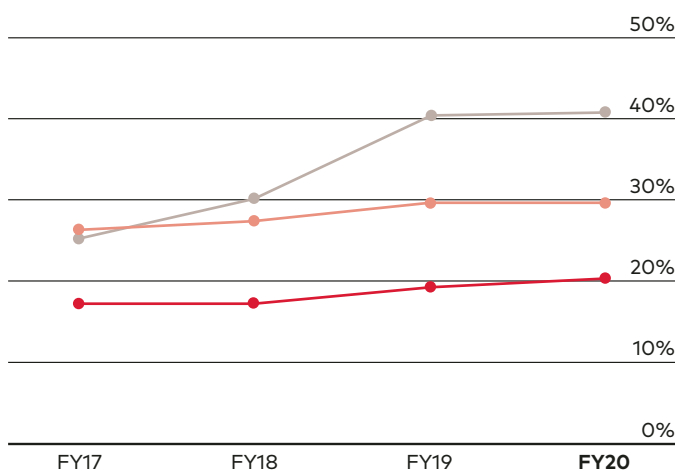
Decrease in voluntary employee turnover



We also launched the Women Connected networking program. This is open to all employees but specifically targets females to support a better employee experience for them. It includes events, resources and mentoring opportunities.

APA's CEO, Rob Wheels, became a Male Champion of Change during FY2020 and held a number of focus groups to hear about the issues and concerns around gender equality at APA. The outputs from these sessions will feed into the work of the Gender Target Action Plan.

Gender Target Action Plan Metrics



- Female representation by % - Senior Leaders
- Female representation by % - Total Workforce
- Female representation by % - Talent Pipeline

Positive progress has been made on our Gender Targets since FY2017. As we move into FY2021, a new set of Gender Targets have been approved for APA looking to 2025. The new targets have the aim of accelerating the pace of change. There is a new 'extended leadership' target designed to improve the level of female representation among our reporting level 3 and level 4 leaders who manage teams.

The new gender targets for 2025 are:

	Target for 2025
Total workforce female representation target	40% (up from 30%)
Senior leader female representation target	30% (up from 25%)
Talent pipeline female representation target	50% (unchanged)
Extended leadership female representation target	40% (new target)

people and culture.



Engineering in Melbourne: (from left) Caroline Button, Ai Ling Lee, Vin Shankighatta, Courtney Saare, Amy Walsh.

New Human Resources Information System (HRIS)

Introducing an integrated HRIS is part of APA's digital strategy, and the technology was extensively developed during FY2020. The platform is critical to improve the efficiency of our people processes and to help empower leaders in their people management with quick access to key data and people activities.

In early FY2021 APA is launching an integrated HRIS, called people.connect, which provides a single source of truth for APA people data, using cloud technology to access the latest functionality in real time. We will use it to manage all people related activities, including end-to-end management of recruitment, onboarding, performance, learning, remuneration and talent management.

Attracting the best

Ignite

We launched a new program for emerging talent, called Ignite, in October 2019. More than 30 people (15 females and 15 males) were nominated for their leadership potential.

The program included learning about authentic leadership, team effectiveness and holding quality conversations. An assessment experience highlighted individual strengths and development areas to help tailor participants' development plans.

people.connect
the power is in **your** hands

Our CEO Rob Wheals welcomed the 10 new graduates for 2020.

Graduate Program

APA's [Graduate Program](#) supports our broader Talent and D&I Strategies. It has 50:50 gender representation and increases our workforce's generational mix. We welcomed ten new graduates in February 2020. They started their APA career with a two-day experience covering on-boarding, networking and professional development.

Apprenticeship Program

During FY2020, we developed APA's national Apprenticeship Program to match our future needs so that, whatever the operating environment, our workforce continues to have the skills we need. From January 2021, we will have an annual intake for apprenticeships in: engineering (mechanical trade); welding; gas fitting; and electrical and instrumentation.

To open up more career paths for local people, particularly in regional areas, the program will incorporate work experience and hosted site visits to support more informed career decisions by school students and other job seekers. Learn more about the program [here](#).

investing in our interns.

energy. connected.



Intern Program intake doubles

Ensuring APA has a strong pipeline of talent and a diverse mix of experience is important for our future.

Nineteen undergraduates from engineering, finance and strategy disciplines joined our Intern Program this year, almost double the 2018 intake. Interns join APA for up to twelve weeks, working on real-life projects within a relevant part of the business. They receive structured on-boarding and induction, on-the-job training, and networking opportunities.

In February 2020, we were delighted to receive the GradConnection's Top 10 Most Popular Internship Employer Award (Small).

New grads land at APA!



**AFR Top 100
Graduate Employer
Award 2020**



**GradConnection's
Top 10 Most Popular
Internship Employer
Award (Small)**

people and culture.

FY2020 planned actions vs performance - People and Culture

FY2020 Planned Actions	Achieved	Performance In Progress	Not Achieved	Notes
Progress implementation of people.connect across APA		✓		First release planned for Q1 FY2021
Support review of the APA operating model, including conducting employee cultural survey	✓			
Renew Remuneration and Performance Strategy		✓		Delayed due to operating model review and COVID-19
Continue developing and implementing competency and capability frameworks	✓			
Revise and refresh Diversity and Inclusion Strategy	✓			
Continue to progress Gender Targets Action Plan	✓			
Implement flexibility plan, including updated policy and guidelines	✓			
Launch Emerging Leaders talent program, with 50/50 female/male participation	✓			
Progress Inclusive Leadership and Unconscious Bias training		✓		Full rollout delayed due to operating model review and COVID-19
Continue to develop recruitment capabilities, processes and sourcing strategies to meet organisational requirements and reduce time to hire	✓			
Complete development of the Apprenticeship Program for implementation in 2020	✓			Implementation delayed due to operating model review and COVID-19
Implement new executive remuneration design	✓			

Focus areas for FY2021 – People and culture

- Implementation of people.connect across APA
- Continued rollout of the Diversity and Inclusion Strategy and updated Gender Targets Action Plan
- Implement the Culture Program





APA leaders from all parts of the country and the business collaborating at the annual APA leadership conference.

health and safety.

Achieving strong health and safety outcomes is the highest priority for the whole of APA. We want to ensure everyone goes home safe every day, and to protect the communities and environments where we operate.

3 GOOD HEALTH
AND WELL-BEING



8 DECENT WORK AND
ECONOMIC GROWTH





Hot work needs to be conducted in a way that is safe and protects personnel and the environment from harm (from the APA Safeguard Protocol for Hot Work).

health and safety.

Strategy overview

In a year that gave us bushfires, cyclones and COVID-19, working towards zero harm presented new challenges.

One of our critical activities was developing and launching a new three-year HSEH Strategic Plan in September 2019.

Created with cross-functional involvement and ownership, the Plan focuses on:

-  **HSEH leadership and culture**
Creating a proactive HSEH culture with empowering leadership and strong enabling behaviours
-  **Contractor management**
Critical operational excellence — accountable, streamlined, performing
-  **Health and wellbeing**
Caring for the whole person — at work and beyond
-  **Technology, systems and analytics**
Increasing efficiency and simplicity of HSEH processes, data and analytics
-  **Environment and heritage**
Delivering on our responsibilities to the environment and communities — past, present and future
-  **Process safety**
Clear ownership by the business and integrated processes to support operational excellence.

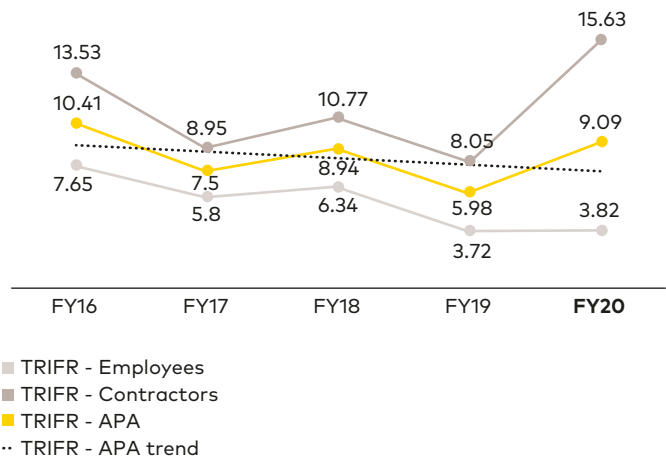
Following the review of APA's operating model this year, we made several structural changes to the Health, Safety, Environment and Heritage (HSEH) team to increase our frontline and corporate function capabilities whilst also strengthening governance. Clarity of roles and responsibilities, improved standards as well as increased capability were key objectives of not only the structural changes but in reviewing the way we work. There is a structured plan to implement changes in a phased way over the coming two years.

APA's approach to health and safety is set out in our [HSE Policy](#) and managed using our Health, Safety & Environment Management (HSE) system, Safeguard. Both apply companywide, ensuring our focus is consistent and continues throughout the lifecycle of all APA's assets, projects and investments. The HSE system ensures training, education and awareness is undertaken, and is a component of our assurance framework. Health and Safety audits are undertaken across all parts of the business to ensure that health and safety risks are effectively controlled.

FY2020 safety performance

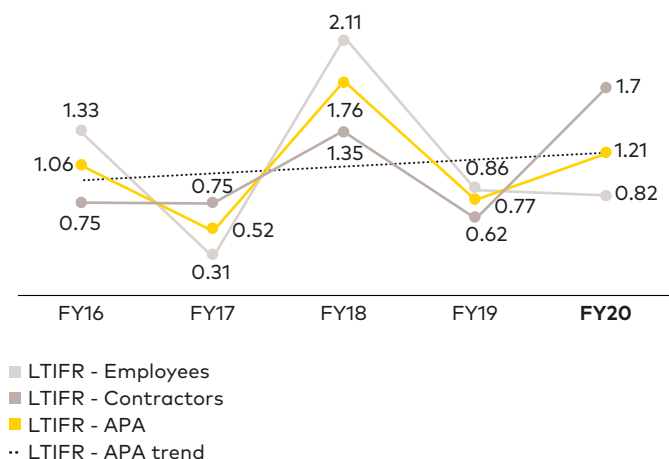
Key Indicators

Total Recordable Injury Frequency Rate (TRIFR)



In a year that gave us bushfires, cyclones and COVID-19, working towards zero harm presented new challenges.

Lost Time Injury Frequency Rate (LTIFR)



FY2020 saw inconsistent safety results across the business. Some segments of our business and operations improved with two groups – Transmission and Infrastructure Development – both achieving 12 months Lost Time Injury free. However, in other business segments such as Networks, our safety performance declined, especially with respect to contractor performance.

On a normalised collective basis, APA's health and safety performance plateaued and remained in line with our five-year average. Overall, the TRIFR rate for APA was 9.09 against a target of <5.5 and our LTIFR was 1.21 against a target of <1.0.

As in FY2019, there were no employee or contractor fatalities.

Our lag indicators in particular were very disappointing, showing an erosion from FY2019 performance. Unfortunately, they revealed an unacceptably large gap between employee and contractor safety performance.

Employee safety numbers of 0.82 LTIFR and 3.82 TRIFR continued to show good progress.

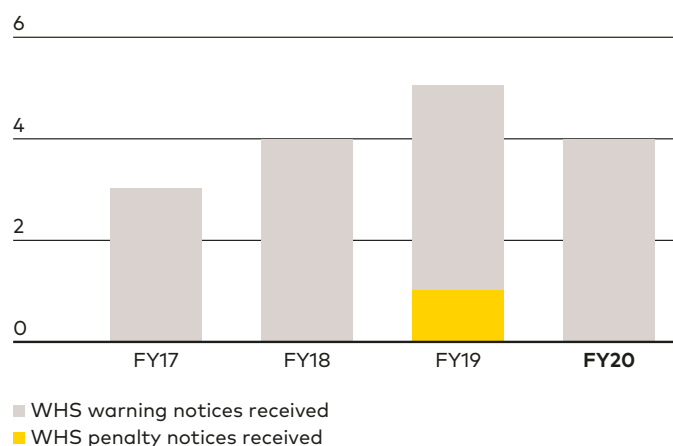
Conversely, contractor performance highlighted a considerable challenge, reporting 1.70 LTIFR and 15.63 TRIFR (target <7.0).

These results were despite significant work within APA and with our contractors during the year to understand issues and improve performance. Some of the activities undertaken, especially in the last 6 months of FY2020 looking to address contractor performance concerns included:

- quarterly contractor forums across Australia to review incidents, share learnings and improve work processes, a continuation of an initiative commenced in FY2019
- senior management engagement sessions with our ten largest contractors to ensure our standards and processes are aligned
- insourcing of some work in our Queensland Networks operations
- suspension of a contract following a serious near miss
- reviewing metrics and pre-qualification processes within our procurement approach
- commenced a review of number and composition of contracting (and sub-contracting) resources utilised in APA
- increased APA onsite supervision for key projects and activities.

In FY2021 it is intended to continue to work on these initiatives as well as increasing leadership focus and involvement in safety and operational activities to model and drive the right behaviours for the turnaround that is required.

Safety Warning & Penalty Notices Received



health and safety.

The team at Orbest perform their morning stretches.

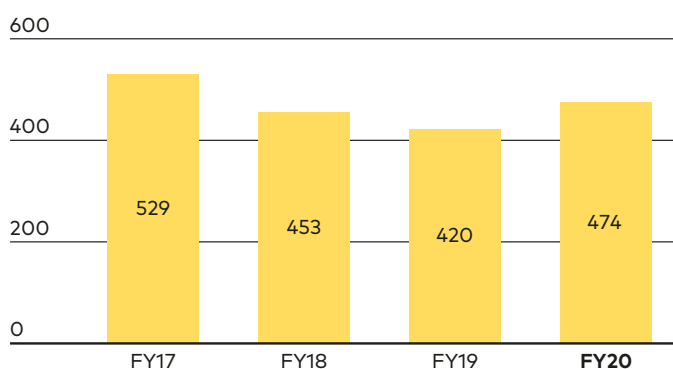


Other indicators

Although our overall indicators were below expectations, there were some positive highlights during the year.

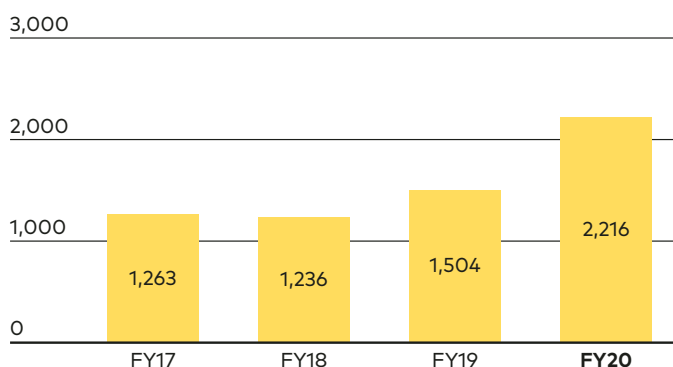
- Employee safety continued to improve
- There were no Work Health and Safety regulatory penalties.
- Two operational divisions went 12 months without a Lost Time Injury
- Commenced roll-out of Just Culture model
- Our lead indicators were largely positive, showing greater vigilance, more action and increased close-out
- Management interactions exceeded their target, delivering closer alignment with our workforce and contractor community.

Safety Hazards Reported Frequency Rate



■ WHS Hazards Reported Frequency Rate

Safety Management Interactions



■ WHS Management Interactions

Plans for FY2021

We have continued work to improve line leadership capability development and empowerment around safety during FY2020, particularly in Operations. We anticipate this will enhance our opportunities to change safety outcomes in FY2021.

Our priority actions and initiatives for FY2021 include the following:

- Improved contractor engagement & performance – continuing with initiatives as set out in section above including for sub-contractors
- Increased focus on incident investigations, action close outs and embedding learnings through increased senior leadership involvement, training and improved governance
- Supporting employee Health & Wellbeing during ongoing COVID19 lockdowns and restrictions (see below)
- Building our Safety leadership capability and culture (as part of APA's overall Culture Program of work – see People & Culture chapter)
- Embedding new ways of working for HSEH teams across APA, and working to also improve health and safety data and reporting
- Developing greater capability and capacity with respect to managing fitness for work, health surveillance and injury management, especially given the demographics and geographies for the majority of our field based employees
- Continued maturity of Process Safety processes and disciplines to become endemic in how we operate at APA.

Health and wellbeing

Protecting the health and wellbeing of our people is critical to APA's business success as it impacts our productivity, performance and reputation. For APA, we consider health and wellbeing as caring for the whole person, at work and beyond.

This year, along with businesses across the globe, we faced a major health challenge in COVID-19. Given that APA's work includes operating in public areas and engaging with multiple stakeholders throughout the community, COVID-19 presents many risks to employee health.

During the year, we worked hard to ensure a balance between operational outcomes and employee health and wellbeing. As part of our approach, we increased APA's health and wellbeing focus by:

- providing online COVID-19 education materials, training and webinars
- promoting our Employee Assistance Program
- offering specialist advice to employees, especially those who could not work from home
- increasing promotion for APA's resilience and wellness activities.



Over the next three years, we will focus our health and wellbeing efforts on:

- building an APA specific framework for health and wellbeing that is integrated with other activities and benefits
- encouraging employees to lead healthy, balanced lifestyles by providing more access to programs, information and resources
- delivering mental health awareness training to our leaders and including mental health awareness as a required leadership competency
- rolling out ongoing resilience training to all staff
- improving on-boarding and health surveillance programs so we can monitor underlying fitness for work.



Safety & Wellbeing Excellence Award

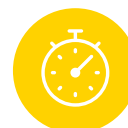
APA's annual Excellence Awards program is aligned to our STARS values. The program gives employees the chance to recognise the outstanding achievements of their colleagues. The Safety & Wellbeing award category recognises those who ensure APA is a safe organisation where people feel respected and valued, and health and wellbeing has primacy.

Ben Griffiths, a Senior Technical Officer, was the winner of the 2020 Safety & Wellbeing Excellence Award for the considerable effort he applied to building safety into the custom layout and design of a newly purchased maintenance truck. Ben's outstanding commitment to safety resulted in the truck having safety features incorporated into the tray design, including the positioning of a HIAB crane, suitable anchor/tie-down points, fold down step and recessed access, and low mounted profile toolboxes to prevent over-reaching and potential manual handling injuries.

The newly purchased maintenance truck, Cobar, NSW.



ZERO
regulatory penalties



12 months
without an LTI in
2 divisions



47%
increase in
safety management
interactions



12.86%
increase in
frequency of safety
hazards reported

health and safety.

APGA Young Achievement Award

Every year, the Australian Pipelines and Gas Association (APGA) presents awards to individuals and companies that recognise their services to the nation's pipeline industry. This year, APA's Health and Safety Manager for the Infrastructure Development division, Richard Morgan, received the APGA Young Achievement Award for his tireless efforts to improve the division's safety record and work across the industry through the APGA HSE Committee.

Richard has also helped to realise key companywide APA safety initiatives such as our Fatal Risk Protocols, revised Alcohol and Drug Policy and Fly-in Fly-out (FIFO) working away from home guide.



Richard Morgan receiving the APGA Young Achievement Award.

Process safety

Our employees and contractors deal with potentially harmful substances every day, so how we manage our assets is critical to ensuring their safety and that of the communities where APA operates.

During FY2020, we continued to develop and roll-out our process safety framework to ensure we safely manage the integrity of operating systems and processes that handle hazardous substances.

Our key focus was building on process safety policies and standards so we could encourage behaviour change across the business.



1 Tier 1²
process safety
release



2 Tier 2³
process safety
release

Process safety achievements

Our FY2020 results of one Tier 1 release and two Tier 2 releases were pleasingly low but have room for improvement.

The metrics for using the Management of Change processes in asset modification, maintenance KPIs for key integrity equipment and alarm management all continued to improve, thanks to dedicated improvement programs.

The roll-out of our Process Safety Program reached its third year of a multi-year program and included:

- completing the initial roll-out to our Transmission and Midstream businesses by defining safety-critical equipment, providing process safety dossiers for each site and delivering a process safety cultural program (Process Safety Fundamentals)
- completing the Process Safety Framework and integrating it into APA's HSE management system
- developing and rolling out our Process Safety Fatal Risk Protocol, which outlines the minimum expected behaviours for people working on high-risk assets
- introducing a process safety scorecard so APA executives and the Board can track key metrics and measures
- completing training for Operations staff, engineers and leaders and developing a new e-learning module for FY2021.

APA continued working with regulators to maintain current Safety Cases for our assets. We submitted the Orbest Gas Plant Safety Case and are going through the approval process.

Under the new Operations Division business plans, we will begin developing and rolling out the Process Safety Program to our power and network assets in FY2021.

2. Tier 1 defined as a major release of harmful substances that may cause a major accident such as natural gas. Release quantities is >500kg per hour.
3. Tier 2 is a significant release of harmful substances that may cause a major accident such as natural gas. Release quantities is >50kg per hour but less than Tier 1 quantities.

Process safety site roll out at APA office – Albury NSW.

Process Safety Fundamentals

- 
Raise process safety hazards
and participate in the solution
- 
Report and investigate
process safety incidents
- 
Follow safety critical procedures
and permit work
- 
Operate with Safety
critical devices armed unless
authorised to deviate
- 
Operate within safe limits
- 
Always respond to alarms
and prioritise during
abnormal operations
- 
Undertake safety critical activities
including critical inspections, testing
and maintenance as scheduled
- 
Obtain authorisation
before modifying assets

Everyone has a role to play in process safety. During the year, we rolled out a large-scale national Process Safety Fundamentals campaign to emphasise this message. The campaign involved an education program for site and operating support personnel in APA's Transmission and Midstream Operating divisions. We also conducted office-based training for operational support staff.

Business continuity, emergency response and crisis management

APA's Business Recovery Policy sets out the principles and key requirements for [business continuity, emergency response and crisis management](#). It brings together the underlying frameworks into a consolidated capability that ensures we can effectively respond to a significant incident. It applies whether we are protecting our assets, property, people, IT systems, communities or the environment.



 **about process safety...**

Our approach provides for:

- **business continuity response** for premises, people, IT systems and cyber security incidents
- **emergency response** for energy infrastructure asset incidents
- **crisis management response** for significant or high severity incidents.

During FY2020, APA took part in internal and external testing for our emergency response plans, testing of our business continuity plans and our IT disaster recovery plans and updating our crisis scenarios

We continued to be represented on various government and industry forums including:

- Australian Government Trusted Information Sharing Network for Critical Infrastructure, which shares information and best practice on generic threats and vulnerabilities in the energy sector
- Australian Government Crisis Coordination Centre, which provides daily status updates on significant events and emergencies. During FY2020, this included information about the bushfires and COVID-19 pandemic.

health and safety.

COVID19 – Crisis Management

Our approach to business continuity and crisis management has been tested in FY2020 by the COVID-19 pandemic. APA's business recovery arrangements, historically, have been assured via trial simulations and occasional activation events. These business recovery arrangements were the bedrock of our response to the COVID-19 pandemic.

Since the Crisis Management Team and our Crisis Management Plan was activated in March 2020 we have maintained two key objectives:

1. to keep our people and the community safe and healthy; and
2. to maintain our operations and assets to continue to deliver an essential service to our customers and communities.

The response from the APA workforce has been outstanding. We have continued to deliver for customers and maintained the confidence of key stakeholders. The nature of the COVID-19 pandemic - as the largest exercise in active health and safety management we have experienced - has also demanded innovation, collaboration, resilience and leadership.

Internal governance and external support

Once activated, our Crisis Management Plan established the Crisis Management Team (CMT), a group of a cross functional leaders from across APA. Guided by our risk framework and maintaining frequent contact, the CMT:

- Coordinated business continuity teams targeting ongoing delivery in key risk areas (e.g. Operations, Customers, Projects and Procurement)
- Integrated health and safety processes for the identification and management of COVID-19, including all necessary hygiene and cleaning protocols
- Issued regular communications to our employees on key updates and actions
- Looked beyond our business to support customers via a number of Energy Charter initiatives.



Our Integrated Operations Centre night shift team operating out of the backup facility near Brisbane's CBD.



Masks on in Dandenong as Victoria moves to stage 4 restrictions.



Keeping our assets and operations going

A key challenge of COVID-19 has been keeping our essential 700+ strong operational workforce mobile to physically operate our assets, whilst also ensuring their health & safety. To keep energy flowing and meet this challenge we rapidly:

- Provided targeted expert training for control room personnel, FIFO workers and Integrated Operations Centre (IOC) operators on COVID-19 hazards, appropriate controls and specific social distances practices to use in the gas industry
- Produced over 2000 individual letters to confirm the essential services status of our field employees and contractors
- Adjusted the Fly In Fly Out commute of some employees to Drive In Drive Out
- Reviewed and implemented new work practices to enable work teams to socially distance. This has included new ways of working such as ensuring only one person per vehicle, spreading teams over several offices and new hygiene requirements
- Established the back up control room for the Integrated Operations Centre (IOC) to ensure continued 24 hour operation. This included increased cleaning, increased separation from other APA employees and ability to work remotely where necessary.

From full offices to working remotely

APA has a workforce of over 1000 people based in offices around Australia. COVID-19 challenged us to maintain productivity and well-being, while people changed to working from home almost overnight. We successfully achieved this by accelerating technology initiatives to ensure continued access to our online systems, providing enhanced leave arrangements and allowing employees to temporarily take home key equipment such as screens and chairs.

Staying connected and staying well

COVID-19 brought into sharp focus the importance of our collective physical and mental wellbeing. We continue to prioritise keeping our employees socially connected, resilient and well. To assist our workforce throughout the pandemic we have regularly promoted our Employee Assistance Program, established protocols to protect our vulnerable employees and kept our people socially involved through our online platform 'Workplace' by running activities like quiz nights, physical challenges, bake-offs and photo competitions.

health and safety.

FY2020 planned actions vs performance - Health and safety

FY2020 Planned Actions	Achieved	Performance In Progress	Not Achieved	Notes
Develop and implement new three-year HSEH Strategic Plan	✓			
Continue to focus on contractor management with additional targeted HSEH audits	✓			
Review contractor performance directly with contractor companies	✓			
Continue our Health and Wellbeing program, targeting specific health and wellbeing risks such as mental health, nutrition and sleep health	✓			
Continue rolling out Fatal Risk Protocol videos and leadership packs	✓			
Continue Safety Culture Maturity program		✓		Delivered to Transmission business unit. Further rollout in progress
Establish Safety Leadership program		✓		Commenced but delayed due to operating model review and COVID-19
Improve health and safety data and analytics and access to mobility for field-based employees	✓			
Continue roll-out and embedding of Process Safety Framework across APA assets:				
— Develop a process safety section in APA's HSE management system as our guiding framework for process safety	✓			
— Roll out process safety education program to Transmission assets				
— Improve other key processes to cover process safety.				

Chris Broad, Karen Zhou, Paul Novintz and Mark McAllister at Morney Tank.



APA Field Supervisor onsite to ensure safe construction around pipelines.



FY2020 planned actions vs performance – Business continuity, emergency response and crisis management

FY2020 Planned Actions	Achieved	Performance		Notes
		In Progress	Not Achieved	
Keep updating plans for changes to critical business processes	✓			
Plan and test agreed test plans for business continuity and emergency response	✓			
Complete planned disaster recovery testing and a cyber-response test	✓			
Complete crisis management test	✓			COVID-19 CMT Activation

Focus areas for FY2021 – Health & Safety

- Improve contractor safety engagement & performance
- Supporting employee Health & Wellbeing during ongoing COVID19 lockdowns and restrictions
- Improvements to health and safety data quality and metrics
- Development of an employee wellness framework
- Embedding process safety behaviours in our transmission and midstream divisions
- Rolling out process safety to the remainder of our operations areas



Transmission gas pipelines are well suited to co-exist with agricultural and horticultural uses.

environment and heritage.

Sustainable management of ecosystems, sustainable use of water resources and safeguarding of cultural and natural heritage continues to drive environmental management at APA.





environment and heritage.

Environment and Heritage Strategy

APA aspires to be known for world-class environmental performance. Our refreshed HSEH Strategy has a strong focus on ensuring our environment and heritage management performance improves over time.

As with health and safety, governance of APA's risk approach to environmental management is through our [HSE Policy](#). It's carried out using the Safeguard HSE system which ensures training, education and awareness occurs and a structured assurance framework is followed. Environmental Management Plans underpin this framework and include important local controls to manage environmental risks.

To improve our performance, we need to make impactful decisions based on robust, up-to-date data. This means capturing more environmental data, more often, from more of our business, and using it more effectively.

Throughout the year, we continued APA's journey towards automated processes and system solutions for environmental, energy and emissions data.

FY2020 performance

Positively, the Environment and Heritage performance met expectations throughout the reporting period. Progress against core initiatives has enabled APA to initiate a more standardised and streamlined management of environment and heritage risk.

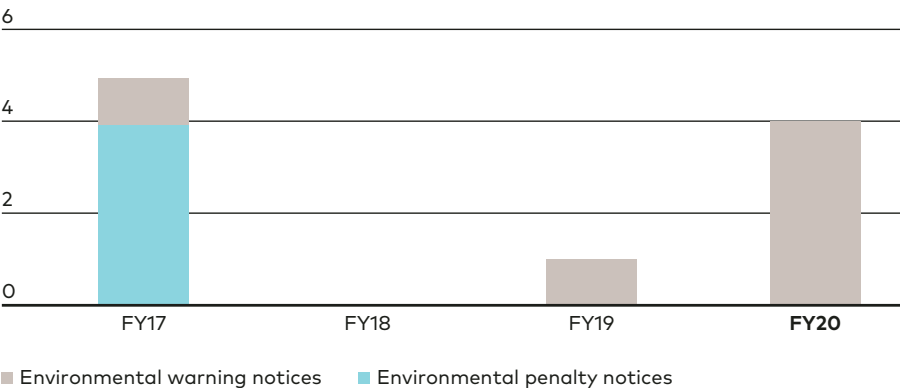
There were no significant environmental incidents and we recorded zero penalty notices during the reporting season. However, disappointingly, we received four warning notices across our business. These related to:

- minor non-compliances against conditions of our Prescribed Premise Licence for the Mondarra Gas Storage Facility
- erosion at a river crossing on the Wallumbilla Gladstone Pipeline
- a Letter of Concern from the Clean Energy Regulator regarding discrepancies in historical NGER reporting data (previously disclosed and now rectified)
- a Notice to Produce Information from the Victorian Environmental Protection Agency regarding historical use of Per- and Polyfluorinated Alkyl Substances (PFAS) at the Orbest Gas Processing Plant (previously disclosed and ongoing).

All of these instances have been thoroughly investigated and corrective actions are either underway or completed, including rectification of environmental issues and responses to the regulator(s) outlining internal action taken.

To see a detailed breakdown of APA's performance against key environmental management indicators, please refer to the tables at the back of this report.

Environmental Warning & Penalty Notices Received





ZERO
penalty notices

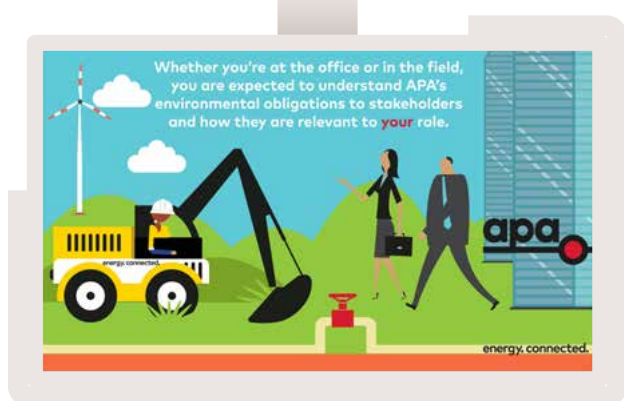


9 Environmental Management Plans refreshed

A restored easement on the Victorian Northern Interconnect Expansion about 6 months after construction.



As a responsible operator, we apply proven approaches for managing the environment to minimise our impact in operational areas.



Environmental Management Plan Improvement Program

APA's Environmental Management Plan (EMP) Improvement Program continued in FY2020. The program is standardising and streamlining our approach to managing environmental risks and meeting our compliance obligations by refreshing all of our asset EMPs.

We met the FY2020 target of refreshing nine EMPs, with 22 EMPs now delivered under the program. These updated plans are being rolled out to relevant employees and contractors through local awareness campaigns.

The target for FY2021, which is the program's final year, is to refresh the remaining ten EMPs.



EMP Program awareness screensaver campaign.

environment and heritage.

Environment Excellence Award

APA's annual Excellence Awards program is aligned to our STARS values. The program gives employees the chance to recognise the outstanding achievements of their colleagues. The Environment award category commends those who go above and beyond to ensure APA is an environmentally-conscious organisation.

Jason Suhan, an APA System Controller, was the winner of the 2020 Environment Excellence Award for research and design of a shade ball solution that mitigates biosecurity, chemical and fauna risks at the Dandenong LNG fire water pond. Jason's proposal of high density polyethylene (HDPE) balls to float on the surface of the pond minimises risk to bird life and would reduce evaporation by up to 90%. The solution requires almost no maintenance, reduces algae growth, reduces the need for chemical use and saves cost.

**APA Excellence
Awards**

2020

Raising awareness

New environment induction

To help embed a responsible environmental management culture across APA, we launched an Environment Induction Program in FY2020 for new staff and contractors. The induction reflects APA's new Vision and Purpose.

Environmental management interactions

We aim to continually improve operational awareness that environmental management is a key component of responsible energy.

An important success factor is encouraging APA's leaders to have meaningful conversations with their teams about what environmental management means at APA.

In FY2020, we introduced a change to our HSE Management System that expanded the way leaders can meet their existing management interaction KPIs by enabling them to engage in an environment leadership conversation in addition to safety. The new classification encourages leaders to demonstrate visible and authentic environmental leadership.

Heritage

Heritage is a key component of APA's operational excellence and stakeholder relationship strategic imperatives. We are committed to preserving, protecting and conserving all cultural and natural heritage in the regions where we operate.

A gap analysis was completed by APA's new Heritage Lead over the reporting period to articulate areas of heritage practices across APA that either needed improvement or further support and investment. A Heritage Improvement Plan was developed in early 2020 and has identified critical corporate processes, state specific guidance and targeted awareness/training program to be developed and implemented over the next 18 months.

Conservation

APA's activities regularly intersect with the natural environment and can disturb local flora and fauna, both native and introduced species. As a responsible operator, we apply proven approaches for managing them to minimise our impact in operational areas.

We also support environmental protection and conservation projects via corporate funding and volunteer workers.



Sean Fitzgibbon PhD, Wildlife Researcher from University of Queensland, Cass Arkinstall (PhD student tracking the bilbies), Brynne Jayatilaka (APA Environment Lead) and Lyndon Brock (APA - Regional Manager Wallumbilla).

Case Study: Bilby research project

Last year, APA funded bilby tracking devices so the University of Queensland could assess and monitor bilbies after releasing them into a reserve at Currawinya National Park, south of the South West Queensland Pipeline.

The data collected by this study in FY2020 has been invaluable to the researchers, who are hoping to observe rapid population growth.

"We're already learning about the movement of bilbies in great detail by using the tail-mounted GPS data loggers," said Sean FitzGibbon, a University of Queensland Wildlife Researcher. "One of the males was recorded moving at between 5 km and 10 km per night."

APA has pledged to continue funding support in FY2021.



Case Study: Bulimba Creek clean up and support

As part of Business Clean Up 2020, staff from APA's Spring Hill Office in Brisbane joined with the Bulimba Creek Catchment Committee and other industry partners for a morning of "Clean-Up & Planting".

The work was adjacent to APA's Roma Brisbane Pipeline easement at Gibson Island in the Brisbane River, which is part of the Bulimba Creek catchment area. Some industrial sites there belong to key APA customers.

As well as providing volunteers, we contributed \$5,000 to the Catchment Committee for the Gibson Island Rehabilitation Project to support re-establishing native flora and re-introducing native fauna on and next to the pipeline.



environment and heritage.

FY2020 Planned actions vs performance – Environment and Heritage

FY2020 Planned Actions	Achieved	Performance In Progress	Not Achieved	Notes
Progress Environment Management Plan Improvement Program	✓			
Implement improvement tools and procedures for compliance with NGER and NPI reporting		✓		
Plan to improve electricity and water usage data gathering and monitoring		✓		Progressed through planning phases and delivery planned for FY2021
Continue working to realise efficiencies in our waste practices		✓		Progressed through planning phases and execution planned for FY2021
Develop and implement the next three-year HSEH Strategic Plan	✓			

Focus areas for FY2021 – Environment and Heritage

- Ongoing implementation of the HSEH Strategic Plan
- Completion of the Environmental Management Plan Improvement Program
- Approval and commence roll-out of new Environment Standards
- Improving Heritage processes and controls
- Commence the Environmental Data Improvement Program

Environmental management interaction.



Transmission gas pipelines are well suited to co-exist with agricultural and horticultural uses.



community.

APA helps communities to prosper by connecting people and businesses to the energy they need. To continue delivering energy responsibly, we need to always do the right thing by our community stakeholders and build positive, open relationships with them. During FY2020, we continued engaging, consulting with and investing in the communities we work with and serve.





Deputy Chief Bush Fire Control Officer for the Shire of Dandaragan Aubrey Panizza, Western Australia Minister for Mines and Petroleum, Energy and Industrial Relations the Honourable Bill Johnston MLA, APA CEO Rob Wheals, and MD Dandaragan Shire President Shane Ellis.



community.

Building community relationships

APA ensures we establish and maintain positive relationships with community stakeholders across our business through:

- **Infrastructure Protection Program:** This includes a Landholder Contact Program (LCP), third party awareness programs and urban encroachment management
- **New project consultation:** We develop detailed Stakeholder Engagement Strategies and Community Engagement Plans for new major projects
- **Regular investment:** Part of APA's Community Investment Plan, our Building Brighter Futures program benefits many communities in the areas where we operate.

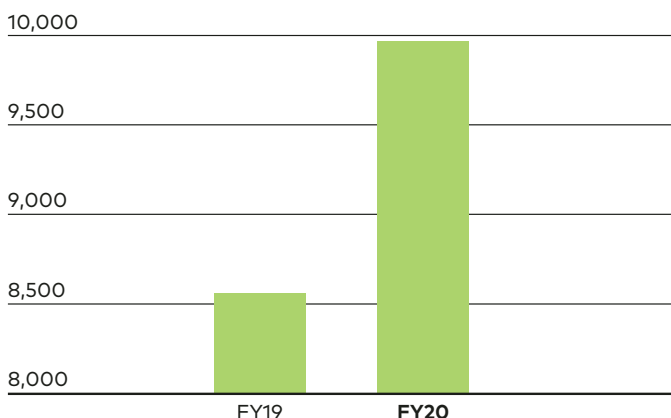
Landholder Contact Program

APA's large operational footprint means we interact regularly with thousands of landowners where our pipeline assets are located. In FY2020, the number of landholder visits increased, both overall and in each state and territory. These visits are conducted with a range of land stakeholders including registered owners, property managers and property lessees. Due to COVID-19 risks, we adapted by substituting phone calls for in-person visits.

The quality of our landholder records continually improved as we updated details during these visits and audited tenure details. With better quality records, we can quickly and easily contact stakeholders when we need to access pipelines on their land and ensure our activities have the least possible impact.

Landholder and third party awareness is supported via our membership of the "Dial Before You Dig" service that provides community education and our liaison with council and planning authorities to manage potential encroachment issues.

Number of Landowner Visits



\$1.67 billion
economic contribution⁴

through employee and supplier
payments and taxes



16% more
landowner visits
in FY2020

*We work hard to remain a
trusted community member
by acting honestly and with
integrity.*

4. Includes net wages after tax paid to employees, payments made to all suppliers, taxes include: income tax, goods and service tax, fringe benefits tax, Excises, Payroll Tax, PAYG withheld, Land taxes and Stamp duties.



Senior Land Access Coordinator Ian Crombie chatting with a landholder along the Reedy Creek to Wallumbilla Pipeline.

Community consultation – key FY2020 projects

APA is committed to acting in accordance with our Purpose of strengthening communities through responsible energy. We work hard to remain a trusted community member by acting with honesty and with integrity.

During FY2020, we progressed community consultation for major projects. The Western Slopes Pipeline and the Crib Point Pakenham Pipeline projects in particular have given rise to a number of community concerns. Together with the project proponents, we work hard to engage with the community and address expressed concerns.

The **Western Slopes Pipeline Project** would connect a new supply of natural gas from Santos' proposed Narrabri Gas Project to the NSW gas transmission network. After an initial planning phase in FY2019, the Western Slopes Pipeline (WSP) project has been on hold during the reporting period whilst the Narrabri Gas Project proceeds through its own approvals process. Please [visit our website for more information](#).

APA's **Crib Point Pakenham Pipeline Project** is the high-pressure gas pipeline component of the Gas Import Jetty and Pipeline Project proposed by AGL Energy. This project would supply imported natural gas to south-east Australia to meet the needs of industrial, commercial and residential gas customers. The Environment Effects Statement (EES) for the Gas Import Jetty and Pipeline Project was prepared by AGL and APA and opened for public comment during FY2020. The EES and exhibited documents provide information about the potential impacts of the project and outline how they would be managed if the project is approved. We encourage our stakeholders to view and [comment on the EES through our website](#).

We also progressed a comprehensive program of community and stakeholder consultation during the construction phase of the **Orbost Gas Processing Plant Upgrade** through community information sessions and regular project update communications.

More information on APA's projects and our approach is on [the APA website](#).

community.

Community investment

In FY2020 APA contributed over \$280,000 to our corporate partners.

Building Brighter Futures

As in previous years, APA continued to support community initiatives across Australia via our community partners in FY2020.

We delivered many of them through APA's Building Brighter Futures community investment program, which connects our business and employees with communities where we work and live. The program was refreshed during FY2020 with its purpose being to add value and leave a lasting and meaningful footprint in our communities. The communities we focus on are those that we operate in and serve, and the program's focus areas are education, the environment, health and sport and culture.

Two examples are our long-term corporate partnerships with the Clontarf Foundation and The Fred Hollows Foundation.

The Clontarf Foundation

The Clontarf Foundation improves the education, self-esteem and employment prospects for young Indigenous men by using their passion for football to connect.

APA regularly puts Clontarf members in touch with parts of our business. From regular Oztag meetups to Clontarf graduates sharing their successes at our 2019 leadership conference, we continually seek to engage them and offer learning opportunities.

The Fred Hollows Foundation

Aboriginal and Torres Strait Islander people are three times more likely to go blind than non-Indigenous Australians. To help prevent this, the Fred Hollows Foundation's Australian program ensures these communities have access to affordable, high-quality and culturally appropriate eye health care.

In FY2020, APA's financial support for the Foundation helped 12 health professionals to deliver these services, enabled the Foundation to train four new roles (including two ophthalmologists), and supported screening for 12,100 people in remote, under-served and Aboriginal communities.

We also support the Taronga Conservation Foundation and the Brandenburg Orchestra.



Fred Hollows Foundation patients like Sally can have their sight restored through cataract surgery. Image credit: Fred Hollows Foundation.



\$200,000+
contributed to summer
2019/20 bushfire
relief efforts



Pictured left: In the third collaboration with the local Toowoomba Clontarf Academy, Zeke Aitchison (a Clontarf Student) spent the week gaining valuable work experience, learning about APA.

Case Study: Clontarf Academy students work experience weeks

For the past two years, APA's Operations team in Queensland have run work experience weeks, including for Year 11 and Year 12 students from the Clontarf Academies in Toowoomba. Under the guidance of an APA staff member, the students are given exposure to APA business areas such as administration, IT, sales, engineering and field work across office and warehouse environments.

Direct community support

Fire truck for Shire of Dandaragan

We recognise that protecting APA's assets could place an extra strain on local fire brigades. In August FY2020, we contributed over \$500,000 to the purchase of a high-capacity fire truck and shed for the Shire of Dandaragan in Western Australia, which is where our renewable energy precinct of Badgingarra and Emu Downs wind and solar farms are located. The contribution has improved the emergency resources available to the local community, particularly the Hill River Brigade.

Support for Orbost

APA is a significant local employer in the Orbost community in Victoria's East Gippsland and supports local businesses by purchasing their goods and services.

In FY2020 we donated over \$10,000 to nearby community clubs and organisations, including Orbost Agricultural Society, Orbost Cricket Club, Orbost Hockey Club, Orbost Little Athletics and the Orbost Snowy River Rovers Football and Netball Club.

During the FY2020 bushfire season, APA partnered with environmental consultants, Biosis, to donate first aid kits to wildlife shelters across East Gippsland and committed to supporting the region's recovery efforts.

Employee contributions

With a workforce of more than 1,900 people across mainland Australia, our sites and offices regularly host fundraisers to support APA's chosen charities. In FY2020 our employees raised over \$17,500 for charities they care about. APA dollar-matches these fundraising efforts. This year our employees elected to support: Cancer Council's Pink Ribbon Day and the Black Dog Institute.



Members of the Orbost Snowy River Rovers Football Club.
(Source: Snowy River Rovers Football and Netball Club).

community.



Case Study: Responding to the bushfires

During the devastating summer bushfires of 2019/20, all APA employees and contractors were safe and our operations were not compromised. However, we were moved by the scale and severity of the emergency, which affected many communities where we work.

We were determined to help and we used APA's resources to contribute to bushfire relief efforts in several ways.

As a business, APA made over \$200,000 in financial contributions to bushfire relief efforts to support organisations like local volunteer firefighters, the NSW Wildlife Information, Rescue and Education Service and the Red Cross.

This support was bolstered by the generous practical and financial donations of our employees, with over \$35,000 donated.

Many APA people are Rural Fire Service and Country Fire Authority volunteers and we were grateful for their tireless efforts to protect their communities and relieved they remained safe.

Our staff also initiated and rolled out rebuilding efforts in bushfire-affected communities. These included sourcing medical supplies for animal shelters across the East Gippsland region and providing personal protective equipment for local hospitals.

Causes supported by APA and/or staff in FY2020

- Australian Ice Hockey League
- Australian Red Cross
- Black Dog Institute
- Brandenburg Orchestra
- Cancer Council
- Clontarf Foundation
- Dress for Success Sydney
- Fred Hollows Foundation
- Lifeline Australia
- NSW Rural Fire Service
- NSW Wildlife Information Rescue and Education Service
- Taronga Conservation Foundation
- Volunteer Fire Brigades Victoria



Ex-APA laptop PCs distributed to residents and businesses impacted by the recent summer bushfire crisis.

Sundown picture of APA's land survey helicopter.



FY2020 Planned actions vs performance - Community

FY2020 Planned Actions	Achieved	Performance In Progress	Not Achieved	Notes
Develop and implement a more comprehensive and integrated approach to social performance across APA's activities			✓	Tasked to the new Sustainability & Community Team which was established in late FY2020
Implement better issues tracking and management of projects			✓	As above
Develop more comprehensive approaches to local supply chain involvement and Indigenous employment			✓	As above
Further standardise APA's community consultation approach		✓		As above
Continue supporting Building Brighter Futures through headline partnerships and by promoting and supporting fundraising events	✓			
Continue to financially support community events by encouraging and empowering APA worksites to organise fundraisers	✓			

Focus areas for FY2021 – Community

- Develop program to strengthen social performance capability across the business
- Development of social performance standards and procedures
- Evaluation of community investment and partnership approach

supply chain.

As a leading Australian energy infrastructure business, we work with our supply chain partners to promote sustainable and ethical procurement practices. In FY2020, we focused on advancing our approach to combatting the challenges of modern slavery and sustainable procurement.



APA's Ciaran O'Reilly (top left) and Brynne Jayatilaka (far right) visiting an eye health consultation clinic in central Australia as part of Fred Hollows See Australia experience.

We take steps to ensure that the goods and services we source are procured ethically and responsibly and expect our suppliers and contractors to do likewise.



Modern slavery

APA will not intentionally use suppliers and contractors that engage in modern slavery practices such as child labour, debt bondage, inhumane treatment of employees and forced or compulsory labour.

We are committed to fulfilling our principles and obligations under the Commonwealth Modern Slavery Act 2018 (MSA) and are working to set the standards for our business to achieve compliance.

Our approach

- Identify the procurement approach and supply chains for APA Group
- Adopt a modern slavery risk management approach to interrogate our supply chain and operations and identify modern slavery risks
- Use artificial intelligence and analytical tools to analyse spending, country and product information to identify our exposures, focusing initially on identified high-risk suppliers
- Develop appropriate processes and key performance indicators to ensure ongoing compliance and monitor our approach's effectiveness
- Engage with targeted suppliers to remediate issues
- Produce an annual Modern Slavery Statement (MSS).

FY2020 actions

We engaged a third party to use artificial intelligence data analytics to identify areas of potential modern slavery risk that may exist or arise in APA's procurement arrangements.

We also reviewed our key contracts and tender documentation, and have started to develop relevant training, communication and monitoring processes for roll-out in FY2021.

Modern Slavery Statement

Under the legislation, APA is required to submit and disclose an annual MSS to the Minister for Home Affairs. It will outline the modern slavery risks to our operations and supply chain, and what we have done to address them.

APA's first report is due by 31 March 2021.

Promoting sustainable procurement

APA prefers to partner with organisations that reflect our Values. In our tender documents, we inform suppliers that they can access [APA's Whistleblower Policy](#) to report any concern or issue about the behaviour of APA or our employees. We ask our suppliers about their own procurement policies and whether their contracts contain provisions to ensure that the manufacturing processes and supply chain procurement policies of their sub-suppliers are also ethical and responsible.

In FY2020 we revised our evaluation weighting approach to reflect supplier's statements regarding ethical, responsible sourcing and request evidence of procedures and practices that support proactive processes and outcomes.

data tables.

Climate Change^{5,6,7}

Indicator	Change %	FY2019	FY2018	FY2017	Units
Scope 1 Total direct GHG emissions	1.85	1228015	1205766	1241632	t-CO ₂ e
Scope 1 Total Fugitive Emissions - all assets	(2.55)	190167	195144	201094	t-CO ₂ e
Scope 1 Total Fugitive Emissions - natural gas transmission pipelines only	(1.19)	151364	153180	153905	t-CO ₂ e
Scope 2 Total GHG emissions	(0.82)	176980	178445	367387	t-CO ₂ e
Scope 3 GHG emissions from air travel	(13.12)	4045	4656	3713	t-CO ₂ e
Total GHG Emissions (Scope 1&2)	1.50	1404995	1384211	1609019	t-CO₂e
Transport fuel from all sources	3.01	5475	5315	12202	t-CO ₂ e
Transport fuel from diesel	6.79	5375	5033	11426	t-CO ₂ e
Transport fuel from LPG	(79.81)	55	273	473	t-CO ₂ e
Transport fuel from petrol (unleaded)	428.24	45	9	302	t-CO ₂ e
Energy Consumed Net	2.33	18113009	17700862	18109910	GJ
Energy Produced (total)	19.97	9689220	8076341	8683358	GJ
Energy Consumed (total)	7.86	27802229	25777203	26793268	GJ

Power Generation Capacity⁸

Indicator	FY2020	FY2019	FY2018	Units
% Installed Power Generation Capacity - Gas	46%	46%	62%	%
% Installed Power Generation Capacity - Solar	16%	16%	3%	%
% Installed Power Generation Capacity - Wind	38%	38%	35%	%
% of Power Generation Portfolio from Renewable Sources	54%	54%	38%	%
Installed Capacity Total	909	908	605	MW
Installed Power Generation Capacity - Gas	418	418	373	MW
Installed Power Generation Capacity - Solar	149	148	20	MW
Installed Power Generation Capacity - Wind	342	342	212	MW

5. Greenhouse gas emissions & energy have generally been calculated in accordance with methodologies under the National Greenhouse and Energy Reporting Act 2007.

6. Variation in data from APA's original data submitted is due to amendments to the report and re-submission directed and agreed by Clean Energy Regulator. Minor FY2019 adjustment have been made for Energy Produced (total); Energy Consumed (total); Scope 2 Total GHG emissions; Scope 1 Total direct GHG emissions from disclosure in 1H FY20 results. Key changes include a reallocation of Murraylink line loss (Scope 2) between Vic and SA and subsequent application of emission factors; and changes to fugitive emissions on the Goldfields Gas Pipeline.

7. FY2020 NGER data not available until October 2020.

8. Includes power assets owned, or partially owned by APA. Marginal increases in FY2020 are due to the finalised build capacity of the Badgingarra solar farm.

People & Culture

Indicator	Change %	FY2020	FY2019	FY2018	Units	Target
APA Board Gender Diversity						
APA Board Members (Female)	10	43	33	43	%	
APA Board Members (Male)	(10)	57	67	57	%	
Collective Bargaining Agreements						
% total employees covered by collective bargaining agreements	—	31	31	32	%	
Employee Turnover						
Voluntary Employee Turnover	(1)	7	8	7	%	
Gender Targets Action Plan (GTAP)						
Female representation by % - Total Workforce	0.2	29.2	29	27	%	2025 Target = 40%
Female representation by % - Senior Leaders ⁹	0.8	19.8	19	17	%	2025 Target = 30%
Female representation by % -Talent Pipeline ¹⁰	0.6	40.6	40	30	%	2025 Target = 50%
Total Workforce						
Size of Total Workforce	4.26	1911	1833	1761	Count	
Total Workforce by Employment Type and Gender¹¹						
Total Contractors (Female)	18.75	19	16	21	Count	
Total Contractors (Male)	(31.33)	57	83	84	Count	
Total Employees (Female)	7.39	538	501	457	Count	
Total Employees (Male)	5.19	1297	1233	1199	Count	
Total Workforce (Female)	7.74	557	517	478	Count	
Total Workforce (Male)	2.89	1354	1316	1283	Count	
Casual (Female)	(14.29)	6	7	4	Count	
Casual (Male)	4.35	24	23	19	Count	
Casual (Total)	—	30	30	23	Count	
Fixed-term Full Time (Female)	(21.43)	33	42	40	Count	
Fixed-term Full Time (Male)	1.43	71	70	67	Count	
Fixed-term Full Time (Total)	(7.14)	104	112	107	Count	
Fixed-term Part Time (Female)	250	7	2	4	Count	
Fixed-term Part Time (Male)	—	2	2	0	Count	
Fixed-term Part Time (Total)	125	9	4	4	Count	
Permanent Full Time (Female)	8.68	413	380	332	Count	
Permanent Full Time (Male)	5.66	1194	1130	1106	Count	
Permanent Full Time (Total)	6.42	1607	1510	1438	Count	
Permanent Part Time (Female)	12.86	79	70	77	Count	
Permanent Part Time (Male)	(25)	6	8	7	Count	
Permanent Part Time (Total)	8.97	85	78	84	Count	

9. Senior Leaders comprises "Other executives/general managers" and "senior managers" as reported to WGEA.

10. Talent Pipeline refers to the pipeline of candidates in our Senior Leader talent pools and has been expanded to the pipeline of candidates (L3, L4 and L5) in our Senior Leader talent pools.

11. Employee numbers do not include independent contractors or board members.

data tables.



Health & Safety

Indicator	Change %	FY2020	FY2019	FY2018	FY2017	Units	Target
Lost Time Injury Frequency Rate (LTIFR) - Total	57.14	1.21	0.77	1.76	0.52	Injury (LTI) count / per million hours	<1.0
Lost Time Injury Frequency Rate (LTIFR) - Contractors	174.19	1.7	0.62	1.35	0.75	Injury (LTI) count / per million hours	
Lost Time Injury Frequency Rate (LTIFR) - Employees	(4.65)	0.82	0.86	2.11	0.31	Injury (LTI) count / per million hours	
Total Recordable Injury Frequency Rate (TRIFR) Total	52	9.09	5.98	8.9	7.5	Injury (LTI, MOTI, MITI) count / per million hours	<5.5
Total Recordable Injury Frequency Rate (TRIFR) - Contractors	94.16	15.63	8.05	10.77	8.95	Injury (LTI, MOTI, MITI) count / per million hours	<7.0
Total Recordable Injury Frequency Rate (TRIFR) - Employees	2.69	3.82	3.72	6.34	5.8	Injury (LTI, MOTI, MITI) count / per million hours	
WHS Hazards Reported Frequency Rate	12.86	474	420	453	529	Total Hazards Reported / per million hours	
WHS Management Interactions ¹²	47.34	2216	1504	1236	1263	Count	
WHS penalty notices received ¹³		0	1	0	0	Count	
WHS warning notices received ¹⁴		4	4	4	3	Count	
Total cost of WHS penalty notices ¹⁵		0	3000	0	0	\$AUD	

12. Number of L1-L5 managers engaging in safety interactions with employees and contractors.

13. Inclusive of notices received by APA Group and APA Contractors.

14. Inclusive of notices received by APA Group and APA Contractors.

15. Regulatory penalty costs associated with WHS penalty notices issued to APA Group (excluding APA contractors).

Environment

Indicator	FY2019	Units
Air Emissions¹⁶		
Total oxides of nitrogen (NOx)	1892	tonnes
Total sulfur dioxide (SOx)	2	tonnes
Total direct volatile organic compounds (VOC)	163	tonnes
Total Hazardous Air Pollutant (HAP)	622	tonnes
Total Particulate Matter (PM)	14	tonnes
Total Persistent Organic Pollutant (POP)	0.04	tonnes

Indicator	FY2020	FY2019	FY2018	FY2017	Units
Compliance, Assurance and Governance					
Environmental Management Plans (EMP) refreshed under EMP Improvement Program	9	12	1	N/A	Count
Environmental penalty notices received ¹⁷	0	0	0	4	Count
Environmental warning notices received ¹⁸	4	1	0	1	Count
Internal environmental audits conducted ¹⁹	11	13	3	0	Count
Regulatory notifiable incidents	5	1	0	4	Count
Total cost of environmental penalty notices ²⁰	0	0	0	30,000	\$AUD

Community

Indicator	FY2020	FY2019	Units
Contribution to economy and community			
Payments to employees ²¹	215	195	\$million AUD
Payments to suppliers ²²	1102	1205	\$million AUD
Tax paid ²³	354	287	\$million AUD

16. FY2020 data available in September 2020. Air emissions data for APA sites is publicly reported NPI data. See www.npi.gov.au. The emission factors used in APA's NPI reports are sourced from relevant industry emission estimation technique manuals available on the NPI website.

17. Inclusive of notices received by APA Group and APA Contractors.

18. Inclusive of notices received by APA Group and APA Contractors.

19. Internal environmental audits are those audits required by, or committed to, in environmental regulator tools (i.e. Environmental Management Plans).

20. APA penalty costs associated with environmental penalty notices issued to APA Group (excluding APA contractors).

21. Net Wages after Tax paid to employees.

22. Includes payments made to all suppliers.

23. Includes income tax, GST, FBT, Excises, Payroll Tax, PAYG withheld, Land taxes and Stamp duties.

SASB reference index.



Indicator	SASB Code	Page Reference
Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	EM-MD-110a.1	72
Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	EM-MD-110a.2	16-17
Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10)	EM-MD-120a.1	75
Description of environmental management policies and practices for active operations	EM-MD-160a.1	56-57
Percentage of land owned, leased, and/or operated within areas of protected conservation status or endangered species habitat	EM-MD-160a.2	
Terrestrial acreage disturbed, percentage of impacted area restored	EM-MD-160a.3	
Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume in Unusually Sensitive Areas (USAs), and volume recovered (Number, Barrels (bbls))	EM-MD-160a.4	
Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations (\$AUD)	EM-MD-520a.1	74, 75
Number of reportable pipeline incidents, percentage significant	EM-MD-540a.1	74, 75
Percentage of (1) natural gas and (2) hazardous liquid pipelines inspected (%)	EM-MD-540a.2	
Number of (1) accident releases and (2) non accident releases (NARs) from rail transportation	EM-MD-540a.3	
Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles	EM-MD-540a.4	44, 45, 48, 49



Steven Bechard, Technical Officer working at Mondarra Gas Storage Facility.



glossary.



AFR	Australian Financial Review. An Australian business and finance newspaper
AGPA	Australian Pipelines and Gas Association
APT	Australian Pipeline Trust
APTIT	APT Investment Trust
ARENA	Australian Renewable Energy Agency
ASX	Australian Stock Exchange
CER	Clean Energy Regulator
CFA	Country Fire Association
COVID-19	Coronavirus pandemic
CRC	Cooperative Research Centre
D&I	Diversity and Inclusion
EBITDA	Earnings before interest, taxes, depreciation, and amortization
EIS	Environmental Impact Statement. For simplicity, in this report EIS refers to any publicly available document that provides information on a project, including its environmental impacts
EMP	Environmental Management Plan
Energy Consumption	All energy consumed and produced by APA across all facilities
FIFO	Fly In Fly Out
FY	Financial Year (period between 1 July – 30 June)
GHG	Greenhouse Gas
GJ	Gigajoule
GPS	Global Positioning System
GTAP	Gender Targets Action Plan
HAP	Total hazardous air pollutant (HAP) emissions
HDPE	High density polyethylene
HRIS	Human Resources Information System
HSE	Health, Safety & Environment
HSEH	Health, Safety, Environment and Heritage
IPCC	United Nations Intergovernmental Panel on Climate Change
IEA	International Energy Agency
Internal environmental audits	Internal environmental audits are those audits required by, or committed to, in environmental regulatory tools (i.e. Environmental Management Plans)
invested in renewable energy	Market announced capex
LCP	Landholder Contact Program
LTI	Lost Time Injury
LTIFR	Lost Time Injury Frequency Rate - Injury (LTI) count / per million hours
Management Interactions	Structured interaction between a senior / operational manager and a frontline supervisor, employee or contractor
MSS	Modern Slavery Statement under the Australian Modern Slavery Act
MW	Megawatts
NGER	National Greenhouse and Energy Reporting Act 2007. Visit: http://www.cleanenergyregulator.gov.au/
NOx	Oxides of nitrogen
NPI	National Pollutant Inventory. Visit: http://www.npi.gov.au/

NPS	Net Promoter Score. Measures the loyalty of customers to a company
Paris Agreement	Calls all nations to the common cause of keeping a global temperature rise to well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. Visit: https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement
Payments to employees	Net Wages after Tax paid to employees
Payments to Suppliers	Includes payments made to all suppliers
Penalty Notice	Regulatory instruments received as a penalty (material business impact)
PM	Total particulate matter
POP	Total persistent organic pollutant
RCP	Representative Concentration Pathways published by the IPCC in the Fifth Assessment Report. Visit: https://www.ipcc.ch/assessment-report/ar5/
SASB	Sustainability Accounting Standards Board. Visit: https://www.sasb.org/
Scope 1	Emissions associated directly with APA facilities, such as company vehicles, 'fuel combustion' and fugitive emissions from gas pipelines
Scope 2	Indirect emissions such as consumption of purchased electricity/fuel not generated by the facility but used under its operations or electricity line loss
SDGs	The Sustainable Development Goals (SDGs) were adopted by all UN Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure all people enjoy peace and prosperity by 2030
Senior Leaders	Comprises "Other executives/general managers" (L2 and L3) and "senior managers" (L4) as reported to the Workplace Gender Equality Agency
SOx	Sulfur dioxide
SSP	Shared Socioeconomic Pathways as published by the Internal Institute for Applied Science Systems
Talent Pipeline	Refers to the pipeline of candidates in our Senior Leader talent pools and has been expanded to the pipeline of candidates (L3, L4 and L5) in our Senior Leader talent pools
Tax Paid	Includes income tax, Goods and services tax, Fringe benefits tax, Excises, Payroll Tax, PAYG withheld, Land taxes and Stamp duties
TCFD	G20 Financial Stability Board's Taskforce Recommendations on Climate-related Financial Disclosures. Visit: https://www.fsb-tcfd.org/
t-CO₂e / t-CO₂ equiv	Tonnes of carbon dioxide equivalent. The standard unit in carbon accounting to quantify greenhouse gas emissions. Includes: carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), sulphur hexafluoride (SF ₆) and specified kinds of hydro fluorocarbons and perfluorocarbons. Visit: http://www.cleanenergyregulator.gov.au/NGER/About-the-National-Greenhouse-and-Energy-Reporting-scheme/Greenhouse-gases-and-energy
Tier 1 release	Tier 1 defined as a major release of harmful substances that cause a major accident such as natural gas. Release quantities is >500kg per hour
Tier 2 release	Tier 2 is a significant release of harmful substances that cause a major accident such as natural gas. Release quantities is >50kg per hour but less than Tier 1 quantities
TRIFR	Total Recordable Injury Frequency Rate - Injury (LTI, MOTI, MITI) count / per million hours
UN	United Nations
VOC	Total direct volatile organic compounds
Warning Notice	Regulatory instruments received as a warning (no material business impact)
WHS	Workplace Health and Safety
WHS Hazards Reported Frequency Rate	Total Hazards Reported / per million hours



From a gas transmission company in 2000.

