

25 August 2021

ASX ANNOUNCEMENT

APA Group (ASX: APA)

Sustainability Report 2021

APA Group (ASX: APA), provides the attached Sustainability Report for the financial year ended 30 June 2021.



Authorised for release by Nevenka Codevelle

Company Secretary

Australian Pipeline Limited

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About APA Group (APA)

APA is a leading Australian Securities Exchange (ASX) listed energy infrastructure business. We own and/or manage and operate a diverse, \$21 billion portfolio of gas, electricity, solar and wind assets. Consistent with our purpose to strengthen communities through responsible energy, we deliver approximately half of the nation's gas usage and connect Victoria with South Australia and New South Wales with Queensland through our investments in electricity transmission assets. We are also one of the largest owners and operators of renewable power generation assets in Australia, with wind and solar projects across the country.



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.



SUSTAINABILITY REPORT 2021

always
powering
ahead

ABOUT THIS REPORT

Acknowledgement of Country

APA acknowledges the Traditional Custodians of the lands on which it operates throughout Australia. APA acknowledges their connections to land, sea and community. We pay our respects to their elders past and present, and seek to find meaningful ways to ensure that APA operates in a manner that genuinely and consistently reflects that respect.

Company details

- Company name: APA Group
- Ownership and legal form: APA Group comprises two registered investment schemes – Australian Pipeline Trust (APT) and APT Investment Trust (APTIT) – and their controlled entities.
- Head Office: Level 25, 580 George Street, Sydney NSW 2000
- Contact:
 - Please contact us at sustainability@apa.com.au
 - APA Website www.apa.com.au

Reporting boundary and scope

This FY2021 Sustainability Report provides an overview of APA Group’s sustainability performance and achievements from 1 July 2020 to 30 June 2021.

The 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.

Reporting approach

Governance & Verification

APA is committed to providing security holders and other external stakeholders with timely, consistent and transparent corporate reporting.

This FY2021 Sustainability Report was prepared and internally verified by the relevant subject matter experts, reviewed and verified by relevant APA executives and senior managers prior to Board approval.

Data points included in the Sustainability Data Tables are supported by a FY2021 Sustainability Report: Basis of Preparation available on our website.

As APA matures in our non-financial disclosures, we intend to incorporate external assurance over our non-financial information.

Framework alignment

In line with our commitment to transparency, APA has increased alignment to internationally recognised sustainability reporting frameworks in this FY2021 Sustainability Report. Our FY2021 Sustainability Report Framework Index provides a summary

of APA’s alignment against the reporting requirements of the Sustainability Accounting Standards Board (SASB), Global Reporting Initiative (GRI) and Task Force on Climate-related Financial Disclosures recommendations (TCFD).

Sustainability Accounting Standards Board (SASB)

APA’s assets and operations are wholly or partially covered by three relevant SASB Industry Sector Standards (Extractives & Mineral Processing; Renewable Resources & Alternative Energy; and Infrastructure) and the following five SubSector Standards:

- EM-MD Oil & Gas - Midstream Version 2018-10
- RR-ST Solar Technology & Project Developers Version 2018-10
- RR-WT Wind Technology & Project Developers Version 2018-10
- IF-EU Electric Utilities & Power Generators Version 2018-10
- IF-GU Gas Utilities & Distributors Version 2018-10

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Cover image: Badgingarra Wind Farm, Western Australia
Image above: Reedy Creek Wallumbilla Pipeline, Queensland

To accommodate APA's unique business model and operations, and to support meaningful analysis and transparency, in FY2021 the metrics across these SASB standards were analysed to identify opportunities for increased disclosure and transparency. The 28 blended metrics in this report represent the financially material measures that are relevant to a substantial proportion of APA, an APA division or APA assets. We will continue to improve our disclosure against these metrics over time.

Global Reporting Initiative (GRI)

Similarly, during FY2021 APA reviewed and improved our alignment to the GRI Standards: Core option. This FY2021 Sustainability Report has been prepared generally in accordance with the GRI Standards: Core option. Please refer to our FY2021 Sustainability Report Framework Index for guidance.

We are continuing to evaluate a range of metrics, with the intention of increasing disclosure over time. These are noted in our FY2021 Sustainability Report Framework Index.

In FY2021 we have improved performance information previously disclosed and included new performance information for GRI areas such as:

- General Disclosures (GRI102) on Stakeholder Engagement and Reporting Practices such as our sustainability materiality process
- Economic Performance (GRI201) including improvements to indicators of direct economic value generated and distributed by APA
- Emissions (GRI305) information by providing a more extensive breakdown of operational greenhouse gas emissions sources
- Employment (GRI401) performance information on changes to our workforce, diversity and use of employee benefits
- Training and Education (GRI404) insights on the extent and types of training provided to our workforce

Future statements

This 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 subject to risk factors associated with APA Groups business and industry. 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 FY2021 performance, see the FY2021 APA Annual Report, ASX Corporate Governance Statement and Energy Charter¹ disclosure.

1. Published in October 2021.

FY2021 SUSTAINABILITY HIGHLIGHTS

Badgingarra Wind Farm, Western Australia



WON THE 2020 APGA
SAFETY AWARD
FOR PROCESS
SAFETY FUNDAMENTALS



MADE THE
TOP 40
IN AUSTRALIA FOR
APA'S REFRESHED
INTERN PROGRAM



\$3,352M
IN ECONOMIC CONTRIBUTION*
▲ UP 27% SINCE FY2017



ESTABLISHED
SUSTAINABILITY ROADMAP



COMMITTED TO ACHIEVE
NET ZERO EMISSIONS BY 2050
AND TO SET INTERIM TARGETS DURING FY2022

* Economic contribution is value distributed on a cash basis, via the following categories: Operating costs; Payments to employees; Payments to suppliers; Payments to providers of capital; Payments to government; Tax Paid.



DEVELOPED OUR
**CLIMATE CHANGE
MANAGEMENT
FRAMEWORK**



COMPLETED OUR 4 YEAR
**ENVIRONMENT
MANAGEMENT PLAN**
IMPROVEMENT PROGRAM



LODGED OUR FIRST
**MODERN SLAVERY
STATEMENT**



INCREASED SENIOR LEADERSHIP
**FEMALE
REPRESENTATION**
▲ BY 6.9% TO 26.7%



APA TRIFR
**REDUCED BY
▼30.4%**
TO 6.33 EXCEEDING TARGET



CONTRIBUTED
\$730,000+
TO COMMUNITY CAUSES
AND IN RESPONSE TO
NATURAL DISASTERS

LETTER FROM CHAIR & CEO

In FY2021, we further strengthened our commitment and approach to sustainability, with a new Sustainability Roadmap now in place to guide our direction and focus, and our ambition for net zero operations emissions by 2050 now embedded into our strategy.

APA's approach to sustainability brings our vision and purpose to life

We understand that in a rapidly changing world, the expectations of our customers, host communities and Securityholders are also rapidly evolving and we are determined to deliver ever-better outcomes when it comes to our environmental, social and governance performance.

Transparency is important to us, so in this year's Sustainability Report we have taken steps to improve our sustainability disclosure in alignment with recognised frameworks and standards.

In FY2021, we conducted a materiality assessment to identify the core sustainability-related issues that APA should prioritise. Climate change and the energy transition is, of course, front of mind.

In FY2021, APA published our first Climate Change Resilience Report, with a comprehensive analysis of our current asset portfolio under three divergent climate scenarios to 2050, including a 1.5°C scenario. We also developed a Climate Change Management Framework and established an enterprise-wide Net Zero & Climate Transformation Program to evaluate and plan our pathway towards our Net Zero goal, which will include setting interim targets in FY2022.

Community and Social Performance is a key priority area for APA and is central to our ability to deliver on our purpose of strengthening communities through responsible energy. We were proud to expand our stakeholder engagement framework in FY2021 to ensure we're better able to 'bring the outside in' when it comes to the ways we make decisions and we established a Stakeholder

Advisory Panel to act as a sounding board to APA on policy matters, strategic programmes and plans.

A Community and Social Performance Plan is under development and as we move into FY2022, our new First Nations Plan will guide our approach to developing better relationships and outcomes for First Nations stakeholders and provide the foundation for our contribution to advancing reconciliation in Australia.

Our Inclusion & Diversity Strategy is in-flight and pleasingly we have made further positive progress in our Gender Target Action Plan, moving us closer to our goal of 30% female representation at Senior Leadership level by 2025.

Of course, none of this would be possible without the commitment and dedication of our team of around 2000 people. Their safety and wellbeing



Michael Fraser
Chairman

Rob Wheals ▶
CEO & Managing Director

is our first priority and in a year that brought significant challenge due to the COVID-19 pandemic, FY2021 saw us achieve an improved safety performance across most measures but we know we have more work to do to ensure that every one of our people return home safely at the end of each day.

Thank you to all the stakeholders who worked with us throughout the year, including our APA employees, customers and especially to our host communities around Australia for your ongoing support of APA where we are Always Powering Ahead.

Michael Fraser
Chairman

Rob Wheals
CEO & Managing Director

ABOUT APA

APA is a leading Australian Securities Exchange (ASX) listed energy infrastructure business. APA owns and/or manages and operates a diverse, \$21 billion portfolio of gas, electricity, solar and wind assets. Consistent with APA's purpose to strengthen communities through responsible energy, APA delivers about half of the nation's gas to households, business and industry. We connect Victoria with South Australia and New South Wales with Queensland through investments in electricity transmission assets. We are also one of the largest owners and operators of renewable power generation assets in Australia, with wind and solar projects across the country.

During the period, APA celebrated its 21st birthday, marking the day that the business formed and listed on the ASX under the name Australian Pipeline Trust. Together with the refresh of the corporate strategy, this milestone provided a timely opportunity to refresh the APA brand and to transform the 'APA' initials into the acronym: Always Powering Ahead.



Vision: What we aspire to.

To be world class in energy solutions.



Purpose: Why we exist.

We strengthen communities through responsible energy.



\$21BN
ENERGY INFRASTRUCTURE
ASSET PORTFOLIO

Construction on the Reedy Creek Pipeline, Queensland

ABOUT APA CONTINUED



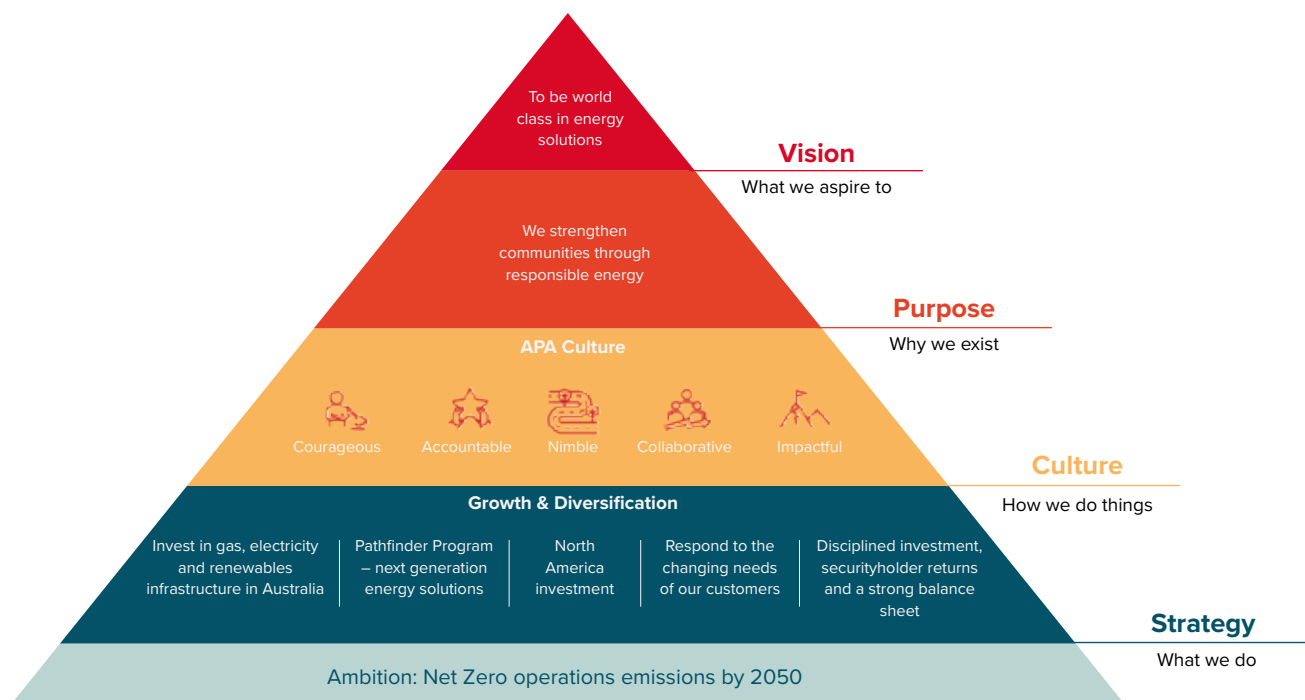
Company strategy

In FY2021, APA refreshed its strategy to create a stronger alignment with its purpose and vision. The strategy enables APA to capture the vast opportunities to invest in contracted and regulated energy infrastructure in our target markets of Australia and North America. APA estimates that the investment opportunities in these target markets is in excess of US\$2.8 trillion over the next 40 years across renewable energy, firming and storage, gas pipelines and electricity infrastructure.

Our strategy is underpinned by our ambition to achieve net zero operations emissions by 2050 and our commitment to playing a constructive role in supporting Australia’s transition to a lower carbon economy.

Strategy aligned to purpose and vision and unlocks the vast opportunities as the energy market transitions

- Invest in gas, electricity and renewables infrastructure (contracted and regulated) in Australia and North America
- Leverage our energy infrastructure capabilities into next generation energy technologies (Pathfinder Program)
- Respond to the changing needs of our customers and communities
- Maintain disciplined investment, securityholder returns and maintain a strong balance sheet (including BBB/Baa2 credit ratings)










Diamantina Power Station, Queensland

Embedding a culture of high performance

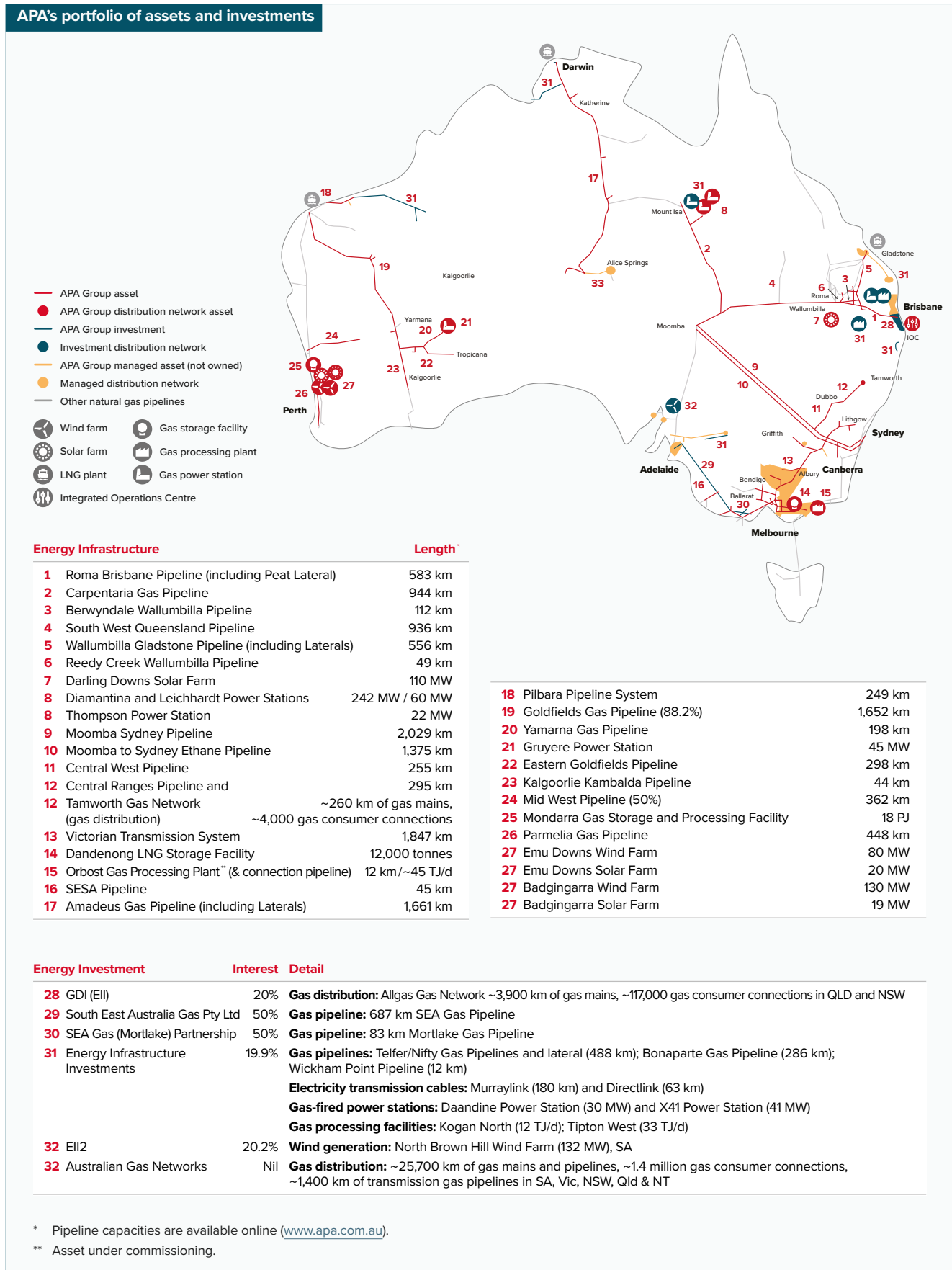
To support the refreshed vision, purpose and long-term strategy, and to embed a high-performance culture, in FY2021 APA defined its core behaviours as being:

				
Courageous We are honest and transparent; we learn from our mistakes and we challenge the status quo.	Accountable We spend time on what matters, we do what we say and deliver world class solutions.	Nimble We are curious, adaptive and future focused.	Collaborative We are inclusive, work together and respect and listen to our stakeholders.	Impactful We create positive legacies and work safely, for our customers, communities, our people and the environment.

These behaviours have evolved from the existing APA 'STARS' Values and Decision Compass, guiding how APA conducts its business and helping shape culture. They will be embedded into systems, processes, programs and frameworks. These behaviours set the benchmark for how APA operates, interacts with customers and each other.

ABOUT APA CONTINUED

APA has assets located across australia





Victorian Transmission System at Dandenong, Victoria

SUSTAINABILITY @ APA

APA has established a new future-focused Sustainability Roadmap to bring our vision and purpose to life.



ESTABLISHED
**SUSTAINABILITY
ROADMAP**



DEFINED
**PRIORITY SUSTAINABILITY
ISSUE AREAS**

At APA, we believe sustainability means standing up and being counted. It’s about being responsible in the way we do business and contribute to society. APA prioritises sustainability so that we, our employees, stakeholders, customers and the communities in which we operate can all thrive – now, and into the future.

Introducing our first Sustainability Roadmap

In FY2021, we developed a comprehensive, three-year Sustainability Roadmap to bring APA’s vision and purpose to life. Our Sustainability Roadmap delivers a step-change in the way we look at sustainability and supports our refreshed corporate strategy by setting the framework for APA’s sustainability direction and focus until 2024.

Our Sustainability Roadmap will:

- Create a three-year framework to build strong foundations from which to springboard to sector-leading outcomes
- Push us to test and evolve our approach and the outcomes that matter most to our employees and other stakeholders
- Support accountability with clear, meaningful and measurable goals and outcomes, with a scorecard that will expand over time
- Build credibility by ensuring we align to and participate in recognised frameworks, benchmarks, standards and alliances where we can collaborate to gain and share knowledge
- Build engagement with and ownership of outcomes across the business

To be world class, we know we’ve got some work to do. But we’re determined to get the fundamentals right. The Sustainability Roadmap will help us do that by ensuring we:

1. Leverage our strengths and focus on the things that matter
2. Achieve consistently meaningful, measurable and impactful outcomes
3. Accelerate our improvement actions to close any gaps
4. Listen to and engage and innovate with key stakeholders and alliances
5. Anticipate and be well positioned to respond to fast-moving issues and opportunities
6. Take a ‘know and show’ approach with disclosure and transparency

Materiality assessment

In FY2021, we conducted a stakeholder-centric materiality assessment to identify the core sustainability-related issues that APA should focus on. The process, which was grounded in internationally recognised sustainability frameworks included scanning of external fast-moving issues and trends, peer and customer benchmarking; stakeholder consultation with customers, investors and debt providers; and reviewing feedback from consumers, communities and insurance providers to confirm the most important issues for APA.

As a result, we identified our material sustainability issue areas and a number of fast-moving or accelerating issues and activities that APA should be prepared to leverage or act on, including biodiversity, responsible supply chain and circular economy.

Material sustainability issue areas for APA

SAFETY, HEALTH & WELLBEING	PEOPLE & CULTURE	COMMUNITY & SOCIAL PERFORMANCE
FIRST NATIONS PEOPLE	SUSTAINABLE DEVELOPMENT	ENVIRONMENTAL MANAGEMENT
CLIMATE CHANGE TRANSITION & RISK	GOVERNANCE & RISK MANAGEMENT	DIVERSITY & INCLUSION

SUSTAINABILITY @ APA CONTINUED

We categorised each material sustainability area by maturity into those that we need to:

- **Build:** Priority issues to be grown into strengths
- **Accelerate:** Fundamental issues that require strengthening
- **Maintain and evolve:** Issues where we already have existing plans and processes in place, with opportunities for incremental improvements

The main focus areas of our Sustainability Roadmap will be those categorised as “build” and “accelerate”, ensuring we concentrate our energy on material issues where we can have the most positive impact. We know success will depend on cross-cutting initiatives, including change management, employee engagement and data integrity.

Each material issue and cross-cutting initiative will be supported by a plan with key deliverables and well-defined outcomes. In the future, we will hold ourselves to account against each plan’s metrics, which we will track via an Environmental, Social and Governance Scorecard due for finalisation by the end of FY2022.

Implementation of the Sustainability Roadmap will be overseen by an executive steering committee and cross-functional working groups. Performance against the Roadmap will be reported to the Board on a quarterly basis.


APA Sustainability Roadmap to 2024






Sustainability Goal:
what we do and how we do it brings our vision and purpose to life

Roadmap & Plan Principles

<ul style="list-style-type: none"> 1 Leverage our strengths and focus on the things that matter 2 Achieve consistently meaningful, measurable and impactful outcomes 3 Accelerate our improvement actions to close the gap 	<ul style="list-style-type: none"> 4 Engage, listen and innovate with key stakeholders and alliances 5 Anticipate and be well positioned to respond to fast moving issues and opportunities 6 Take a ‘know and show’ approach with disclosure & transparency
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ESG Scorecard

 <p>BUILD</p> <p><i>Priority issues to be built into strengths</i></p> <ul style="list-style-type: none"> ✓ Climate Change Transition & Risk ✓ Community & Social Performance ✓ First Nations People 	 <p>ACCELERATE</p> <p><i>Fundamental issues which require strengthening</i></p> <ul style="list-style-type: none"> ✓ Environmental Management 	 <p>MAINTAIN & EVOLVE</p> <p><i>Existing plans & processes to evolve via ESG lens</i></p> <ul style="list-style-type: none"> ✓ Safety, Health & Wellbeing ✓ Diversity & Inclusion ✓ People & Culture ✓ Governance & Risk Management
<p>✓ Sustainable Development</p>		
<p>Stakeholder Engagement</p>		
<p>Disclosures & Reporting Monitoring & Measurement Data Completeness & Integrity</p>		
<p>Change Management Employee Communications Employee Value Proposition</p>		

Material sustainability issues

Cross-cutting plans & initiatives

Contributing to the UN Sustainable Development Goals

Sustainable development is a material opportunity for the business and an important cross-cutting initiative to support our overall approach to sustainability.

During FY2020, we aligned the material sustainability issues of the Sustainability Roadmap to the UN Sustainable Development Goals (SDGs), ensuring we are clear on the opportunities to make a contribution to sustainable development in everything we do.

APA SUSTAINABILITY ROADMAP

		BUILD				ACCELERATE	MAINTAIN & EVOLVE*			
		Climate Change Transition & Risk	Community & Social Performance	First Nations People	Sustainable Development	Environmental Management	Safety, Health & Wellbeing	Diversity & Inclusion	People & Culture	Governance & Risk Management
UN SUSTAINABLE DEVELOPMENT GOALS	1 No poverty									
	2 Zero Hunger									
	3 Good Health and Wellbeing						✓		✓	
	4 Quality Education		✓	✓	✓				✓	
	5 Gender Equality		✓	✓	✓			✓	✓	
	6 Clean Water & Sanitation					✗				
	7 Affordable & Clean Energy	✓	✓		✓					
	8 Decent Work & Economic Growth	✓	✓	✓	✓				✓	✓
	9 Industry, Innovation & Infrastructure	✓			✓					
	10 Reduce Inequalities			✓	✓			✓		
	11 Sustainable Cities & Communities		✓		✓	✗				
	12 Responsible Consumption & Production					✗				✓
	13 Climate Action	✓			✓					
	14 Life Below Water									
	15 Life on Land					✗				
	16 Peace, Justice & Strong Institutions			✓	✓					✓
	17 Partnerships for the Goals		✓		✓					✓

* These are issues where we already have existing plans and processes in place, with opportunities for incremental improvements.

GOVERNANCE

Maintaining high levels of integrity and credibility is integral to how we deliver responsible energy, and a foundation of sustainable outcomes and long-term value creation.



RECORDED
ZERO
incidents or fines related to fraud, bribery or corruption



STRENGTHENED
SUSTAINABILITY GOVERNANCE
oversight opportunities for the APA Board

Ensuring strong governance and risk management

Governance structure

The APA Board is committed to conducting APA’s business in accordance with high standards of corporate governance. The Board believes that robust corporate governance policies and practices will facilitate the responsible creation of long-term value for Securityholders and help it to meet the expectations of other stakeholders.

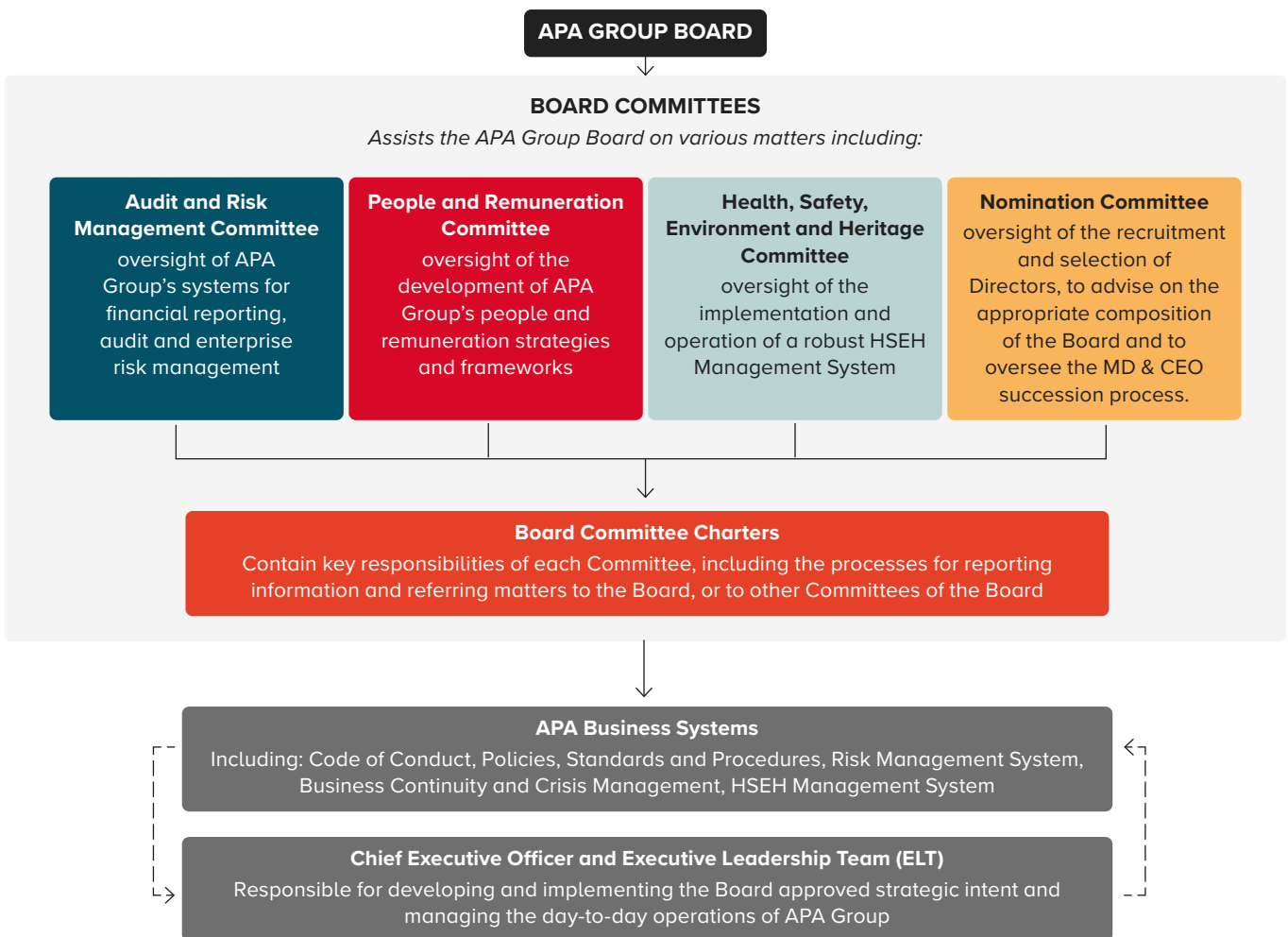
The Board is responsible for reviewing and considering the potential impacts of sustainability related risks (including climate change) across the organisation and providing oversight of the sustainability strategies. All sustainability risks and opportunities are managed in accordance with APA’s Risk Management System.

APA’s governance framework ensures critical sustainability risks and opportunities are escalated through our executive leadership team to the [Board](#) directly, or with the support of the Executive Risk and Management Committee, the Audit and Risk Management Committees.

Governance of sustainability issues and oversight of sustainability strategies (such as the Sustainability Roadmap) is supported by an executive steering committee and cross-functional working groups within the business.

Our Sustainability & Community Team is responsible for stewarding our approach and ensuring our sustainability objectives are integrated with corporate strategy, decision-making and business processes. This Team is also accountable for APA’s sustainability and climate policies, frameworks and standards, including delivering our Sustainability Roadmap.

The following diagram depicts the key aspects of APA’s governance arrangements. Please see our [FY2021 Corporate Governance Statement](#) for more information on our governance framework, practices and documentation.



GOVERNANCE CONTINUED



Risk management

To ensure effective risk management and strong decision-making, we maintain a Risk Management System (RMS), aligned to international standard ISO 31000 including a [Risk Management Policy](#). The RMS considers sustainability risks, including environmental, social, governance and climate risks. We disclose these and other material risks in our FY2021 Annual Report.

APA's Risk Management System was internally reviewed in the Reporting Period and was confirmed as remaining sound for APA. Performance against the current Risk Appetite Statement was reviewed by the Audit and Risk Management Committee during the Reporting Period with updates reflecting APA's current strategy completed and reviewed by the Board. Where performance was outside appetite during the Reporting Period APA undertook improvement activity to bring performance back into approved tolerance levels. Where specific material risks were identified as operating outside target levels, actions to return most of the risks to target were identified and will be implemented. For the remaining risks, these will be closely monitored.

The risk management "blueprint" program, established in FY2017, designed to advance risk management to its next level of maturity, further progressed during the Reporting Period with positive improvements identified across both the risk and compliance capability areas. Improvements in maturity are measured by annual completion of the risk scorecard. The Audit and Risk Management Committee continues to have oversight of implementation of the program.

Ethics and Integrity

Key policies governing ethics and integrity at APA include:

- [Code of Conduct](#): Our principles and business standards to support safety, anti-harassment, anti-bullying, anti-discrimination, human rights, community engagement, environmental protection, anti-corruption, data privacy and security, and prevent anti-competitive behaviour
- [Diversity and Inclusion Policy \(Including EEO\)](#): Our principles for a diverse and inclusive workplace, including guidelines on acceptable behaviour and anti-discrimination practices
- [Anti-Bribery and Corruption Policy](#): Our commitment to foster a culture of compliance and responsible, ethical decision-making, helping us to prevent, detect and eliminate bribery, corruption and fraud

- [Whistle-blower Policy](#): Our process for people to report matters of concern and suspected wrongdoings that constitute reportable conduct
- [Executive Clawback and Malus Policy](#): Our commitment to align executive remuneration with the interests of our security holders

These policies are supported by standards setting out performance requirements and detailed procedures. Our policies, standards and procedures are periodically reviewed, with key policies available on APA's intranet.

PROGRAMS AND INCIDENTS

Our [Anti-Bribery and Corruption Policy](#) strictly prohibits bribery and corruption in any form. The Policy mandates our anti-bribery and corruption program and covers approvals for gifts, sponsorships, donations and entertainment, record keeping, third-party due diligence, and monitoring and reporting.

APA maintains a Whistleblower Line via an externally managed disclosure service as an independent, impartial and confidential means of reporting potential incidents. Through the Whistleblower Line and our internal reporting channels, we record material breaches of our Code of Conduct and potential or actual fraud, bribery and corruption.

During the year management continued to raise awareness of the whistleblower process via various communication approaches however there were low levels of reporting to the independent APA Whistleblower hotline. In response, additional communication approaches will be completed as part of APA's culture program of work for FY2022.

In the reporting period, APA recorded zero incidents of fraud, bribery or corruption and received no fines for non-compliance with any laws or regulations related to bribery or corruption.

In FY2021, APA recorded seven material breaches of our Code of Conduct. The breaches related to unacceptable behaviour, breach of key policies or sexual harassment. Each incident was fully investigated and performance management actions put in place with the Board fully informed of all incidents and outcomes.



APA senior leaders at the APA leadership conference

POLITICAL DONATIONS

In FY2021, we amended our policy with respect to political donations to confirm that APA will not permit direct political donations to any political party, representative or candidate.

Under this revised policy, in limited circumstances, and subject to approval, we do permit indirect donations, such as paying to attend business-focused political forums as part of our comprehensive stakeholder engagement program.

In FY2021, APA joined the Liberal Party of Australia's Australian Business Network and the Federal Labor Business Forum.

MEMBERSHIP OF ASSOCIATIONS

APA participates in a number of industry associations, where we help to develop industry standards and share best practice to support public policy development. In FY2021, these associations were the:

- Australian Hydrogen Council
- Australian Pipelines and Gas Association
- Business Council of Australia
- Clean Energy Council
- Committee for Economic Development of Australia
- Committee for Gippsland
- Energy Charter
- Energy Club NT
- Energy Users Association of Australia
- Gas Energy Australia
- Queensland Resources Council
- Regulatory Policy Institute
- Australian Petroleum Production & Exploration Association
- Chamber of Minerals and Energy of Western Australia
- Toowoomba Surat Business Enterprise

What's next?

FY2022 strategic priorities

- Develop and publish APA Sustainability Policy
- Develop and publish APA Climate Change Policy

CLIMATE CHANGE AND ENERGY TRANSITION

We have set our net zero operations emissions for 2050 ambition to play our role in supporting the global transition to a lower carbon future. We are taking rapid steps to better understand, manage and report on the risks and opportunities climate change presents to our business.



COMMITTED TO ACHIEVE
NET ZERO EMISSIONS

by 2050 and set interim targets during FY2022



LAUNCHED APA'S
PATHFINDER PROGRAM



COMPLETED AND PUBLISHED
TRANSITION SCENARIO ANALYSIS

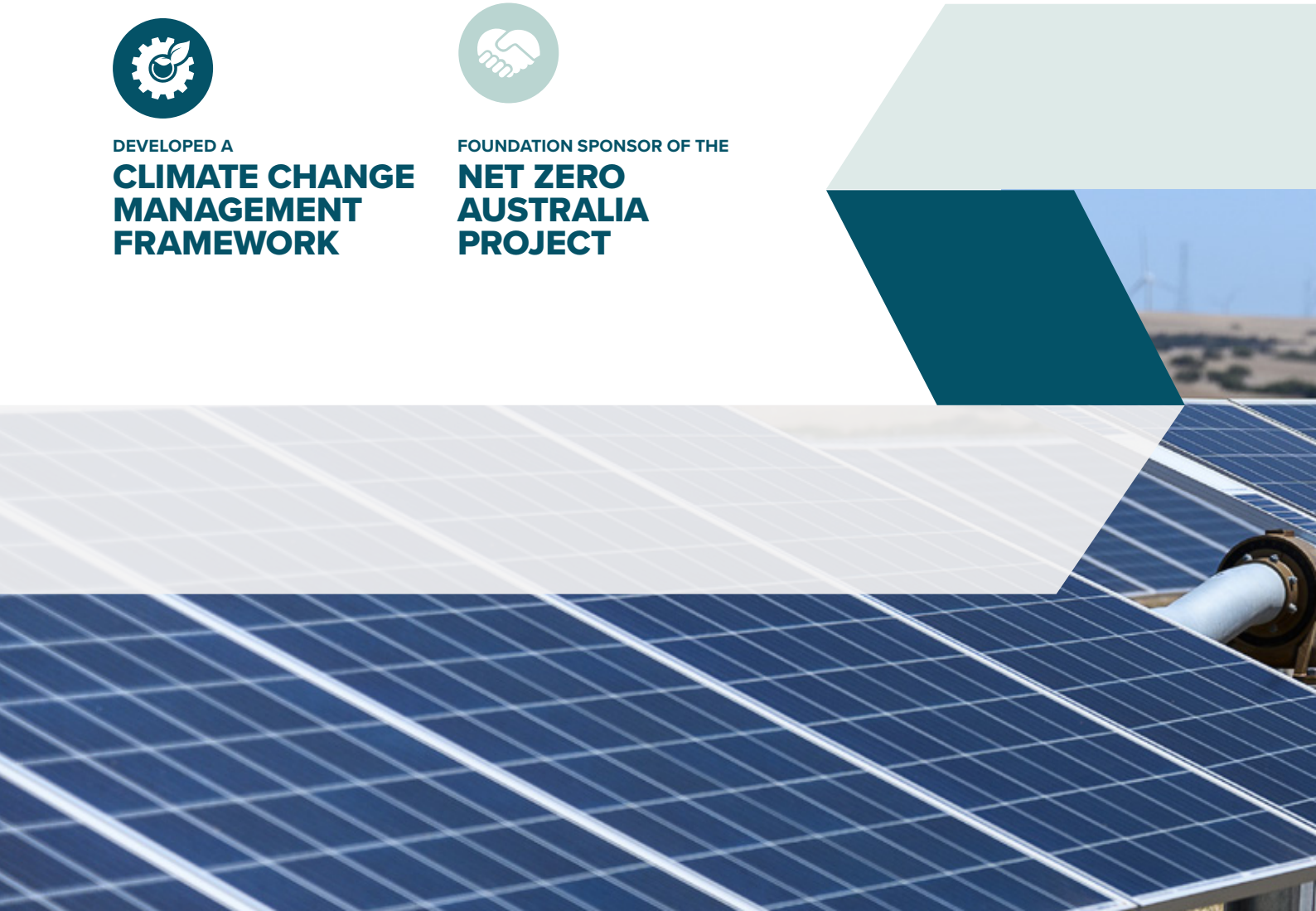
and resilience testing of our existing portfolio



DEVELOPED A
CLIMATE CHANGE MANAGEMENT FRAMEWORK



FOUNDATION SPONSOR OF THE
NET ZERO AUSTRALIA PROJECT



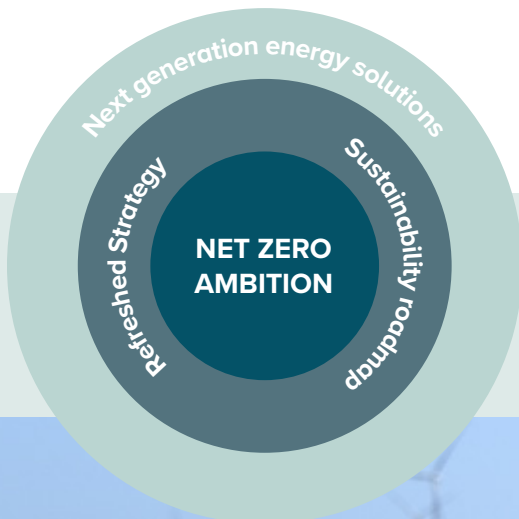
Evaluating and defining our pathway to net zero

In FY2021, APA gathered significant momentum in understanding and defining our response to the energy transition. This included conducting resilience testing of our existing portfolio, incorporating net zero in our corporate strategy and establishing the framework to embed consideration of climate risk and opportunity into business as usual via a business-wide Net Zero and Climate Transformation Program.

Net zero ambition

On 23 February 2021, we [announced](#) our ambition to achieve net zero operations emissions by 2050. This ambitious target aligns with our Purpose, underpins our refreshed corporate strategy and sends a clear message to investors, the market, our customers and the community that APA is committed to play our part as Australia transitions to a lower carbon economy.

The target includes Scope 1 and 2 emissions and applies to growth projects and acquisitions as they are integrated into our portfolio.



Climate Change Management Framework

To support delivery of our net zero ambition, during FY2021 we developed a Climate Change Management Framework to define how we will achieve our goal and embed consideration for climate risk and opportunity as part of business as usual. The new framework (outlined below) reflects our commitment to applying the Task Force Recommendations for Climate-related Disclosures (TCFD) and includes five priorities to: avoid and reduce; innovate, invest, be robust, and responsible.

To ensure our commitment is translated into action, we have also established the Net Zero & Climate Transformation Program. This cross-business and cross-functional program is supported by dedicated program management resources, including change management. Its governance structure includes Board and Transformation Office oversight, an Executive Sponsor and a senior Business Owner. A program reference group comprised of a network of senior, internal organisational work-stream owners are working to evaluate and shape the way APA will achieve net zero.

The Program was mobilised in March 2021 and is currently in a 12-month Design Phase to develop:

1. A detailed plan to achieve net zero
2. Interim targets to 2030
3. A change management plan to embed consideration of net zero and climate risk in business as usual processes and practices, including a new Climate Change Policy and standards; and
4. Ensure alignment with TCFD recommendations.

Climate Change Management Framework



AVOID & REDUCE

Optimise scope 1 & 2 emissions reduction opportunities throughout APA's existing asset portfolio and avoid emissions during FEED and construction processes



INNOVATE

Leverage technology initiatives, partnerships and other innovations to advance investment, build readiness and support reduction and avoidance initiatives



INVEST

Embed the Net Zero goal in our portfolio strategy and capital allocation decision-making, planning and valuation



ROBUST

Build on strong foundations of governance, risk management, reward & recognition, and quality data, modelling and measurement



RESPONSIBLE

Take a responsible & transparent approach in our disclosure, public policy engagement and the way in which we integrate and implement our approach to climate

CLIMATE CHANGE AND ENERGY TRANSITION CONTINUED

Climate change risk and opportunity

We periodically review and assess our transition and physical climate-related risks in line with our Risk Management System and the TCFD recommendations.

Our Pathfinder Program, Climate Change Management Framework and the work streams of the Net Zero & Climate Transformation Program are key preventative and mitigating controls for our identified climate-related risks.

APA'S MATERIAL CLIMATE-RELATED RISK AREAS AND CAUSES

CLIMATE RISK AREA	EXAMPLE CAUSES	EXAMPLE CONSEQUENCES
TRANSITION CLIMATE RISKS		
 Policy & Legal	Change in government policy or regulation (such as increased pricing of GHG emissions; introduction of international border tariffs) and/or changing stakeholder expectations	<ul style="list-style-type: none"> – Increased operating costs – Write-offs, asset impairment and potential stranding or early retirement of assets – Reduced investor confidence and/or increased cost of capital – Increased scrutiny and contestation of applications for licenses and permits – Customers fuel switching to lower carbon options – Increased reporting and compliance burden
 Technology	Substitution of existing technology and gas with lower emissions options	<ul style="list-style-type: none"> – Reduced demand for gas/fuel switch by customers and consumers – Write-offs, asset impairment and potential stranding or early retirement of existing assets – Increased expenditure and capital investment in technology – Costs to adopt new practices/processes
 Market	Changing customer, consumer and community behaviour and expectations, continued uncertainty in market signals and/or increased cost of raw materials	<ul style="list-style-type: none"> – Reduced demand for gas or contract length – Exposure of some customers to fall in credit rating – Increased development and operating costs or increased cost of capital
 Reputation	Increasing stakeholder concerns, shifts in investor and consumer preferences, stigmatisation of gas and sector or government policy uncertainty	<ul style="list-style-type: none"> – Reduced investor confidence – Increased cost or access to capital – Gas moratoriums, reduced/delayed revenue – Negative employee value proposition adverse media coverage – Increased opposition to new projects and/or increased litigation
PHYSICAL CLIMATE RISKS		
 Acute	Increased severity of weather events	<ul style="list-style-type: none"> – Reduced revenue from production and supply chain interruptions – Higher costs from negative impacts on workforce – Increased costs or write-offs from damage to assets or increased insurance premiums and potential for reduced availability of insurance on assets in "higher risk" locations
 Chronic	Changes and variability in weather and precipitation patterns, rising temperatures and/or rising sea levels	<ul style="list-style-type: none"> – Reduced revenue from production and supply chain interruptions – Higher costs from negative impacts on workforce – Increased costs or write-offs from damage to assets or increased insurance premiums and potential for reduced availability of insurance on assets in "higher risk" locations



Badgingarra Wind Farm, Western Australia

SCENARIO ANALYSIS AND RESILIENCE TESTING

In FY2021, in line with the TCFD scenario analysis recommendations, APA published our first [Climate Change Resilience Report](#). The Report provides a comprehensive analysis of the resilience of APA's current asset portfolio under three divergent climate scenarios to 2050.

The analysis highlighted that:

- APA's current asset portfolio remains robust under all scenarios – including the 1.5°C scenario – with the portfolio benefiting from contracts currently in place
- Compared to the Net Present Value² of cash flows from APA's Carrying Value Case (CVC)³:
 - Whilst the 1.5°C demand scenario results in somewhat reduced revenues from 2040 there is no impairment⁴ impact on the APA asset portfolio
 - the 2-3°C scenario has an immaterial impact
 - the >4°C scenario leads to a positive impact.
- By FY2040, if the 1.5°C scenario pathway were to eventuate, revenue would be somewhat reduced when compared to revenue forecast under APA's CVC.
- Under the 2-3°C and >4°C scenarios, revenue impact is more gradual, with most revenue changes occurring in the decade leading to FY2050.
- All three scenarios present diversification opportunities for APA into electricity technologies and infrastructure
- Under all modelled outcomes, there is no impairment⁵ impact on the APA asset portfolio

2. Assessment based on discounting ungeared pre-tax cash flows by the pre-tax discount rate disclosed in the FY2020 Financial Statements Note 13.

3. Forecast of revenue and costs associated with APA's existing asset portfolio as at FY2020. This case has been used to assess asset impairment as detailed in FY2020 Financial Statements Note 13. For the purpose of this Report and analysis, this case is used as the baseline case to test resilience. The CVC assumes business as usual within the existing asset portfolio with no strategic acquisitions or decisions made by APA during the period, including maintaining a consistent asset footprint and cost base throughout.

4. Further information on CVC and impairment analysis can be found in the FY2020 Financial Statements Note 13.

5. Further information on CVC and impairment analysis can be found in the FY2020 Financial Statements Note 13.

CLIMATE CHANGE AND ENERGY TRANSITION CONTINUED



RESPONSIBLE CLIMATE ADVOCACY

APA is an advocate for action on climate change and a net zero future. We support efforts towards decarbonisation of the energy system, and the development and deployment of new technologies to support this transition.

Natural gas will play a critical role in the energy transition as a companion to renewable generation, whilst gas infrastructure will be essential to our ability to move the clean energy molecules, like hydrogen, around the country.

Accordingly, in FY2021 APA has actively contributed to the public discussion about the importance of gas in supporting the deployment of renewables, advocated for the development of a hydrogen economy and discussed the critical role that gas infrastructure will play in supporting the deployment of new technologies of the future.

This includes submissions to the Federal Government’s National Gas Infrastructure Plan, the inquiry into the development of a hydrogen industry in New South Wales by the Legislative Council’s Standing Committee on State Development and presentations at major industry conferences, including the Australian Hydrogen Conference, the Connecting Green Hydrogen Conference and the Australian Domestic Gas Outlook conference.

During FY2021, APA joined a number of other climate related initiatives, including the [Australian Industry Energy Transitions Initiative](#) and the Bioenergy Australia and Australian Hydrogen Council’s [joint letter to the Commonwealth Government](#), advocating for renewable gas to be prioritised as part of Australia’s Technology Investment Roadmap.



Signatories calling for Australian biomethane market development



Waltumbilla Gladstone Pipeline, Queensland

Reviewing our FY2021 emissions performance

Emissions footprint

Each October, APA reports under the National Greenhouse and Energy Reporting Act 2007 (NGER Act) to the Australian Clean Energy Regulator. Our FY2021 NGER submission is currently being prepared and will be lodged with the Regulator by 31 October 2021.

In FY2020, on balance our total emissions footprint remained relatively stable compared with the previous year, with gross scope 1 and 2 emissions rising 0.22% from FY2019. This comprised of:

- **Scope 1 emissions which increased by 7.5%** from 1,229,923t-CO₂e to 1,322,249t-CO₂e. This was primarily due to: the Orbest Gas Processing Plant becoming operational in March 2020; an increase in the gas used to generate electricity at Daandine Power Station due to increased customer demand; and an increase in gas combustion on the Goldfields Gas Pipeline due to increased gas throughput and a new compressor becoming operational.
- **Scope 2 emissions which decreased** from 176,980t-CO₂e to 87,765t-CO₂e largely due to the adoption of a more refined calculation method applied in FY2020. Using the existing metering data, the calculation method better reflects actual emissions associated with line loss on the Murraylink Interconnector and will be applied from FY2020 onwards.

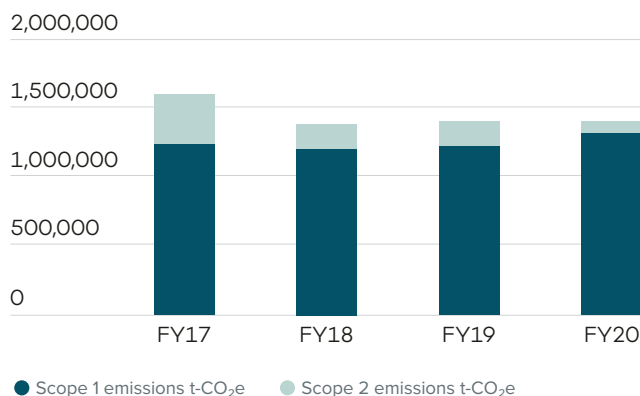
Under the NGER Act 'Safeguard Mechanism', 78% of APA's Scope 1 emissions came from assets covered by an emissions-limiting Safeguard baseline in FY2020.

The slight net increase in energy consumed between FY2019 to FY2020 was largely due to two factors: a refinement in the methodology used to calculate energy produced and consumed at the Kogan North Gas Processing Facility; and increased energy produced and energy consumed at Orbest.

Under the Sustainability Roadmap, a dedicated emissions report "Future Readiness" work stream will focus on continual improvements to our emissions accounting and management.

To further improve transparency, in FY2021, the disclosure scope of APA's climate indicators was expanded, including details of Scope 1 emissions contributions from our Power Generation Assets. See Sustainability Data Tables for further information.

TOTAL SCOPE 1 & 2 EMISSIONS FOOTPRINT (t-CO₂e)



CLIMATE CHANGE AND ENERGY TRANSITION CONTINUED



ANNOUNCED PILOT PROJECT
TO MAKE AUSTRALIA'S FIRST

100% HYDROGEN READY

transmission pipeline.

Emissions Compliance

In FY2020, a voluntary independent audit found no non-compliances with the accuracy of FY2020 NGER data of all APA facilities. The audit included a deeper assurance process on six complex APA reporting facilities. In FY2021, APA was also selected and audited by the Clean Energy Regulator's audit program for FY2019 NGER reporting. This audit identified three material non-compliances relating to emissions and energy methods applied to our Kogan North Gas Processing Facility, precipitating a Warning Letter.

Since then, the root cause of the auditor's areas of concern have been addressed. An internal 'Fresh Eyes Review' identified a number of opportunities for improvement, which are being progressively put into action.

We resubmitted our FY2019 NGER report with restated gross Scope 1 emissions, Energy Produced and Energy Consumed. We also applied the new measurement processes and method changes to our FY2020 NGER report.

To further enhance analysis, emissions management and data integrity are being improved as a part of our new Climate Change Management Framework.

Supporting a lower carbon future and the energy transition

Establishing APA's Pathfinder Program

During FY2021, APA established the Pathfinder Program to seek out opportunities to extend APA's core business through innovation, technology and new energy opportunities. Pathfinder has an initial focus on clean molecules, storage and off-grid microgrids, supporting pilot projects, equity investments and research and development.

Under the Pathfinder Program, APA has already announced a number of new initiatives, including a landmark [hydrogen pilot project](#) to make a section of the Parmelia Gas Pipeline in Western Australia 100% hydrogen-ready (see Case Study).

Through Pathfinder, APA has also joined the [Hunter Hydrogen Network \(H2N\)](#), a large-scale hydrogen production, transportation and export project that proposes to enable the development of the hydrogen economy in the Hunter Valley, in partnership with hydrogen users and exporters. The proposal is looking at opportunities to create a 'hydrogen valley' around the renewable energy resources of the Central West, New England, and the Hunter-Central Coast renewable energy zones.

Pipeline materials being tested at the University of Wollongong

Case Study

Advancing the energy transition

APA is a proud sponsor of the Net Zero Australia (NZAu) project, announced in June 2021. The NZAu project is a collaborative partnership between the University of Melbourne, the University of Queensland, Princeton University and management consultancy, Nous Group, to analyse how Australia can achieve a net zero economy by 2050.

The project is based on Princeton University's Net-Zero America study, and will analyse a range of scenarios, to a net zero future, assessing the progressive impacts of each scenario on emissions, infrastructure, costs, employment, land use and air pollution in high geographic detail.

The project will also assess how Australia might export clean energy and low emission products, contributing to global decarbonisation.

Case Study

Hydrogen in the Parmelia Gas Pipeline

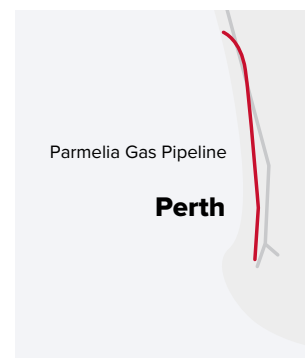
In February 2021 APA [announced](#) a landmark hydrogen conversion pilot project to turn 43-kilometres of Parmelia Gas Pipeline in Western Australia into Australia's first 100% hydrogen-ready transmission pipeline. The project aims to make the Parmelia Gas Pipeline one of only a few natural gas transmission pipelines converted to 100% hydrogen-ready in the world.

Phase 1 of the project is already complete. Pipeline materials were tested at a laboratory in the University of Wollongong and compared against the US standard for hydrogen pipeline design to confirm the technical viability of the pipeline material to transport hydrogen.

Phase 2 will focus on how the pipeline can be converted to transport hydrogen including: identifying the above ground equipment modifications required; defining allowable operating conditions; and beginning stakeholder engagement with potential customers, the community and the State regulator.

Phase 3 will prepare the pipeline for transformation, including rigorous in-situ testing and completing any modifications or upgrades required to meet technical, regulatory or customer requirements identified during Phase 2.

APA is continuing our partnership with Future Fuels CRC to deliver Phase 2 of the project, leveraging its extensive knowledge and international industry connections.



The Parmelia Gas Pipeline (PGP) in Western Australia



What's next?

FY2022 strategic priorities

- Develop a detailed plan to achieve net zero
- Set interim targets to 2030 to support net zero ambition
- Complete a hydrogen feasibility study



APA IS A PROUD SPONSOR OF
**NET ZERO
 AUSTRALIA
 PROJECT**

COMMUNITY & SOCIAL PERFORMANCE

APA is well-placed to contribute to strong communities and be a respected community partner. As a priority, we are building our social performance capabilities to demonstrate our leadership in responsible energy.



**STRENGTHENED
COMMUNITY &
SOCIAL PERFORMANCE
CAPABILITY**



**ESTABLISHED OUR
STAKEHOLDER
ADVISORY PANEL
AND FORUMS**



**IDENTIFIED
SHORT TERM
OPPORTUNITIES**

*to improve CSP performance through
our interim Community and Social
Performance Program*



**CONTRIBUTED
\$730,000+**

*to community causes and in response to
natural disasters*



**STRENGTHENED
LOCAL AND
INDIGENOUS
PARTICIPATION**

considerations in key projects

Induction at Badgingarra Solar Farm, Western Australia

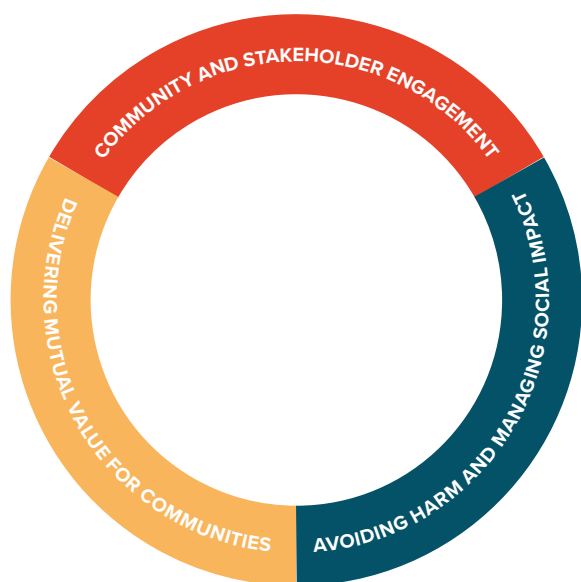
Strengthening Community & Social Performance

Community and Social Performance (CSP) is core to our ability to deliver on our purpose of strengthening communities through responsible energy, mindful that strong and positive relationships with our stakeholders are key to our success. Strengthening our approach to CSP is a high priority, requiring us to understand and work with communities to manage our impacts and deliver outcomes which reflect their values, needs and aspirations.

To gain momentum and demonstrate commitment, in FY2021 we introduced an interim plan to leverage existing capability and support existing business activity. This interim plan focuses on piloting new practices in approach to local content and Indigenous engagement, introducing sustainable development principles, and taking a more participatory and inclusive approach to working with stakeholders.

A CSP Strategy is now being developed to:

- Strengthen our CSP expertise and capability
- Build a new CSP management system, with enhanced standards, a formal grievance management approach and better measurement and monitoring practices
- Enhance consultation techniques and shift engagement to be more proactive and relationship focused
- Make sure we consider CSP early in business processes and decision-making
- Shift social investment to focus on sustainable development outcomes



Our approach to community and social performance has three key considerations

Community and stakeholder engagement

APA gains trust and confidence by listening to our stakeholders and proactively considering and responding to their needs. During FY2021, a range of new initiatives were introduced, including the Stakeholder Advisory Panel and the CSP Plan currently under development.

The Energy Charter

In APA's [Customer Promise](#), we say: "what's good for the customer, is good for the business". This is why APA is a founding member of the [Energy Charter](#), a national CEO-led collaboration that supports better outcomes for energy customers.

In September 2020, APA submitted our second [disclosure report](#) under the [Energy Charter](#). While good progress was made on a number of commitments, this FY2020 Report noted not all of the customer commitments made in our Energy Charter FY2019 Disclosure Report were met in what was a challenging year impacted by COVID-19.

The Accountability Panel's FY2020 Report sets out industry recommendations for continuous improvement. In response, APA implemented a Stakeholder Engagement Framework, including establishing a Stakeholder Advisory Panel (see Case Study) and biannual stakeholder engagement forums. The Framework goes above and beyond compliance requirements, extending stakeholder engagement to a broad range of participants, including customer and consumer advocates, business advocates, local communities, land owners and government.

APA also contributed to the Energy Charter's [#Better Practice Landholder and Community Engagement Guide](#). This collaborative effort between industry and landholder representative groups will help to drive the respectful engagement required to design, develop, deliver, operate and maintain our new or existing energy assets.

As part of our ongoing commitment to customers, APA will submit our FY2021 Disclosure Report to the Energy Charter in September 2021 and publish it on our website.



COMMUNITY & SOCIAL PERFORMANCE CONTINUED

Case Study

Introducing our new stakeholder engagement panel

Our new Stakeholder Advisory Panel, which was established and met for the first time in May 2021, provides a forum, outside the regulatory process, where APA can both share information with stakeholders and the broader community, and also gain insights about their interests, concerns and expectations.

Establishing this Panel is a significant milestone for APA in engaging with stakeholders outside of regulatory processes, representing a step-change in how we engage with our customers, consumers and the communities in which we work. Our inaugural Panel comprises senior representatives from a range of high-profile and diverse Australian organisations:

- Council of Small Business of Australia
- St Vincent de Paul
- National Native Title Council
- Australian Energy Council
- Clean Energy Finance Corporation
- Energy Users Association of Australia
- Chamber of Minerals and Energy of Western Australia

In June 2021, we also held our inaugural Stakeholder Engagement Forum, hosted by our CEO, Rob Wheals, and five Group Executives. At the Forum, APA shared information about our business strategy, policies and programs, net zero ambition, climate change management and regulatory resets. Stakeholders had an opportunity to ask questions and offer feedback. These events, which will be held twice a year, will allow us to regularly reach a broader range of stakeholders, including customers, consumer and business advocates, landowners, policy makers and regulators.

Engaging with communities

To build community trust, we must understand and effectively manage the impacts we have on communities. In this respect, we intend to exceed the minimum standard of regulatory compliance and work to better understand and consider community concerns and values in the way we work.

In FY2021, APA had a presence across more than 170 Australian Local Government Areas. More than 350 townships are located within 10km and more than 550 townships within 25km of an APA asset⁶. We recognise the importance of considering all the stakeholders in this vast geographic footprint, including landholders, Traditional Custodians and local communities.

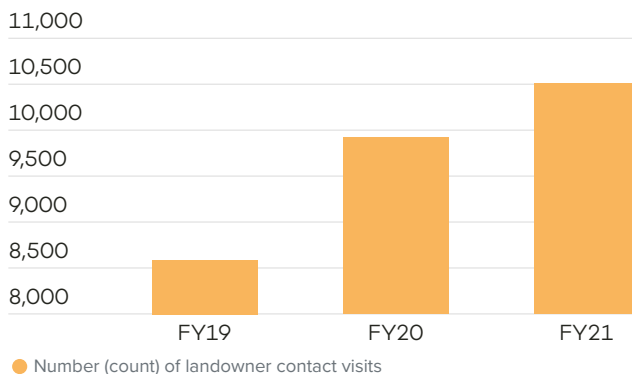
LANDHOLDER ENGAGEMENT

APA engages regularly with pipeline landholders to keep them up to date and support safety outcomes when people are working near our assets. In FY2021, our annual Landholder Contact Program continued to run, sharing operational information with landholders, providing Dial-Before-You-Dig information and allowing landholders to update APA about their activities, access and notification requirements, and raise any concerns.

In response to COVID-19 and natural disaster restrictions in FY2021, we adopted a more flexible approach, maintaining face-to-face visits where possible, but switching to phone “visits” where necessary to maintain continuity which increased total landholder contact visits to 10,538.

Other improvements made to the Program in FY2021 included: setting earlier start dates for landholder visits; reducing the time between contacts; and, where possible, maintaining the same APA point of contact for individual landholders to support trusted relationships.

NUMBER OF LANDOWNER CONTACT VISITS



6. Townships are defined as towns 200 people or above.



Case Study

Operating with social awareness

During FY2021, an APA contractor in our Victorian Networks team was knocking on doors to let residents know about a supply interruption. After becoming concerned about the living conditions of an elderly resident, our team member escalated the issue for further investigation. Working with a local St Vincent de Paul officer, we made contact and discovered the resident only spoke French. Through the Melbourne French Consulate, we found a translator for the resident and have been able to drastically improve his living standards, including providing a new mattress, clothing and food.

Matthew Forrest, General Manager Energy Solutions Power asks a question at the APA leadership conference



10,538

TOTAL LANDHOLDER CONTACT VISITS



Construction on the Reedy Creek Pipeline, Queensland

COMMUNITY & SOCIAL PERFORMANCE CONTINUED

Focussing on sustainable development and First Nations people

In the coming year, we will develop dedicated strategies to define our approach and outcomes in relation to First Nations People and Sustainable Development.

Our **First Nations Plan** will guide our approach for APA engagement with our First Nations stakeholders, including Indigenous employees, communities and stakeholder groups. It will also provide the foundations for achieving stronger local outcomes and contributing to reconciliation.

Our **Sustainable Development Strategy** will evolve our approach to social investment to guide more meaningful and impactful outcomes for our communities, strengthening alignment to business activities and priorities, and enhancing measurement and focus.

Case Study

Strengthening the way we work with Traditional Owners

The Northern Goldfields Interconnect (NGI) Project is a 580km pipeline project from east of Geraldton to connect to the Goldfields Gas Pipeline north of Leonora in Western Australia, with construction planned in FY2022. Projects like the NGI give APA important opportunities to strengthen communities and be a positive agent of social change.

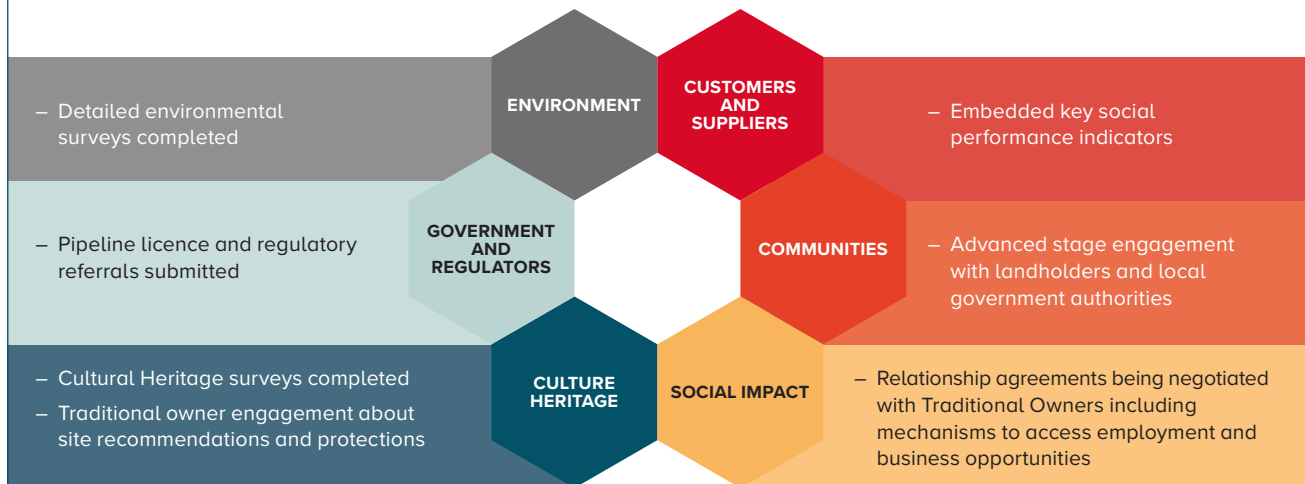
The proposed pipeline will pass through the lands of multiple Traditional Owners. Going beyond regulatory obligations, the NGI project has offered each Traditional Owner group the opportunity to enter into 'Relationship Agreements' applying principles of Free, Prior and Informed Consent. The Relationship Agreements consider the recommendations from the '[Never Again Report](#)', reflect APA's consultation with each individual group and typically include things like mechanisms for greater

access to employment on the project, opportunities for businesses engagements and agreed approaches to cultural heritage protection.

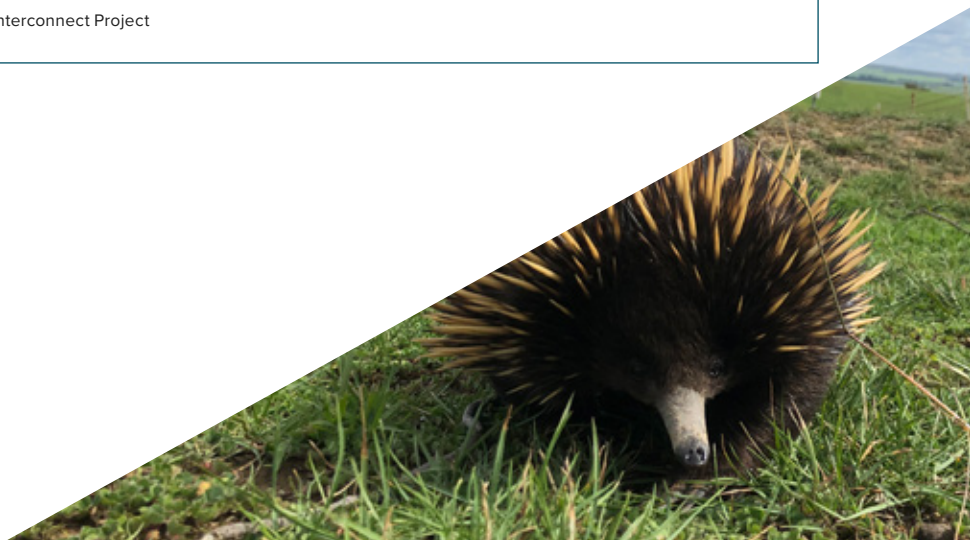
Working in collaboration with Traditional Owners and internal and external specialists, the NGI team is also taking a comprehensive approach to cultural heritage engagement, site recommendations and protections.

Sustainable development outcomes for Traditional Owners include:

- Tender and contract requirements for contractors to maximise employment and business opportunities for Traditional Owners
- Targeted employment forums
- Increase opportunity for participation by Traditional Owners' businesses



Strengthening communities on the Northern Goldfields Interconnect Project

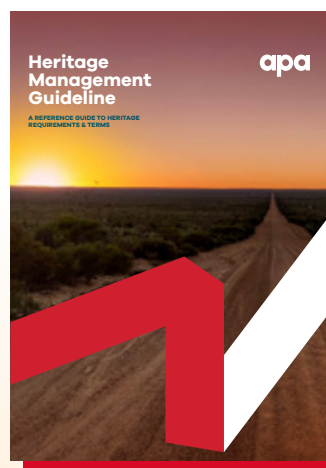


Heritage management

In FY2021, APA implemented a business-wide Heritage Improvement Program focused on integrating heritage requirements into business practices, raising awareness of heritage issues and improving the quality of and access to heritage data for risk assessment purposes. New initiatives include:

- A revised Heritage Framework, with a heritage standard, procedure and state based/national guidelines. The Framework clarifies heritage requirements and management measures, drives consistency across the business and offers the business practical tools. It will be further developed and rolled out in FY2022.
- An awareness package to educate employees on the various types of heritage (natural, historic and cultural), the value of heritage and APA's responsibilities. The package will be disseminated across the business in FY2022.

Aerial pipeline patrol,
Northern Territory



Our Heritage Guidelines drives consistency across the business

Case Study

Cultural heritage repatriation on the VNIE Project

During FY2021, APA began the final stage of our Cultural Heritage Management Plan for the Victorian Northern Interconnect Expansion (VNIE) project in Victoria. APA worked closely with Elders from the Taungurung Land & Waters Council (TL&WC) in the Wandong to Seymour region to return more than 2,200 cultural heritage artefacts to their ancestral locations.

At the repatriation ceremony, our staff – who were kindly permitted to attend by the TL&WC – heard storytelling and discussions about the artefacts. The entire process has raised awareness of Indigenous values and the importance of repatriation across our business.

Repatriation activities are continuing, with the second stage of the program underway in FY2022.

COMMUNITY & SOCIAL PERFORMANCE CONTINUED

Partnerships and employee contributions

In FY2021, we continued our long-standing partnerships and sponsorships with the [Australian Brandenburg Orchestra](#), [Taronga Conservation Society Australia](#), [the Clontarf Foundation](#) and the [Fred Hollows Foundation](#).

Australian
Brandenburg
Orchestra



clontarf
foundation

TARONGA
CONSERVATION SOCIETY AUSTRALIA

For the Wild



The Fred Hollows
Foundation

With a workforce of more than 2,000 people across mainland Australia, our sites and offices regularly participate in community initiatives and fundraisers. Our FY2021 community contributions were:

FY2021 COMMUNITY CONTRIBUTIONS

INVESTMENT TYPE	APA CONTRIBUTION	PARTNER/ BENEFICIARIES
Sustainable Development Investments Outcomes focused on: <ul style="list-style-type: none"> – Strengthening outcomes for First Nations People – Responding to natural disasters, and building community resilience for future events – Building resilience in regional Australia 	\$371,394	<ul style="list-style-type: none"> – Clontarf Foundation – Fred Hollows Foundation – Indigenous Australia Program – Red Cross Natural Disaster Fund – Rural Aid – Biz Rebuild – Channel Country Ladies Day
Sponsorships and Donations	\$346,000	<ul style="list-style-type: none"> – Australian Brandenburg Orchestra – Taronga Conservation Society – Mission Australia – The Salvation Army – Oz Harvest – Beyond Blue – The Benevolent Society – Sydney Street Choir – Various community organisations
Employee Driven Initiatives (matched giving)	\$15,000	<ul style="list-style-type: none"> – Movember Foundation – Biggest Morning Tea (Cancer Council)
Employee Volunteering	In kind - Employee time	<ul style="list-style-type: none"> – National Reconciliation Week – NAIDOC – Sydney Street Choir – Fred's Big Run – Gibson Island Rehabilitation Project
	In kind – blood and/or plasma donations	<ul style="list-style-type: none"> – Red Cross Blood Drive
Total	\$732,394	



Tony Galvin, APA Trainee

Case Study

Toowoomba Clontarf Traineeship

In FY2021, APA deepened our partnership with the Clontarf Foundation, via our first school-based traineeship. Tony, an 18-year-old Year 12 student, began as a Trainee with APA in April 2021. He will complete high school while undertaking a civil construction qualification and working onsite with APA one day per week. Tony is being mentored by our Toowoomba team as he works across the business where he is installing new gas services, laying gas mains, dealing with customers and participating in pipeline patrols. At the end of the process, he will be qualified with an assortment of licences (e.g. truck and forklift) and real-world experience, opening up opportunities for future full-time employment with APA or elsewhere in the civil engineering or gas industry.

For Tony, the Trainee experience will build his skillset and help him to choose a future learning pathway. "It's an exciting opportunity, helping me to understand how to work safely in the energy industry," he says. "I'm working with a great crew. They give me the opportunity to problem solve things myself before they step in. I'm also learning to drive the trucks, skid steer loader and excavator, which is pretty cool."



"I'm working with a great crew. They give me the opportunity to problem solve things myself before they step in. I'm also learning to drive the trucks, skid steer loader and excavator, which is pretty cool."

Tony Galvin, APA Trainee

What's next?

FY2022 strategic priorities

- Develop and commence implementation of CSP Strategy (2022-2025)
- Develop and commence implementation of Sustainable Development Framework
- Develop First Nations Plan
- Continue delivering our two-year Heritage Improvement Program

OUR PEOPLE

We are striving to create a world-class, healthy, safe, inclusive and diverse place to work. Responsible energy starts with a company where people are proud to work.



LAUNCHED
**INCLUSION
AND DIVERSITY
STRATEGY**



INCREASED SENIOR LEADERSHIP
FEMALE REPRESENTATION BY
6.9%
to 26.7%



RECORDED
**ZERO
INCIDENTS**
of discrimination



LAUNCHED
**NATIONAL
APPRENTICESHIP
PROGRAM**



RANKED
8TH
MOST POPULAR
Intern Employer (Small)



MAINTAINED OUR PLACE IN THE
TOP 100
*Graduate Employers, rising
8 spots to 92nd*



APA Apprentice, Josh, checking a safety lockout tag is in place

Launching our Inclusion & Diversity Strategy

During FY2021, APA launched our Inclusion & Diversity Strategy for 2020 – 2025, underpinned by our Inclusion & Diversity Plan. APA has a clear vision for embracing diversity and building an inclusive culture, so all our people feel safe, valued and trusted to do their very best every day, to deliver on our vision of being world-class in energy solutions.

Four pillars of APA's Inclusion & Diversity Strategy are:

1. **Gender Equity** – We create a level playing field, giving all employees the same chance to reach their potential.
2. **Flexibility** – We encourage flexible ways of working and empowering our people to think differently about where, when and how they complete work to meet their professional and personal goals and priorities.
3. **Inclusive Culture** – We build an inclusive culture that values all people and addresses biases.
4. **Inclusive Leadership** – We make sure our people feel a sense of belonging, are treated fairly and respectfully, and every voice is heard and valued.

Work has commenced and in FY2021 APA:

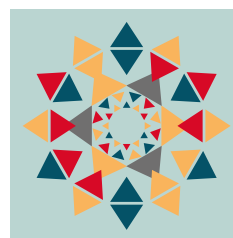
- Updated our Gender Target Action Plan (GTAP), including setting new targets, and launched to coincide with International Women's Day. The new GTAP focuses on: taking a strategic sourcing approach; offering women networking and development opportunities; and removing bias from our people processes
- Updated our Flexibility Procedure to reduce formal approvals and encourage people to consider more flexible ways of working
- Ran awareness programs with APA leaders
- Empowered managers with Team Talk toolkits to share the Inclusion & Diversity Strategy and discuss how their teams can be more inclusive



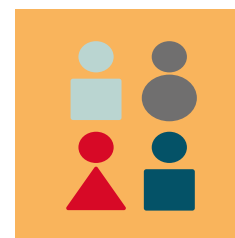
Gender Equity



Flexibility



Inclusive Culture



Inclusive Leadership

OUR PEOPLE CONTINUED



APA Apprentice, Annika,
in the workshop at Eagle
Farm, Queensland

Supporting our people

Diversity performance

In FY2021, under APA's Gender Target Action Plan (GTAP)⁷, female representation in the Senior Leaders⁸ category increased by 6.9% up to 26.7%, moving APA closer to our goal of 30% female representation by 2025. APA's female representation among total employees rose slightly from FY2020 to FY2021, to 29.3%. This figure has remained relatively flat, signalling we have more work to do to meet our target of 40% by 2025.

In our broader workforce⁹, a key challenge is increasing the gender balance of our employees in operational divisions, which have a large proportion of STEM discipline roles, where women are underrepresented across industries. In FY2021, only 23% of employees in operational divisions identified as female, compared with 47% in our corporate divisions. In the coming year, APA will continue to focus on attracting, developing and retaining women at APA via our GTAP.

APA's age diversity is skewed too, with 93% of employees 30 years of age and over. This is being addressed through programs to attract young talent, such as work experience and traineeships, APA's Graduate Program and our new National Apprenticeship Program.

From FY2020 to FY2021, APA's voluntary employee turnover remained unchanged at 7%, below the Australian turnover rate of 8.2% to February 2020.

2021 DIVERSITY BREAKDOWN¹⁰

	GENDER %		AGE GROUP %			% IDENTIFY AS INDIGENOUS
	MALE	FEMALE	<30 YEARS	30-49 YEARS	>50 YEARS	
Full APA Board (including non-executive directors)	63	37	0	0	100	0
All Employees	71	29	7	59	34	<1
Executive Leadership Team	63	37	0	50	50	0
Senior Leaders	75	25	0	60	40	0
Other Employees	71	29	8	59	33	<1
DIVISIONAL DIVERSITY						
Operational Divisions	77	23	7	57	36	<1
Corporate Divisions	53	47	8	65	27	0

7. Effective Date is as of 31 March 2021 as per WGEA submission. GTAP metrics align with Workplace Gender Equality Agency (WGEA) reporting rules in which only the Australian workforce is included. "Senior Leaders" metric includes Executive Leadership Team (ELT) members.

8. Senior Leaders are "Other executives/general managers" and "senior managers" (excluding 5 ELT members) as reported to WGEA.

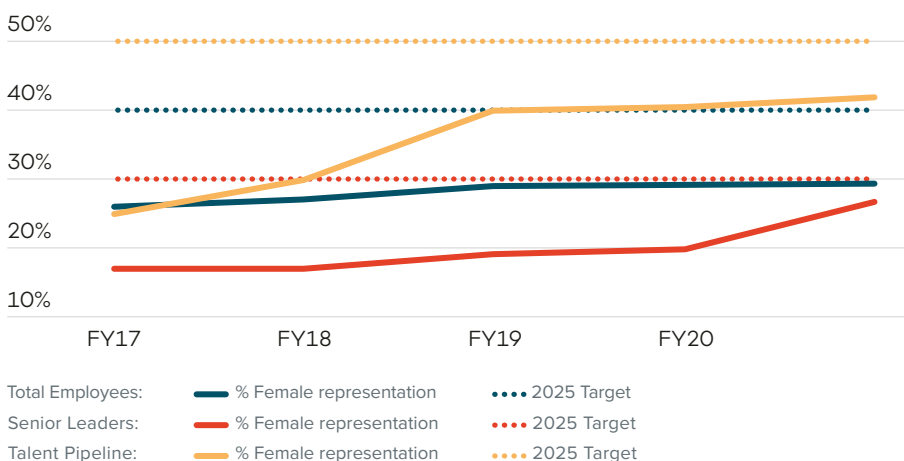
9. Effective Date for all measure is as of 30 June 2021. "Senior Leaders" metric excludes Executive Leadership Team (ELT) members.

10. Effective Date for all measure is as of 30 June 2021. "Senior Leaders" metric excludes Executive Leadership Team (ELT) members.

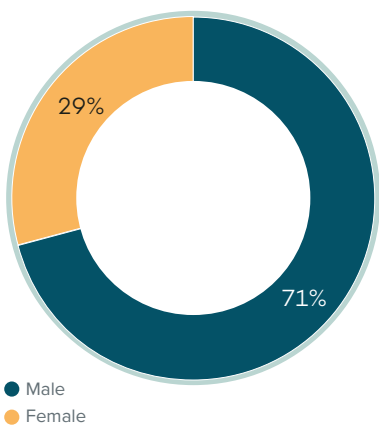


APA senior leaders discussing the APA behaviours at the APA leadership conference

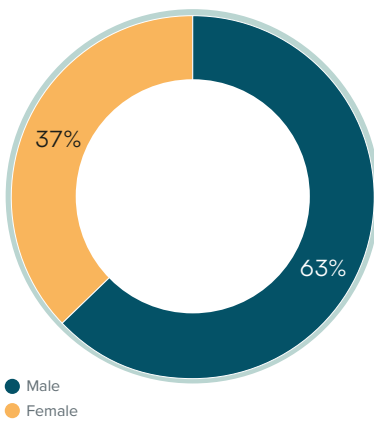
GENDER TARGET ACTION PLAN PERFORMANCE



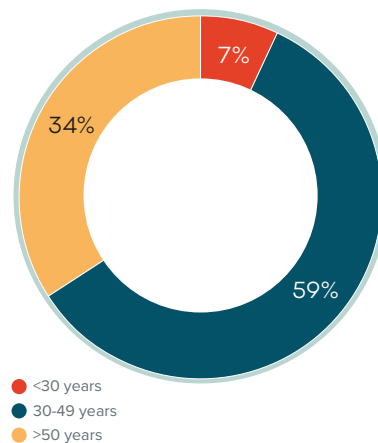
FY2021 GENDER DIVERSITY OF APA EMPLOYEES



FY2021 GENDER DIVERSITY OF APA EXECUTIVE LEADERSHIP TEAM



FY2021 AGE DIVERSITY OF APA EMPLOYEES



OUR PEOPLE CONTINUED

New HR digital platform

Early in FY2021, APA launched the first phase of a new Human Resources (HR) information system, called people.connect. This new digital platform provides a real-time, single source of truth for APA people data, using cloud technology to give our people access to self-service tools and reporting information. Two modules, HR Core and Recruitment, have been delivered. Other planned modules, including onboarding, performance, learning, remuneration and talent management, are being re-evaluated in line with our broader IT architecture roadmap.

Freedom of association and collective bargaining

APA gives all our employees the right to choose whether or not to be a member of a union. In FY2021, five of the seven Enterprise Agreements at APA were with unions. To support these agreements, APA provided industrial relations training for operations and construction leaders on Union Right of Entry and other key Fair Work Industrial Relations principles, such as freedom of association and unprotected industrial action.

Anti-discrimination

In line with APA's [Inclusion & Diversity Policy](#) and the APA [Code of Conduct](#), we do not tolerate any form of discrimination or exclusionary behaviour. In FY2021, APA recorded zero incidents of discrimination. For more information on our People & Employment Performance, please see the Sustainability Data Tables in this Report.



“The flexibility afforded us is one of the most valuable things I’ve come to appreciate about working at APA.”

Scott McKenzie, Senior System Analyst



Scott McKenzie, Senior System Analyst, and his son

Case Study

Flexible work in focus

At APA, we know working flexibility looks different for everyone, depending on their own needs and their role, responsibilities and operational requirements. At different times, employees might need flexibility in terms of where, when and how much they work. The importance on this has been highlighted throughout the COVID-19 pandemic. To support all these types of flexibility, in FY2021, APA launched a new, simplified Flexible Working Arrangements Procedure.

The Procedure introduces an important element of trust. It empowers teams to think about where, when and how their work needs to be completed to deliver business and customer outcomes in a way that works for everyone. Importantly, each personalised flexibility agreement is an informal arrangement between that individual and their team leader – it does not affect that person’s employment terms and conditions.

In June 2021, on Flexible Working Day, APA also launched toolkits and support materials to help people find flexible solutions that best work in their teams.

In FY2022, APA will focus on how to make flexibility more available to our field and operational teams.

“The flexibility afforded us is one of the most valuable things I’ve come to appreciate about working at APA.” Scott McKenzie, Senior System Analyst, who works from home two days a week to drop off and pick up his son at school.

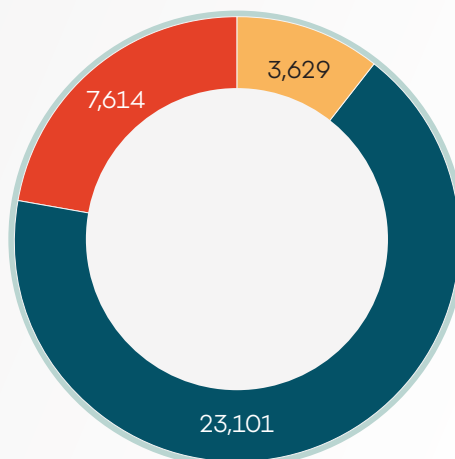


At APA, flexibility looks different for everyone

Investing in APA's future

APA continually develops our people's core compliance, technical and leadership skills. In FY2021, the APA workforce completed 34,343 hours of training, with an average of 16 hours per workforce member.

FY2021 WORKFORCE TRAINING HOURS BY TYPE



- Mandatory APA Compliance Training
- Role-specific training
- Other training



34,343 HRS

OF TRAINING COMPLETED

Leadership training and capability

APA continues to invest in developing our people. In the disrupted months of FY2021, our leadership and professional development were taken online by:

- Investing in a Digital Learning Library with thousands of courses, videos, e-books, and audiobooks that employees can access anytime and from any device
- Delivering our Leading at APA course via virtual workshops, equipping our leaders to have quality conversations. Currently, 38% of people leaders have completed this program, with a target of 70% by December 2021
- Introducing a new workshop, Leading Remote Teams, and a new webinar series, Leading Sustainable Performance in a VUCA World, looking at the science and research behind resilient leadership, sustainable performance and the best ways to manage a crisis and lead teams through cultural change



APA Intern, Mikayla, engaging in field-based learning on the Roma Brisbane Pipeline, Queensland

OUR PEOPLE CONTINUED



APA Apprentices engaging in classroom learning

Technical training

In FY2021, APA offered our people two new accredited training programs through Registered Training Organisations:

1. *Certificate III in Gas Supply for Systems* for operators, providing a greater depth of technical knowledge for technicians working in the field
2. *Certificate III in Warehousing* for all stores employees, providing an introduction to warehousing systems, practices and regulations

Talent pipeline

PROGRAMS TO ENCOURAGE YOUNG TALENT

PROGRAM	FY2021 NUMBERS
Work experience and traineeships	5 students
Refreshed Intern Program	31 interns
Graduate Program	6 graduates 50:50 gender split
New National Apprenticeship Program	6 apprentices (2 female, 4 male)

IGNITE PROGRAM

APA's Ignite Program builds capability in our emerging leader talent pipeline. Launched in FY2020, each year 30 employees, with a 50:50 gender split, are selected across the business as emerging leaders.

In FY2021, our second Ignite cohort started with virtual delivery before participants were able to enjoy an immersive, in person workshop in May 2021. The Executive Leadership Team joined the group to get to know and inspire our future leaders.



APA RECEIVED MORE THAN

1,600

APPLICATIONS

for our refreshed
Intern Program



APA Apprentice, Annika, in the workshop at Eagle Farm, Queensland



Jessica was an Intern with the APA Infrastructure Planning & Approvals team

Case Study

APA recognised as a Top 40 Intern Employer

During the year, APA received more than 1,600 applications for our refreshed Intern Program, selecting 31 interns to participate in the 12-week experience. One of them was Jessica, who joined the APA Infrastructure Planning & Approvals team. Jess said she was attracted to APA because, "It looked like a fantastic opportunity to gain some practical industry experience. I was particularly interested in the Access and Approvals team as I have been exposed to cultural heritage management, Native Title concepts and regulatory processes throughout my studies and wanted to learn how these principles were applied to large scale projects."

In May 2021, the Program placed 32nd in the [Australian Association of Graduate Employers Top 40 Intern programs list](#) – ahead of other well-known brands. APA was also recognised in the [GradConnection Most Popular Intern Employer](#) - Small award category for 2021, placing 8th overall.

Case Study

APA a Top 100 graduate employer

Each year, GradConnection partners with the Australian Financial Review to compile a list of the Top 100 Graduate Employers. In February 2021, APA continued to be recognised as having a top-performing graduate program, maintaining our [GradConnection Top 100 Graduate Employers ranking](#) listing at 92nd, up eight spots from FY2020.

David Baker, an IT Graduate on the APA Graduate Development Program said, "From hands-on technical work to client facing and leadership building experiences, APA's Program is well structured yet flexible, encouraging you to build connections and expand your knowledge into different areas of the business."

David Baker, APA IT Graduate



What's next?

FY2022 targets

- 100% of APA leaders complete "Leading at APA" course by end of FY2022
- Progress towards our Gender Action Plan 2025 targets

FY2022 strategic priorities

- Define and implement the right HR operating model to deliver effective and efficient HR Services to the business
- Launch new APA Behaviours and embed a new Culture Program of Work, high-performance goals and other people processes
- Continue rolling out the new Performance & Reward Strategy with a focus on high performance, accountability and KPIs



HEALTH & SAFETY

Construction on the Reedy Creek Pipeline, Queensland

We are committed to providing workplaces that are free of injuries and support the good health, wellbeing, respect and inclusion of our employees, contractors and visitors.



RECORDED
ZERO FATALITIES



APA TRIFR REDUCED BY
30.4%
to 6.33, exceeding target



LAUNCHED
OUR NEW HEALTH & WELLBEING FRAMEWORK



WON
THE 2020 APGA SAFETY AWARD
for Process Safety Fundamentals



INTRODUCED OUR
NEW OCCUPATIONAL HYGIENE PROGRAM



ROLLED OUT PROCESS SAFETY FUNDAMENTALS
to Transmission and Midstream frontline workers



RECORDED
ONE TIER 1 AND TWO TIER 2
process safety incidents

Delivering against our HSEH Strategy

APA is now two years into our three-year HSEH Strategic Plan. Despite the challenges of COVID-19 restrictions, APA continued to improve against each of the five elements of the Plan related to health and safety (see Environment Chapter for Environment and Heritage element).



APA's three-year HSEH Strategic Plan

HSEH Leadership & Culture

In FY2021, we continued to focus on visible safety leadership across our operations. This included conducting a HSEH leadership survey to benchmark APA against industry peers and use the insights to develop a Safety Improvement Program. The survey indicated a maturing safety culture but different “sub-cultures” of safety leadership across APA, identifying pockets of excellence in some areas but poorer safety leadership and practice in others.

The senior leaders of each business area are now working with their teams to address identified areas for improvement, with initiatives such as:

- Integrating safety behaviours into operational work order processes
- Incentivising senior managers to proactively encourage operational teams to communicate difficult or bad news clearly, early and accurately
- Introducing a Stop Work Initiative to empower our workforce to stop work if they see something unsafe

In FY2021, APA integrated the Just Culture Model into our HSEH Management System. Just Culture is a way of working that creates an atmosphere of mutual trust. Under the model, employees are safe to fail and severe consequences for incidents are reserved for behaviour involving defiance, recklessness or malice – not for human error. In future, the model will be used to assess HSEH behaviour during all investigations.

Contractor safety

To improve the safety of APA's contractor workforce, we are shifting towards a partnership approach, aimed to form collaborative relationships with contractors. In FY2021, we established a cross-functional working group to work towards this new relationship style, with a view to advancing our approach to contractor safety management and standardising it between our operating divisions.

During the year, the working group focused on:

- **Improving dialogue:** new ongoing contractor engagement meetings in the Networks division, meeting with larger contractors and improved the flow of health and safety performance information from contractors to APA
- **Awareness and training:** an APA Contractor Management Standard to communicate APA's expected behaviours to our contractors. A complementary e-learning program, due to be rolled out in FY2022, was developed to help our employees manage contractors consistently
- **Transparency and risk management:** working with a world-leading provider of contractor management and supply chain risk management solutions to create an interactive contractor management platform. This will help to improve the visibility of contractor credentials in our procurement processes, ensuring contractors share our safety values and governance arrangements

Technology, Systems & Analytics

In FY2021, APA developed a new [Health, Safety & Wellbeing Policy](#). The policy is supported by our existing, “Safeguard” HSEH Management System, which documents procedures for key HSEH processes and protocols detailing how APA manages specific areas of HSEH risk. During the year, APA commenced a new program to simplify and reduce the number of documents in our HSEH management system while continuing to ensure legislative and standards compliance. The program will also develop easy-to-use system tools.

To further embed health and safety processes, APA also developed mobile apps to simplify journey management and risk identification. In July 2021, a new app will enable people to complete incident and hazard forms easily and quickly in the field.

In FY2021, APA improved our safety incident investigation capability by:

- Introducing regular Serious Incident Review meetings with operational and senior management
- Increasing the number of staff trained in the ICAM investigation method, improving the quality of insights and strength of mitigating actions resulting from incident investigations

APA has improved the way we communicate lessons learned from safety incidents. During FY2021, it became a standard requirement for all Health and Safety alerts and lessons learned from serious incidents and high potential near misses, to be communicated across the organisation. This information is also reported and discussed at both executive and board-level HSEH committee meetings.

HEALTH AND SAFETY CONTINUED

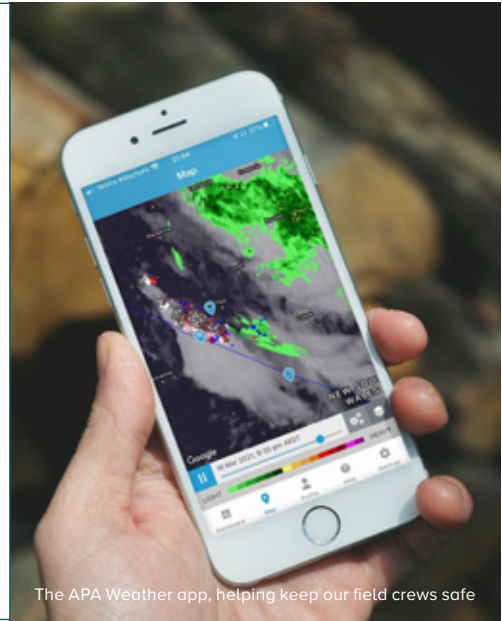
Case Study

APA Weather App

Often in remote locations, many of APA's operational activities are vulnerable to bushfires. To better manage this risk, in FY2021, APA's GIS and operations teams collaborated to develop the APA Weather app.

The app sources data via live weather feeds from the Bureau of Meteorology and bushfire warnings from Bushfire.io on fire danger ratings, current fire warnings/incidents, wind direction, severe weather warnings, thunderstorm and cyclone tracking, lightning strikes, and flood warnings. It then overlays this information in real time on a map of APA's assets, providing our staff with risk updates and early warnings 24/7.

Already, the app has helped to keep field crews safe while working on the early shut down of the Moomba Wilton Pipeline SCC Project due to a severe weather event. Without the app's timely and accurate information, our work crews would have been caught by the incoming severe weather and potentially stranded by access road flooding.



The APA Weather app, helping keep our field crews safe

Process safety

In FY2021, APA rolled out Process Safety Fundamentals to all frontline employees and contractors working on Transmission and Midstream assets. This program will ensure process safety fundamentals are embedded in our asset management process. The roll out to Power assets is scheduled for FY2022.



APA's Process Safety Fundamentals

Process Safety Fundamentals - 2020 APGA Safety Award Winner

During the year, APA received the APGA 2020 Safety Award for our Process Safety Fundamentals, which clearly communicate the most important things our people need to do to manage process safety. The fundamentals are backed by a range of safety processes, brought together using our Safeguard HSEH Framework.



APA received the APGA 2020 Safety Award for our Process Safety Fundamentals

Other process safety milestones during the year included:

- Rolling out Process Safety fatal risk protocol to the business
- Progressing alarm rationalisation to ensure control room operators receive alarms for conditions that require their action (rather than for information) so people give critical alarms the attention they deserve
- Increased use of management of change process, resulting in fewer unauthorised changes occurring in the field
- Developing an eLearning module about process safety aspects across all areas of the business.

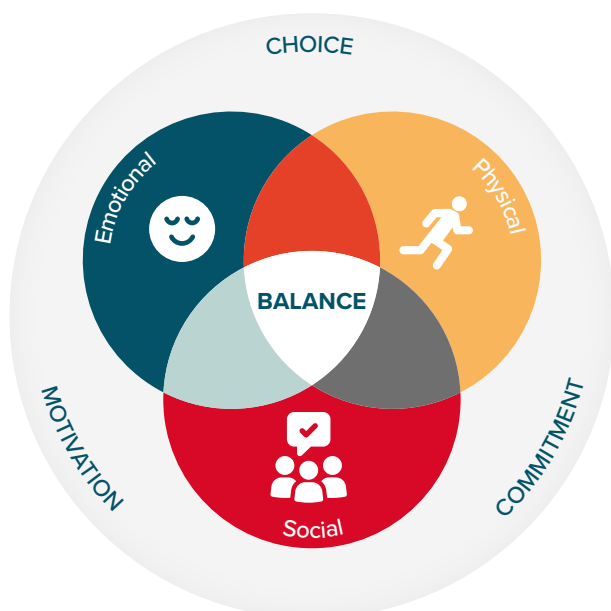
Health & Wellbeing

The pandemic meant FY2021 was a challenging year to sustain employee wellbeing.

During the year, APA appointed a Health and Wellbeing Specialist and launched a Health & Wellbeing Framework, giving us a structure to meet our Health & Wellbeing objective of “Caring for the whole person — at work and beyond”. The Framework covers three pillars of wellbeing:

- **Emotional Wellbeing:** the ability to manage and process feelings to deal with the demands of everyday life
- **Physical Wellbeing:** minimising the effect of illness and injury through a healthy diet, adequate sleep and regular exercise
- **Social Wellbeing:** the ability to form meaningful relationships and stay connected with people who are important to you

A group of “Wellbeing Champions” from across the business will support the implementation of this Framework in FY2022.



APA's Health & Wellbeing Framework components

In December 2020, our Wellbeing Survey showed that, of those employees responding:

- **Emotionally**, 77.9% were experiencing a healthy amount of stress but most were getting well below the national average amount of sleep
- **Physically**, APA employees had lower than average smoking and alcohol consumption rates and, although they were slightly above the national average for physical activity, they still need to move more often
- **Socially**, the proportion of our employees who were feeling lonely, isolated and excluded was well below the national average.

These insights informed the focus of our FY2021 Wellbeing promotion efforts, programs and awareness campaigns, which had a heavier weighting on emotional wellbeing. Key initiatives included:

- Awareness sessions on sleep, mental health and personal resilience
- Information campaigns on:
 - Home-based physical and emotional wellbeing activities to do at home, including Tai Chi, HIIT workout, Workout with the kids and Spine Health
 - Techniques to help manage anxiety
 - Healthy Eating – easy weekday dinner recipes.

This year, APA provided annual flu vaccines in the form of a voucher that could be redeemed at a local pharmacy – an offer taken up by around 25% of APA employees.

OCCUPATIONAL HYGIENE

In FY2021, APA developed an Occupational Hygiene Program to accurately assess health risks at our assets. In FY2022, this Program will begin with risk assessments around chemical handling at our largest assets – and any areas where health risks have already been identified. The Program will help APA to understand whether current controls and health monitoring regimes are adequate and appropriate in each location.

Measuring Health & Safety performance

Following inconsistent safety results in FY2020, with contractor safety performance an area of concern, APA's primary focus in FY2021 was to close the gap between employee and contractor safety performance lag indicators and improve visible leadership through key leading indicators of Management Interactions and Hazard Identification.

Focusing on visible leadership through management interactions provided an avenue for leaders to understand the challenges workers face and how they can be addressed to improve safety performance for all our workforce.

Key lag indicators of safety performance are Total Recordable Injury Frequency Rate (TRIFR), Lost Time Injury Frequency Rate (LTIFR), and fatalities.

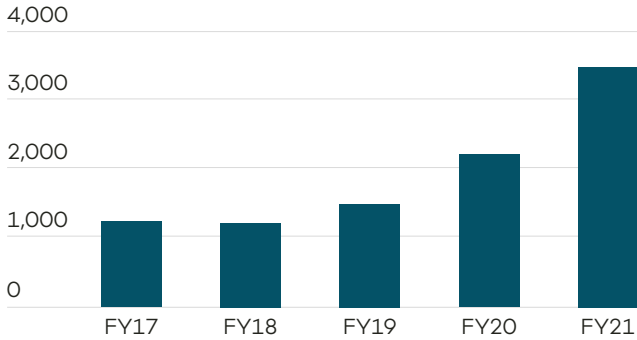
Safety Lead Indicators

In FY2021, APA leaders completed 3,509 Management Interactions, an increase of more than a 50% on the number completed in FY2020. These interactions – where leaders have safety focused discussions on hazard identification, risk mitigation and corrective action mechanisms – help to keep safety front of mind for everyone.

APA personnel and contractors collectively identified and reported more than 3,800 hazards, at a rate of 598 per million hours worked. This increase in hazard reporting demonstrates an improved risk awareness culture while improving risk perception in our workforce.

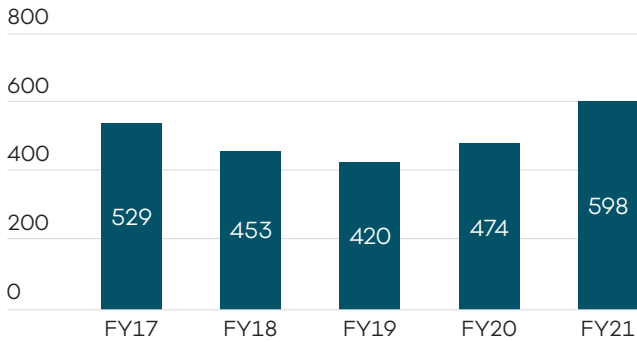
HEALTH AND SAFETY CONTINUED

HEALTH & SAFETY MANAGEMENT INTERACTIONS



● Number of health & safety management interactions

SAFETY HAZARDS FREQUENCY RATE



● Safety Hazard Frequency Rate
Total Hazards Reported / per million hours worked

Safety Lag Indicators

At the end of FY2021, APA’s combined employee and contractor Total Recordable Injury Frequency Rate (TRIFR) was 6.33, a significant improvement from 9.09 in FY2020 meeting our target of <6.5. The reduced TRIFR was driven by an improvement in contractor TRIFR, which fell from 15.63 at year end FY2020 to 8.84 at year end FY2021. Unfortunately, our overall TRIFR improvement was dampened by an increase in APA employee TRIFR compared with last year, rising from 3.82 to 4.63 at the end of FY2021. This was driven by an increase in soft tissue injuries during manual tasks such as hand digging and traversing uneven terrain. This is being addressed via an increased focus on employees overall physical health under the Health and Wellbeing strategic pillar.

Combined TRIFR of 6.33 equates to a total of 39 persons injured requiring medical intervention during the reporting period.

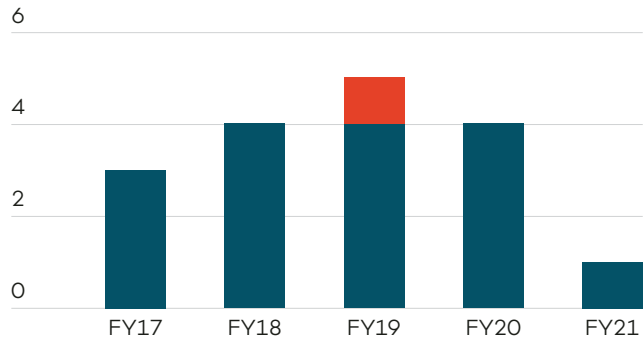
APA ended the year with a combined employee/contractor Lost Time Injury Frequency Rate (LTIFR) of 1.62, above the year-end target of <1.0 and an increase from our FY2020 LTIFR of 1.21. This increase was driven by rising lost time injuries among our employees, with the employee LTIFR increasing from 0.82 in FY2020 to 2.18 at the end of FY2021. This indicates that from the 17 APA persons injured in FY2021, 8 persons required time off work to recover. Contactor LTIFR fell from 1.7 to 0.8 over the reporting period, representing 2 persons from 22 injured requiring time off work.

APA again remained employee and contractor fatality free in FY2021.

SAFETY COMPLIANCE

APA received zero penalty notices and one warning notice (Improvement Notice) in the reporting period. The notice was issued by WorkSafe Victoria in November 2020, associated with deferred flow testing of the fire water pond system at the Orbost Gas Processing Facility. The annual flow test of this safety critical element was deferred due to prevent spread of potential PFAS contamination in pond water, however a management of change risk assessment was not completed to assess the safety implications of this change. This change assessment was conducted immediately upon becoming aware and the flow test has now been completed with no risk to the environment. The Improvement Notice has since been closed out by the Regulator.

SAFETY WARNING & PENALTY NOTICES RECEIVED

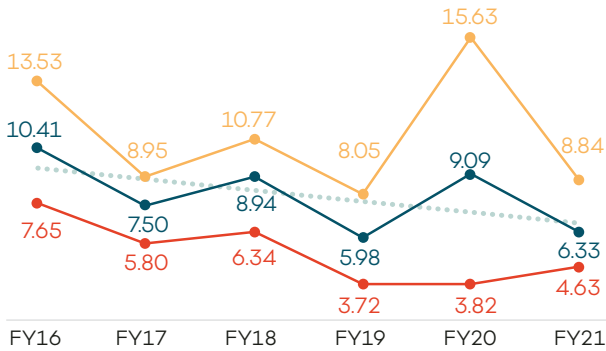


● Safety warning notices received ● Safety penalty notices received



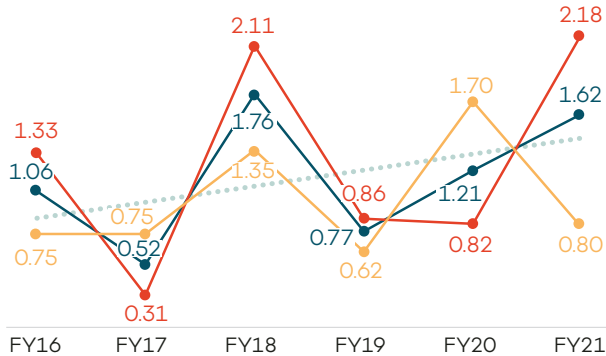
Raj Kallath, APA Infrastructure Project Manager and Michael Fox, APA Engineering Coordinator

TOTAL RECORDABLE INJURY FREQUENCY RATE



— Total Recordable Injury Frequency Rate (TRIFR) – APA
 — TRIFR – Employees
 — TRIFR – Contractors
 ... Trend

LOST TIME INJURY FREQUENCY RATE



— Lost Time Injury Frequency Rate (LTIFR) – APA
 — LTIFR – Employees
 — LTIFR – Contractors
 ... Trend

Process Safety Indicators

In FY2021, APA recorded one Tier 1¹¹ gas release and two Tier 2¹² gas releases.

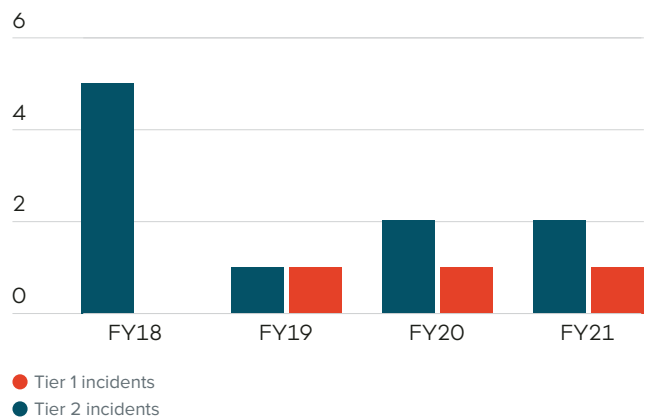
The Tier 1 gas release was from a loose seal on a gas compressor level gauge at the Orbest Gas Processing Plant. The level gauge assembly has been replaced and other similar level gauges were checked for similar failure potential.

The two Tier 2 gas releases were from an underground fitting at the Dandenong LNG facility which has been replaced and a joint between pipeline and station piping at Wiluna Compressor station which has been isolated and is currently under investigation.

During the year, controllers in the Integrated Operations Centre responded to 14.4 alarms per hour, above our target <12 alarms per controller per hour. Analysis of alarms shows that some are providing relatively routine information and do not require immediate attention. Work is proceeding to lower this rate by rationalising alarms on existing sites and as new assets are introduced.

Although proper use of change management processes improved, APA recorded eight activities for which the management of change authorisation had not been signed off. A third party has been engaged to review our management of change process and identify further required actions.

PROCESS SAFETY INCIDENTS



What's next?

FY2022 targets

- Zero fatalities
- 4.6 APA TRIFR
- <1 Health and Safety penalty notices
- Zero Tier 1 Process Safety incidents

FY2022 strategic priorities

- Improve year-on-year Contractor Health & Safety performance indicators
- Improve Health & Safety culture and leadership
- Implement our Health & Wellbeing Program
- Roll out process safety fundamentals to power assets

11. Tier 1 is a major release of harmful substances that may cause a major accident such as natural gas. Release quantities is >500kg per hour.
 12. 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.

ENVIRONMENT

Goldfields Gas Pipeline,
Western Australia

We are strengthening the fundamentals of our environmental management to drive consistency in the way we protect the environment.



COMPLETED OUR 4 YEAR
**ENVIRONMENT
MANAGEMENT PLAN
IMPROVEMENT
PROGRAM**



ADVANCED OUR
GIS CAPABILITIES



PUBLISHED A NEW
**STANDALONE
ENVIRONMENT &
HERITAGE POLICY**



DEVELOPED 7 NEW
**ENVIRONMENT
STANDARDS**

Strengthening environmental governance and systems

To help protect the environment and preserve cultural heritage, APA continually works to keep our environmental governance and systems up to date.

In FY2021, APA developed and published a new [Environment & Heritage Policy](#), recognising Environment & Heritage as a separate management area distinct from the Health and Safety components under our previous Health Safety Environment (HSE) Policy. The new policy is underpinned by APA's existing Environment Framework, which includes procedures and state-based guidelines for all assets and activities under APA's operational control. The Environment Framework is being brought to life with awareness programs and Environment Management Plans for each asset.

During the year, APA developed and rolled out seven new Environment Standards to help us take a consistent approach to environmental protection. This is a core initiative within the Environment & Heritage Pillar of the three-year Health, Safety, Environment and Heritage (HSEH) Strategy. The Standards set minimum mandatory requirements for each environmental area in the Framework, raising the standard of environmental management practices across the business.

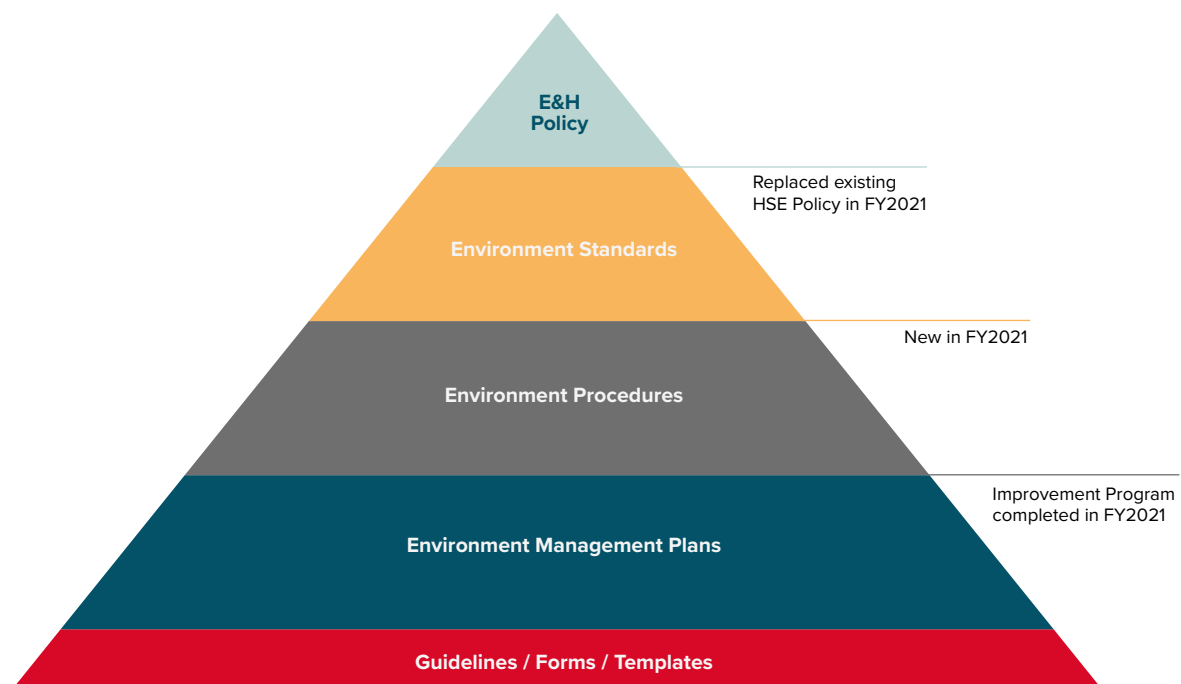
In FY2022, APA will introduce a new standard for air emissions, complete our operational integration campaign and finalise supporting procedures and tools.



Environment Management Plan Improvement Program complete

In FY2021, APA completed our four-year Environment Management Plan (EMP) Improvement Program (FY2018-FY2021) having refreshed 32 EMPs for individual assets across our networks, transmission and power divisions. As well as creating site-specific plans, the Program has streamlined and standardised our local management structures for environment risk at APA by:

- Improving asset-specific environmental risk management
- Creating greater awareness of environmental risks, associated responsibilities and control measures
- Refining environment risk assessment processes and templates
- Standardising EMP templates for our Networks and Transmission/Power divisions to drive consistency
- Conducting an environment risk assessment workshop with operations and environment personnel for each EMP



ENVIRONMENT CONTINUED



Brynne Jayatilaka (Environment Strategy & Systems Lead) and Khyle Jensen (Senior Maintenance Planner) volunteering on the Gibson Island Rehabilitation Project

Case Study

Biodiversity outcomes at Gibson Island

In FY2021, we continued support for the Bulimba Creek Catchment Committee. As a part of the [Gibson Island Rehabilitation Project](#), adjacent to APA's Roma Brisbane Pipeline, Queensland staff donated 20 volunteer hours to planting and clean-up events that increase local biodiversity and environmental restoration.

Over three planting and clean-up events during the year, APA volunteers helped to introduce more than 1,000 native plants and clean up 700sq/m of habitat. This will help to prevent sedimentation and potential pollution, and improve biodiversity in the vegetation growing along the banks of the Gibson Island estuary.

Case Study

Advancing our GIS capabilities

Stage 1 of a new Geographic Information System (GIS) tool was delivered in FY2021 which brings together publicly available government environmental datasets, APA asset data and APA-owned environmental data into one user friendly APA app.

The app means that our operational staff can now view the locations of significant vegetation, waterways and weed infestations on their mobile devices and immediately understand any environment and heritage sensitivities that may impact operations or projects. Previously, this work involved manually checking up to 60 different government and internal datasets.

In FY2022, Stage 2 will expand the apps' use across our organisation and further improve data quality with techniques such as "ground truthing" desktop data in the field.

Mount Magnet, Western Australia



Environment compliance

During FY2021, APA recorded nine environmental incidents that were notifiable to regulatory bodies, an increase compared with recent years. This increase can be partially attributed to our improved internal reporting culture, nonetheless the figure remains higher than desirable. Opportunities for further improvement have been considered in our ongoing improvement planning and updated EMP roll out.

Of the notifiable incidents, three were associated with major construction projects. This included a release of drilling fluid outside the project boundary, unauthorised site access and unauthorised storage of a soil stockpile. All incidents were immediately responded to and have been fully remediated.

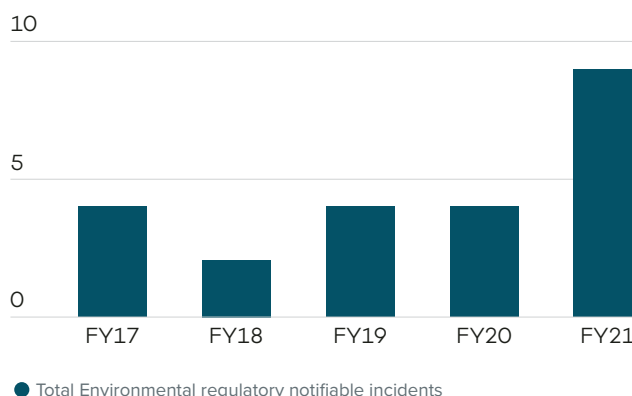
The remaining six notifiable incidents were associated with hydrocarbon management, spills and drilling fluid releases during operational activities. All of these incidents have been fully remediated or are under current remediation. Most material incidents were:

- Hydrocarbon leaks at two locations from below ground infrastructure on the Goldfields Gas Pipeline in Western Australia. 210m³ of soil was excavated from the sites and contaminated sites investigation conducted. A review to assess adequacy of underground facility design is underway and an improvement plan will be prepared for implementation in FY2022.
- Release of ~200L of turbine oil from a compressor station on the Victorian Transmission System into a nearby drainage culvert for a distance of approximately 200m. This resulted in a Pollution Abatement Notice, a Clean Up Notice and an infringement penalty of \$8261. APA cooperated completely with the EPA and delivered on all conditions within the Notices, which have since been revoked.

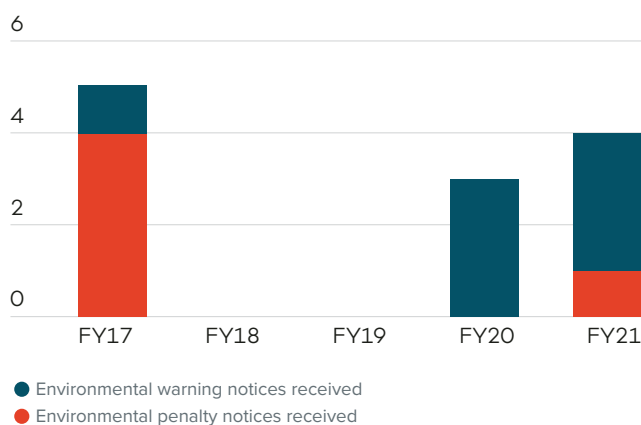
APA was also issued with a Pollution Abatement Notice during the reporting period in relation to potential PFAS impacts at the Orbest Gas Processing Facility – the result of historical land use prior to APA ownership of the asset. Following close-out of site investigations, the notice was revoked by the regulator and an ongoing sampling program initiated.

APA is committed to continually improving environmental performance. In FY2022, we are embedding environmental controls from refreshed procedures into operational processes and working to enhance environmental management in line with our refreshed environmental standards and an internal environmental audit program.

NOTIFIABLE ENVIRONMENT INCIDENTS



ENVIRONMENTAL WARNING & PENALTY NOTICES



What's next?

FY2022 strategic priorities

- Continue to update Environment Framework documents and processes
- Design and deliver environmentally focused training and awareness programs
- Improve collection of environmental field data on operational assets

CUSTOMERS & SUPPLIERS



APA customers, suppliers and partners are critical collaborators to delivering sustainable outcomes across our services and assets



\$3,352M
IN ECONOMIC CONTRIBUTION¹³
up 27% since FY2017



LODGED OUR
FIRST MODERN SLAVERY STATEMENT



EXTENDED THE
CUSTOMER FORMAL COMPLAINTS HANDLING PROCESS
to include Power customers



IMPLEMENTED A
COMMUNITY AND SOCIAL PERFORMANCE RETURNABLE SCHEDULE
for strategic construction tenders

Image: Dandenong LNG Gas Storage Facility, Victoria

13. Economic contribution is value distributed on a cash basis, via the following categories: Operating costs; Payments to employees; Payments to suppliers; Payments to providers of capital; Payments to government; Tax Paid.

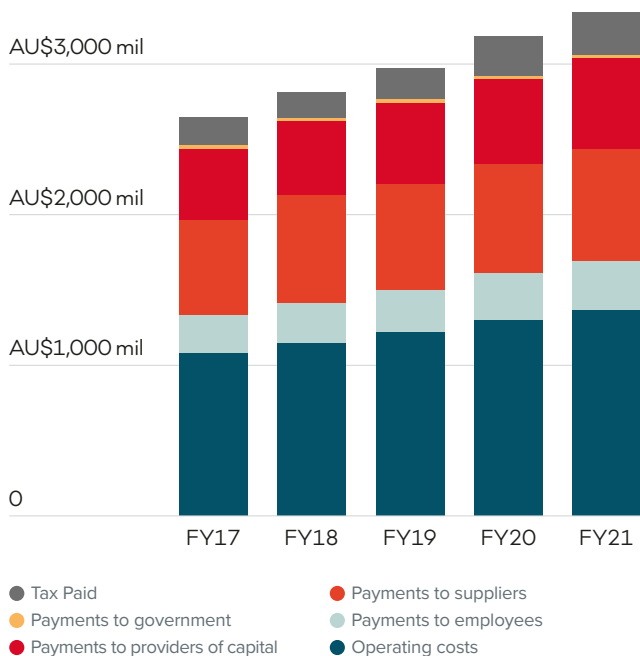
Positively contributing to economic growth

APA is a significant contributor to the Australian economy, generating revenue for a range of stakeholders through our operations, taxes paid and payments to employees, suppliers, government and capital providers. Importantly, and linked to our large geographic footprint, our business operations make economic contributions in urban and rural local economies.

In FY2021, APA made \$3,352 million of economic contribution within Australia. This continues a year-on-year increase of contributing to the Australian economy, rising 27% between FY2017 to FY2021.

ECONOMIC CONTRIBUTION

AU\$4,000 mil



Adapting our products and services to meet customers' needs

Throughout FY2021, APA continued to put customers at the centre of our decisions, activities and planning, delivering on our [Customer Promise](#) and [Energy Charter](#) commitments.

APA's customer-driven approach includes working directly with customers to understand how new products and services can be designed to better suit their needs, seeking feedback on what works well and what doesn't. We seek external perspectives and confirm with key customers that new products/services are fit for purpose.

In FY2021, APA released three new or upgraded products and services:

- **APA Grid technology upgrade:** Customers use the APA Grid to request our products and services. During the year, APA improved the platform to allow access from any connected device and added a more intuitive user interface and new security features
- **New APA Grid 90-day planned maintenance visualisation:** This online tool gives customers a simple, visual way to identify capacity-impacting planned maintenance.
- **New Dandenong LNG storage services:** To help customers better manage their exposure to market events, the new LNG storage services offer additional capacity options to address various gas supply portfolio needs and match different risk appetites

Customer performance

In FY2021, for the first time, APA's annual commercial Voice of Customer (VoC) survey focussed on customers of our Power assets. The VoC survey helps us to improve our services and better meet customer needs by asking customers what's important to them and seeking to understand their perceptions of APA.

APA's Power customers gave us a Customer Experience Score¹⁴ of 7.1/10, and a Customer Satisfaction Score of 7.8.

These results are consistent with previous transmission customer surveys, with respondents noting a good operational performance. Power customer ratings showed pockets of excellence. Ratings on key elements of our [Customer Promise](#) were very positive.

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.

Post-deal surveys, conducted to understand customers' experience of contract negotiation and execution, continued through FY2021 with no adverse findings, although responses were limited.

During the year, APA developed a new customer-focussed dashboard to monitor customer service delivery. The dashboard allows us to monitor leading indicators of negative feedback so we can proactively address customer performance.

14. The Customer Experience Score is an average performance score across attributes like trust, responsiveness, value, ease, rapport and innovation.

CUSTOMERS & SUPPLIERS CONTINUED

Executive Customer Contact Program

When COVID constraints eased at the end of calendar 2020, APA reinvigorated our Executive Customer Contact Program. Through this Program, senior leaders regularly meet with customers to discuss feedback, issues and improvement projects. This allows APA to work collaboratively with customers, ensuring solutions are developed that meet evolving needs and the voice of customer is incorporated into our system and service improvements.

Customer complaints

In FY2020, APA's Transmission division introduced a formal customer complaints handling process, which was extended to incorporate Power division customers in FY2021.

As a result of extending the scope of the process, in FY2021, APA received eight customer complaints, up from three complaints in FY2020. Overall, reporting numbers remained low. The complaints covered a range of areas, including issues with the capacity check process and lack of clarity around works outages associated with pipeline upgrades. As well as resolving each complaint, where needed, specific business improvement actions were taken to ensure the underlying issue does not arise again.

Striving to improve supply chain sustainability performance

During FY2021, APA's top 230 suppliers participated in the APA Supplier Prequalification Program, which provides a central repository for key supplier information. This allows APA to monitor suppliers' safety performance, company details, modern slavery maturity, governance and performance with respect to environmental and social issues (including First Nations metrics).

Case Study

Driving social outcomes through our supply chain

In FY2021, APA implemented a Community & Social Performance returnable schedule for strategic construction tenders, requiring tenderers to document how they intend to achieve positive community and social performance outcomes on our behalf. APA also now requires major contractors for capital projects to report on their First Nations metrics, local/regional employment numbers, economic value distributed and community initiatives, in particular with Traditional Owner groups.

In FY2022, APA will require major contractors for strategic construction tenders to present community employment opportunity sessions to Traditional Owners. These sessions are intended to provide information on available employment opportunities and conditions to maximise Indigenous workforce representation on local projects. The first sessions will be held on the Northern Goldfields Interconnect project in Western Australia.

Combatting modern slavery

APA uses a documented risk management approach to fulfil the principles of and our obligations under the Commonwealth Modern Slavery Act 2018 (MSA). 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.

In December 2020, APA submitted our first [Modern Slavery Statement](#) to the Australian Border Force for publication ahead of the reporting timetable of March 2021.



APA submitted our first Modern Slavery Statement

APA's focus for FY2021 was on Tier 1 suppliers in our supply chain – those with whom APA has a direct contractual agreement – who are largely based in Australia.

By mapping line item spend information to international product codes, potential very high and high-risk suppliers were identified in Central Africa, India and Malaysia, across our product and service categories and other supplier industries.

APA is now in the process of subjecting these high-risk suppliers to more detailed reviews to assess and appropriately manage the risk of modern slavery. Supplier onboarding procedures are also being updated to better capture potential modern slavery risk and continuing to review and monitor all our existing suppliers. Finally, a new modern slavery awareness training module was rolled out, which is mandatory for all procurement staff.

In future years, our focus will expand to Tier 2 suppliers.

Case Study

Enabling resilience in regional and small business suppliers

When the COVID-19 lockdowns began in April 2020, APA reduced payment timeframes for regional and smaller suppliers (<50 employees) to 7 days, to increase their cash flow and help reduce uncertainty.

Later in the same year, the first reading of the Payment Times Reporting Bill 2020 raised the issue that more than a third of Australia's small businesses are paid after 30 days, with these invoices taking an average of 63 days to be paid, based on the Department of Industry for standard payment days.

To continue to support small businesses in our supply chain, APA decided to permanently offer these businesses preferential payment terms, changing maximum payment terms to 21 days for all flagged small businesses, regional businesses and strategic suppliers. Suppliers with pre-existing agreed payment terms of 7 or 14 days will remain on their original terms.

This permanent change ensures ~93% of our small business suppliers are paid within the 0-30 days payment timeframe (up from 63% on a 30-day payment term) for the period from 1 January 2021 to 30 June 2021, helping to make these suppliers more resilient to future volatility.

What's next?

FY2022 strategic priorities

- Maintain or improve current customer satisfaction ratings (Customer Experience Score & Customer Satisfaction Score)
- Continue to rollout and improve customer-focussed account management, including through the better use of data
- Continue our modern slavery assessment in line with our [Modern Slavery Statement](#) roadmap

SUSTAINABILITY DATA TABLES

Governance

COMPLIANCE

	FY21	FY20	FY19	FY18	FY17	UNIT
PROCESS SAFETY INCIDENTS						
Total Process Safety incidents	3	3	2	5	n/a	count
Tier 1 incidents ¹⁵	1	1	1	0	n/a	count
Tier 2 incidents ¹⁶	2	2	1	5	n/a	count
ENVIRONMENT INCIDENTS						
Total Environmental regulatory notifiable incidents¹⁷	9	4	4	2	4	count
Reportable water incidents	2	0	0	0	0	count
Reportable spill incidents	3	0	0	1	2	count
MONETARY LOSSES¹⁸						
Environmental	8,261	0	0	0	30,000	\$AUD
Safety	0	0	3,000	0	0	\$AUD

15. 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.

16. 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.

17. Environmental regulatory notifiable incidents data for FY20, FY19 and FY18 has been restated in this Report. Identified discrepancies were caused by: 1) incorrect application of APA's incident management system in previous years; 2) enhanced functionality of the incident management system, allowing for more complete analysis of data; 3) refinement of the definition of reportable incident; and 4) accounting errors. These internal management system issues have since been corrected.

18. Monetary losses are the total of \$AUD paid in relation to Environmental and Safety penalty notices received from regulatory bodies in all jurisdictions.

Badgingarra Solar Farm, Western Australia

Economic Contribution

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

	FY21	FY20	FY19	FY18	FY17	UNIT
Total Economic Value Generated and Distributed	5,972	5,748	5,402	5,177	4,950	\$millionAUD
Direct economic value generated (revenues)	2,620	2,560	2,429	2,365	2,305	\$millionAUD
Economic value distributed:	3,352	3,188	2,973	2,812	2,645	\$millionAUD
Operating costs	1,375	1,308	1,218	1,161	1,083	\$millionAUD
Payments to employees ¹⁹	324	311	284	254	251	\$millionAUD
Payments to suppliers ¹⁹	742	718	707	724	630	\$millionAUD
Payments to providers of capital	602	572	537	490	479	\$millionAUD
Payments to government	27	18	22	22	22	\$millionAUD
Tax Paid ¹⁹	282	261	205	161	180	\$millionAUD

GOVERNMENT ASSISTANCE

	FY21	FY20	FY19	FY18	FY17	UNIT
Total monetary value of financial assistance received from any government	4,763,013	681,416	1,354,733	28,780,268	3,453,370	\$AUD
Fuel Tax Credits	39,455	17,306	17,697	6,462	3,360	\$AUD
Subsidies	10,870	0	2,500	2,500	2,500	\$AUD
Research and development claim	4,392,688	435,310	1,334,536	4,571,306	2,147,510	\$AUD
ARENA grant	320,000	228,800	0	24,200,000	1,300,000	\$AUD

GOVERNMENT OWNERSHIP

	FY21	UNIT
% of Government Ownership in Shareholder Structure	0	%

19. FY17-FY20 data measurement method was reviewed and repositioned in FY21 to fully align to methods and data from internally audited APA management accounts.

SUSTAINABILITY DATA TABLES CONTINUED

Infrastructure

INFRASTRUCTURE

	FY21	FY20	FY19	FY18	UNITS
INSTALLED POWER GENERATION CAPACITY ²⁰					
Total Installed Power Generation Capacity	931.3	909.3	908	605	MW
Gas Generation Capacity	440	418	418	373	MW
Diamantina Power Station	242	242	242	242	MW
Leichardt Power Station	60	60	60	60	MW
Daandine Power Station	30	30	30	30	MW
X41	41	41	41	41	MW
Gruyere Power Station	45	45	45		MW
Thompson Power Station	22				MW
Solar Generation Capacity	149.3	149.3	148	20	MW
Emu Downs Solar Farm	20	20	20	20	MW
Badgingarra Solar Farm	19.3	19.3	18	0	MW
Darling Downs Solar Farm	110	110	110	0	MW
Wind Generation Capacity	342	342	342	212	MW
North Brown Hill Wind Farm	132	132	132	132	MW
Emu Downs Wind Farm	80	80	80	80	MW
Badgingarra Wind Farm	130	130	130	0	MW
% INSTALLED POWER GENERATION CAPACITY					
Gas Power Generation Portfolio Share	47	46	46	62	%
Solar Power Generation Portfolio Share	16	16	16	3	%
Wind Power Generation Portfolio Share	37	38	38	35	%
Total Renewable Power Generation Portfolio Share	53	54	54	38	%
ENERGY INFRASTRUCTURE					
Total natural gas delivered	1,268,629,682	1,326,531,682	1,251,911,956	1,161,114,256	GJ
gas transmission pipelines	1,156,494,146	1,211,956,581	1,139,325,577	1,045,907,512	GJ
gas distribution pipelines	112,135,536	114,575,100	112,586,379	115,206,744	GJ
Total electricity transmission²¹	863,367	913,591	730,974	781,066	MWh
ASSET INTEGRITY					
	FY21	UNITS			
% completion of annual Transmission Intelligent Pigging Integrity Program	100	%			

20. Installed Power Generation Capacities are the official name plate generation capacities (as built) for power generation assets.

21. Measured as the total amount of power transported on the Murraylink and Directlink assets.

Greenhouse Gas Emissions²²

GREENHOUSE GAS EMISSIONS

	FY20	FY19	FY18	FY17	UNITS
Total Scope 1 emissions²³	1,322,249	1,229,923	1,205,766	1,241,632	t-CO ₂ e
Fugitive Emissions (all APA assets)	224,785	190,167	195,144	201,094	t-CO ₂ e
<i>Fugitive Emissions (natural gas transmission pipelines)</i>	153,334	151,364	153,180	153,905	t-CO ₂ e
Power Generation Assets Emissions	811,407	782,612	766,194	790,568	t-CO ₂ e
% Scope 1 covered under emissions-reporting regulation	100%	100%	100%	100%	%
% Scope 1 covered under emissions-limiting regulations²⁴	78%	73%	73%	74%	%
Total Scope 2 emissions	87,765	176,980	178,445	367,387	t-CO ₂ e

Energy²⁵

ENERGY MANAGEMENT

	FY20	FY19	FY18	FY17	UNITS
ENERGY PRODUCTION					
Energy Produced Total²⁶	15,910,629	12,724,766	8,076,341	8,683,358	GJ
Electricity Produced Total	2,990,191	2,510,747	2,087,615	2,157,389	MWh
% natural gas	64	74	87	88	%
% wind	25	18	12	12	%
% solar	11	8	1	0	%
ENERGY CONSUMPTION					
Energy Consumption Total²⁶	32,078,649	27,831,008	25,777,203	26,793,268	GJ
Energy Consumption - Power	20,230,924	18,648,049	17,103,351	18,297,123	GJ
Energy Consumption - Transmission ²⁶	8,871,519	9,058,244	8,542,468	8,380,557	GJ
Energy Consumption - Midstream	2,864,345	5,602	4,540	n/a	GJ
Energy Consumption - Networks	73,583	82,042	82,225	77,358	GJ
Energy Consumption - Offices	38,279	37,071	44,619	38,230	GJ
Electricity Consumption from Grid	55,028	65,247	90,545	111,828	GJ
Energy Consumed Net²⁵	16,168,020	15,106,242	17,700,862	18,109,910	GJ

22. Greenhouse gas emissions data has generally been calculated in accordance with methodologies under the National Greenhouse and Energy Reporting Act 2007 (NGER). For the purposes of emissions and energy data, APA is not the entity with the operational control of Gruyere Power Station. Our FY2021 NGER submission is currently being prepared and will be lodged with the Regulator by 31 October 2021.

23. FY2019 energy figure has been restated from those reported in our previous disclosures (e.g. APA's 1HFY2021 Directors' Report). This restatement is the result of a Clean Energy Regulator audit completed during FY2020 and adjustment of reported figures in FY2021.

24. Emissions-limiting regulations is interpreted as those assets covered by a baseline established by the Safeguard Mechanism under the National Greenhouse and Energy Reporting Act 2007.

25. Energy data has generally been calculated in accordance with methodologies under the National Greenhouse and Energy Reporting Act 2007 (NGER). For the purposes of emissions and energy data, APA is not the entity with the operational control of Gruyere Power Station. Our FY2021 NGER submission is currently being prepared and will be lodged with the Regulator by 31 October 2021.

26. FY2019 figure has been restated from those reported in our previous disclosures. This restatement is the result of a Clean Energy Regulator audit completed during FY2021 and adjustment of reported figures.

SUSTAINABILITY DATA TABLES CONTINUED

Health & Safety

GOVERNANCE AND COMPLIANCE

	FY21	FY20	FY19	FY18	FY17	UNITS
GOVERNANCE						
% Workforce covered by a Health & Safety management system	100%	100%	100%	100%	100%	%
Health & Safety Management Interactions	3,509	2,216	1,504	1,236	1,263	count
COMPLIANCE						
Safety warning notices received	1	4	4	4	3	count
Safety penalty notices received	0	0	1	0	0	count

SAFETY PERFORMANCE²⁷

	FY21	FY20	FY19	FY18	FY17	FY16	UNITS
FATALITIES							
Total Fatalities	0	0	0	0	0	0	count
Employees	0	0	0	0	0	0	count
Contractors	0	0	0	0	0	0	count
SAFETY INDICATORS							
Health & Safety Hazard Frequency Rate	598	474	420	453	529	n/a	Total Hazards Reported / per million hours
Health & Safety Near Miss Frequency Rate	94	96	93	87	74	85	Total Near Misses Reported / per million hours
Total Recordable Injury Frequency Rate (TRIFR)	6.33	9.09	5.98	8.94	7.5	10.41	Injury (LTI, MOTI, MITI) count / per million hours
Employees	4.63	3.82	3.72	6.34	5.8	7.65	Injury (LTI, MOTI, MITI) count / per million hours
Contractors	8.84	15.63	8.05	10.77	8.95	13.53	Injury (LTI, MOTI, MITI) count / per million hours
Lost Time Injury Frequency Rate (LTIFR)	1.62	1.21	0.77	1.76	0.52	1.06	Injury (LTI count / per million hours)
Employees	2.18	0.82	0.86	2.11	0.31	1.33	Injury (LTI count / per million hours)
Contractors	0.8	1.7	0.62	1.35	0.75	0.75	Injury (LTI count / per million hours)

HEALTH PERFORMANCE

	FY21	UNITS
Cases of work-related ill health - Employees	1	count
Cases of work-related ill health - Contractors	0	count

27. An "Employee" is an individual who works for APA under a contract of employment. These people are engaged through the company's payroll (i.e. subject to PAYG withholding tax and super guarantee arrangements) on a permanent, fixed-term or casual basis. (Includes management). A "Contractor" is an individual, company or other legal entity that provides good and services to APA carries out work or performs services pursuant to a contract for service. This includes sub-contractors and contingent workers. A person or company engaged to provide labour or skills and paid on invoice.

People & Culture

2021 DIVERSITY BREAKDOWN ²⁸

	GENDER %		AGE GROUP %			% IDENTIFY AS INDIGENOUS ²⁹
	MALE	FEMALE	<30 YEARS	30-49 YEARS	>50 YEARS	
Full APA Board (including non-executive directors)	63	37	0	0	100	0
All Employees	71	29	7	59	34	<1
Executive Leadership Team	63	37	0	50	50	0
Senior Leaders	75	25	0	60	40	0
Other Employees	71	29	8	59	33	<1
DIVISIONAL DIVERSITY ³⁰						
Operational Divisions	77	23	7	57	36	<1
Corporate Divisions	53	47	8	65	27	0

GENDER TARGETS ACTION PLAN (GTAP) ³¹

	FY21		FY20		FY19		FY18		FY17		2025 TARGET	UNITS
	M	F	M	F	M	F	M	F	M	F		
BOARD GENDER DIVERSITY												
Full APA Board Gender Diversity (including non-executive directors)	63	37	57	43	67	33	57	43				%
GTAP PERFORMANCE - FEMALE REPRESENTATION												
Female Representation: Total Employees	29.3		29.2		29		27		26		40%	%
Female Representation: Senior Leaders	26.7		19.8		19		17		17		30%	%
Female Representation: Talent Pipeline	42		40.6		40		30		25		50%	%
Female Representation: Extended Leadership	34.8		n/a		n/a		n/a		n/a		40%	%

EMPLOYMENT DIVERSITY

	FY21		FY20		FY19		FY18		UNITS
	M	F	M	F	M	F	M	F	
TOTAL WORKFORCE EMPLOYMENT									
Total Workforce	1552	612	1,354	557	1,316	517	1,283	478	count
Total Employees	1427	577	1,297	538	1,233	501	1,199	457	count
Total Contingent Worker	125	35	57	19	83	16	84	21	count
DIVERSITY OF TOTAL EMPLOYEES: EMPLOYMENT TYPE									
Permanent Full Time	1286	453	1,194	413	1,130	380	1,106	332	count
Permanent Part Time	5	76	6	79	8	70	7	77	count
Fixed-term Full Time	103	34	71	33	70	42	67	40	count
Fixed-term Part Time	4	7	2	7	2	2	-	4	count
Casual Employees	29	7	24	6	23	7	19	4	count
DIVERSITY OF TOTAL EMPLOYEES: AGE									
Under 30	5	2	4	2	4	2	3	2	%
30-49 years	40	19	40	19	39	20	40	19	%
50+ years	26	8	27	8	28	7	29	7	%

28. Effective Date for all measure is as of 30 June 2021. "Senior Leaders" metric excludes Executive Leadership Team (ELT) members.

29. The "% Identify as Indigenous" measure relies on voluntary information. The measure represents those APA employees who have voluntary self-identified to APA that that are an Aboriginal and Torres Strait Islander person.

30. APA Corporate divisions are: Finance; Governance & External Affairs; North America; People Safety & Culture; Strategy & Commercial; and Transformation & Technology. APA Operational divisions are Infrastructure Development and Operations.

31. Effective Date is as of 31 March 2021 as per WGEA submission. GTAP metrics align with Workplace Gender Equality Agency (WGEA) reporting rules in which only the Australian workforce is included. "Senior Leaders" metric includes Executive Leadership Team (ELT) members.

SUSTAINABILITY DATA TABLES CONTINUED

People & Culture Continued

EMPLOYEE TURNOVER

	FY21	FY20	FY19	FY18	UNITS
Total Employee Turnover	11	12	14	14	%
Voluntary Employee Turnover	7	7	8	7	%

NEW EMPLOYMENT

	FY21		UNITS
	M	F	
Total new employee hires	268	123	count
NEW EMPLOYEE HIRES: AGE	M	F	
Under 30	15	5	%
30-49 years	41	20	%
50+ years	13	6	%
NEW EMPLOYEE HIRES: DIVISION³²	M	F	
Operational Divisions	54	16	%
Corporate Divisions	15	15	%

EMPLOYEE BENEFITS: PARENTAL LEAVE

	FY21		UNIT
	M	F	
Total employees that took parental leave	65	38	count

LABOUR/MANAGEMENT RELATIONS

	FY21	FY20	FY19	FY18	UNIT
% of total employees covered by collective bargaining agreements	30	31	31	32	%

TRAINING AND EDUCATION

	FY21	UNIT
Total Workforce Training Hours delivered	34,343	hours
Average hours of Training per Workforce member	16	hours
WORKFORCE TRAINING HOURS BY TRAINING TYPE		
Mandatory APA Compliance Training	3,629	hours
Role-specific Training	23,101	hours
Other Training	7,614	hours

Value Chain

CUSTOMERS

	FY21	FY20	FY19	FY18	FY17	UNIT
Total customers served³³	130	121	115	104	90	count
Gas Transmission Division customers	115	108	102	94	80	count
Power Assets Division customers	10	8	8	5	5	count
Asset Management Division (Networks) customers	5	5	5	5	5	count

32. APA Corporate divisions are: Finance; Governance & External Affairs; North America; People Safety & Culture; Strategy & Commercial; and Transformation & Technology. APA Operational divisions are Infrastructure Development and Operations.

33. "Customers" are parent customers served by APA Group asset divisions who have executed revenue contracts on-foot with APA Group during a Financial Year.

Community & Social Performance

COMMUNITY CONTACT

	FY21	FY20	FY19	UNIT
Landholder Contact Program (LCP)				
Total LCP contacts visited	10,538	9,936	8,600	count

SOCIAL INVESTMENT

	FY21	UNIT
Total social investments and donations	732,394	\$AUD
Sustainable Development Investments	371,394	\$AUD
Sponsorships and Donations	346,000	\$AUD
Employee Driven Initiatives	15,000	\$AUD

Environment

ENVIRONMENTAL MANAGEMENT

	FY21	FY20	FY19	FY18	FY17	UNITS
Environmental Management Plans refreshed (under EMP Improvement Program)	10	9	12	1	n/a	count

COMPLIANCE

Environmental warning notices received³⁴	3	3	0	0	1	count
Environmental penalty notices received	1	0	0	0	4	count

ASSURANCE

Internal environmental audits conducted	16	11	13	3	0	count
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Air Emissions

	FY20	FY19 ³⁵	FY18	FY17	UNITS
AIR EMISSIONS³⁶					
Total oxides of nitrogen (NO _x)	6,652	6,837	7,593	8,336	tonnes
Total oxides of sulfur (SO _x)	3	3	3	3	tonnes
Total direct volatile organic compounds (VOC)	386	263	262	293	tonnes
Total hazardous air pollutant (HAP) ³⁷	61	58	69	78	tonnes
Total particulate matter (PM)	92	90	86	88	tonnes
Total persistent organic pollutant (POP)	0.2	0.2	0.2	0.3	tonnes
Total Lead	4	4	4	4	kg
Total Mercury (Hg)	2	2	2	2	kg

34. FY19 and FY20 'Environmental warning notices received' figures have been repositioned in FY2021 to reflect an internal definition of 'environment' that excludes warning notices from climate and carbon regulatory bodies.

35. FY2019 total air emissions data have been repositioned in FY2020 to reflect emissions from assets in both the APA gas transmission and power generation asset portfolios, only transmission asset portfolios were reported in previous years.

36. Emissions, substance, source and location data is accounted and reported in line with the National Environment Protection (National Pollutant Inventory) Measure. The emission factors used in APA's NPI Reports are sourced from relevant industry emission estimation technique manuals available on the NPI website.

37. Hazardous Air Pollutant (HAP) measurement has been repositioned in FY2021 to align with the definition of HAP (Air Toxics) under the National Environment Protection (Air Toxics) Measure.

GLOSSARY

APGA	Australian Pipelines and Gas Association
APT	Australian Pipeline Trust
APTIT	APT Investment Trust
ARENA	Australian Renewable Energy Agency
ASX	Australian Stock Exchange
Clean Energy Regulator (CER)	Australian Government body responsible for accelerating carbon abatement for Australia. http://www.cleanenergyregulator.gov.au/
Contingent Worker	Outsourced, or borrowed, labour pool, that APA utilises in complementing its regular employees in managing service delivery on hired per-project basis. Includes working arrangements as: Contingent Worker, Labour Hire - Temporary Worker – RSP; Labour Hire - Temporary Worker - Non RSP; Labour Hire - Contractor Management Services; Independent contractor; External Secondment
Contractor	An individual, company or other legal entity that provides good and services to APA carries out work or performs services pursuant to a contract for service. This includes sub-contractors and contingent workers. A person or company engaged to provide labour or skills and paid on invoice
COVID-19 / COVID	Coronavirus pandemic
CSP	Community & Social Performance
Dial-Before-You-Dig	https://www.1100.com.au/
EMP	Environmental Management Plan
Employee	An individual who works for APA under a contract of employment. People who are engaged through the company's payroll (i.e. subject to PAYG withholding tax and super
Energy Charter	A national CEO-led collaboration that supports the energy sector towards a customer-centric future. https://www.theenergycharter.com.au/
Energy Consumption	All energy consumed and produced by APA across all facilities
EPA	Environment Protection Agency
Fugitive emissions	Greenhouse gas emissions that are released in connection with, or a consequence of, the extraction, processing, storage or delivery of fossil fuel
Future Fuels CRC	Industry focussed Research, Development & Demonstration (RD&D) partnership enabling the decarbonisation of Australia's energy networks. https://www.futurefuelscrc.com/
FY	Financial Year (period between 1 July – 30 June)
GHG	Greenhouse Gas. Gas that contributes to the greenhouse effect by absorbing infrared radiation (GRI Standards Glossary 2018). The greenhouse gases that are reported under the NGER Scheme include carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), sulphur hexafluoride (SF ₆) and specified kinds of hydro fluorocarbons and perfluorocarbons
GIS	Geographic Information System
GJ	Gigajoule
GRI	Global Reporting Initiative. https://www.globalreporting.org/
GTAP	Gender Targets Action Plan
HSEH	Health, Safety, Environment and Heritage
I&D	Inclusion and Diversity
ICAM	Incident Cause Analysis Method
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
ISO 31000	International Organization for Standardization standard for Risk Management. https://www.iso.org/iso-31000-risk-management.html
LCP	Landholder Contact Program

LNG	Liquefied natural gas
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
Net zero	The balance between the amount of greenhouse gas produced and the amount removed from the atmosphere. Net zero is reached when the amount added is no more than the amount taken away.
Net Zero Australia (NZAu) project	A two-year collaboration has begun to analyse how Australia can achieve a net zero economy by 2050. https://www.nousgroup.com/net-zero-australia-study/
NGER	National Greenhouse and Energy Reporting Act 2007. http://www.cleanenergyregulator.gov.au/
NGI	Northern Goldfields Interconnect project
NPI	National Pollutant Inventory. http://www.npi.gov.au/
Penalty notice	Any Incident where a final regulatory instrument issued by the safety regulator, indicating a noncompliance, resulting in material penalty (financial, enforceable undertaking or otherwise) (e.g. PIN, Fines, Enforceable undertaking)
PFAS	Per- and polyfluoroalkyl substances
RMS	Risk Management System
SASB	Sustainability Accounting Standards Board. https://www.sasb.org/
Scope 1	Scope 1 greenhouse gas emissions are the emissions released to the atmosphere as a direct result of an activity, or series of activities at a facility level. Scope 1 emissions are sometimes referred to as direct emissions.
Scope 2	Scope 2 greenhouse gas emissions are the emissions released to the atmosphere from the indirect consumption of an energy commodity
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.
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.
TCFD	G20 Financial Stability Board's Taskforce Recommendations on Climate-related Financial Disclosures. https://www.fsb-tcf.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. 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
VoC	APA's Voice of Customer survey
Warning Notice	Any Incident where a regulatory instrument issued by the Safety Regulator indicating a potential noncompliance, and does not result in an initial material penalty (financial, instructive or otherwise) (e.g. improvement notice, email warning, request for information)
WGEA	Australian Government statutory agency created by the Workplace Gender Equality Act 2012
Workforce	An individual actively engaged performing tasks for APA. This is either an 'Employee' (directly employed), or a 'Contingent Worker' (engaged to perform a task), excluding Board Members and CEO.



Sunrise on the way to Beharra
Springs Station, WA