



# APA FY22 Energy Charter Disclosure Report

September 30, 2022



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

## Message from the Chairman and CEO

Fundamental to APA's success is our commitment to listen, respond, and take an involved and inclusive approach to working with our communities, customers, First Nations people, and our employees.

Year on year, we are determined to deliver high reliability operational performance for our customers, and key to that commitment is keeping our people safe. In FY2022, we reduced the Total Recordable Injury Frequency Rate (TRIFR) by 43 per cent, which I'm pleased to report exceeds our reduction target.

We know that the expectations of our customers and communities are evolving, and while we have made good progress in FY2022, we are determined to continually improve when it comes to our environmental, social and governance performance.

Throughout 2022, we have continued to look at how we can improve outcomes for our customers and stakeholders by significantly stepping-up our engagement to enhance our relationships.

This follows the momentum we built through our Stakeholder Engagement Forum that was established in FY2021 to explore new ways to 'bring the outside in' when it comes to the ways we make decisions and execute on our strategy.

Our Stakeholder Engagement Forum is an opportunity to inform stakeholders on APA's business strategy, policies, and programs such as our sustainability commitments, how we are managing our regulated assets and our net zero commitments.

These forums give us important insights into the expectations of our communities and customers as we continue to implement APA's Sustainability roadmap, which is in place to guide our direction and focus, and our net zero commitments.

With that in mind, we made significant progress during the year on our ambition of achieving net zero operations emissions by 2050, with the development and publication of our Climate Transition Plan.

That plan sets interim targets for 2030 and transparently communicates APA's commitments in managing climate change risks and opportunities – including through a non-binding advisory vote at our 2022 annual meeting and disclosing an annual performance report against key commitments in this plan.

Our plan updates APA's 2021 net zero commitment with more tailored targets, goals and commitments for 2030, 2040 and 2050 that are fit for purpose for our business. This includes bringing forward our net zero goal for power generation and electricity transmission from 2050 to 2040.

This is a significant milestone for our business that sends a clear message to our customers, communities, and investors about our commitment to play a meaningful part in a lower emissions future. We look forward to keeping our stakeholders informed as we deliver on our plan and our pathway to net zero.

We believe APA has an important role to play in the energy transition and that includes providing products and services to meet the changing needs of customers, while investing in the energy solutions of tomorrow.

On behalf of APA, thank you to our customers, communities, and our people for your ongoing support.



**Michael Fraser**  
Chairman



**Rob Wheals**  
CEO & Managing Director

## Our customers and communities

APA's customer base covers a broad spectrum. We provide energy services for large industrial companies, energy retailers and resources companies, through to small customers on gas distribution networks. To remain sustainable, it's vital we deliver on our Customer Promise. The Promise commits to all customers that we will listen, to understand, enable our people to respond, and to do what we say we'll do.

We listen to our customers and take a customer-centred approach in our provision of services. We have asked our customers what they need to succeed and grow, including seeking input into decarbonisation options, and making sure we understand the impact of market changes on our customers and suppliers. We make sure we understand our customers' needs to drive the development of new products and services.

Our FY22 Energy Charter Disclosure Report for the Energy Charter assesses how we have performed against meeting our commitments towards the Energy Charter's five principles. We have adopted the same maturity assessment approach as last year by reporting on our maturity against the Energy Charter's Maturity Model. Our disclosure has been prepared with the key business representatives accountable for the delivery of our Energy Charter commitments, endorsed by the Executive Leadership Team, and approved by the CEO. As in previous years, APA's customer-driven approach in delivering on our commitments included an annual feedback survey and an action plan to respond to what we had learned from our customers. We have met, or partially met, most of our FY22 commitments.

Further information relating to our outcomes or more general sustainability and community objectives can be found in [APA's 2022 Sustainability Report](#).

### Engaging with communities

To continue delivering energy responsibly, APA's goal is to do the right thing by community stakeholders and build positive and open relationships with them.

To build trust with people living in areas where APA operates, we aim to understand and effectively manage our impacts on these communities. We work hard to better understand and consider community concerns and values in our planning, operations and behaviours so we can exceed the minimum standard of regulatory compliance.

In addition to APA's business as usual community engagement activities, in FY22 we developed and/or implemented targeted community consultation programs for several key projects, including the Northern Goldfields Interconnect (NGI), East Coast Grid Expansion (ECGX), Kurri Kurri Lateral Pipeline (KKLP) and the Central Queensland Hydrogen Project (CQHP).

These programs focused on ensuring we considered community concerns and aspirations during project development and engaged with local landholders, communities and Traditional Owners.

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

### Stakeholder Advisory Panel and forums

APA's Stakeholder Advisory Panel and Stakeholder Engagement Forum, which were established in FY21, are important platforms for gaining insights into the interests, concerns and expectations of our stakeholders and the broader community. During FY22, we continued to host our Stakeholder Panel and Forum sessions which included key topics for discussion about gas affordability, the policy environment facing APA and its impact on investment and managing the energy transition towards net zero.

### Customer performance

APA's annual commercial customer feedback survey was conducted by an external agency from August to November 2021. It involved a quantitative survey and, for the first time, qualitative interviews. The quantitative outcome of the survey is APA's Customer Experience Score (CES), an average performance score across attributes such as trust, responsiveness, value, ease, rapport and innovation.

Our CES was 6.3 out of 10. This was significantly lower than our previous three years' scores, which averaged 7.1 out of 10. Key findings from the qualitative survey were that, while personal relationships remained good, our level of direct customer contact had been reduced by COVID-19 pandemic restrictions, especially in the eastern states, impacting our perceived industry leadership. Some customers wanted more proactive communications from APA about staff and other

changes, and challenges at individual sites tested some relationships.

In response to the survey findings, APA developed an action plan for 2022 that focused on reinvigorating relationships, re-establishing APA's industry leadership, and revamping customer communications. The plan significantly stepped up customer communications and engagement, including face-to-face meetings. A follow-up customer pulse check survey in June 2022 indicated the action plan had been successful in lifting customer satisfaction ratings back to the long-term average CES score of 7.1 out of 10.

To monitor customer service delivery, we also developed a quarterly customer experience dashboard. These metrics include time taken to resolve service tickets, number of invoicing errors, and notification of maintenance activities within contractual time limits. These are practical elements that contribute to customers' experience of APA's service. We also held monthly key account management meetings to assess customer feedback, review and improve service delivery, and canvas customer-related activities across the business. The data supporting these meetings is being progressively improved through enhancements to APA's customer relationship management software.

### Customer complaints

In FY22, APA received 10 complaints across our commercial customer base compared to eight complaints in FY21. The complaints covered power outages in respect of our power assets, reporting and invoicing issues, system set-up errors, delays in completing new connections and infrastructure builds, processes around planned pipeline maintenance works

and misallocation of gas injections. As well as resolving each complaint, we conducted lessons learned reviews to minimise the risk that the issues recur.

### Decarbonisation and hydrogen readiness

In April 2022, APA's account managers conducted in-depth discussions with customers covering decarbonisation, carbon offsets and hydrogen readiness. The objective was to ensure APA's priorities remain customer-led. The survey focused on customers' decarbonisation priorities and understanding their requirements around potential new products such as hydrogen blends and carbon offsets.

The information obtained helps ensure that APA develops lower carbon products and services that are of most value to our customers.

### Supporting small retailers

Responding to record high spot prices in the administered markets (Sydney and Brisbane Short Term Trading Markets and the Victorian Declared Wholesale Gas Market), APA undertook a targeted review in June 2022 of East Coast customers that were potentially exposed to market spot prices, focusing on small retailers and industrial customers.

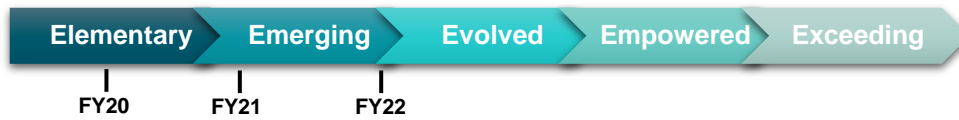
APA's account managers gathered information from customers on how high spot prices were impacting their operations and customers, and whether APA could do anything to assist them to manage their market risks. The feedback was that our customers appreciated the offer to assist during a challenging time in energy markets.

FY22 was a dynamic year for the energy sector. The energy transition continued to gather pace and this contributed to price and supply fluctuations. At the same time, pandemic restrictions reduced opportunities for face-to-face contact with customers. However, we are committed to continual improvement, working collaboratively with our industry peers and open and transparent engagement with our stakeholders. APA's people continued to put customers at the centre of our decisions, activities and planning throughout the year as we worked to deliver on better energy outcomes for our customers and communities.



## Principle 1 - Customer at the centre

### FY22 maturity assessment



In FY22 we continued to deliver on our Culture Program which included a culture survey with the entire employee group, followed by an organisation-wide action planning process to assist us with regular reporting to the Board on cultural measures. At a community level, we commenced implementation of our new Community and Social Performance Strategy to further improve the way we support our host communities. Stakeholder feedback from our customer's and community assisted us with a continuous feedback loop and helped us address customer concerns with a dedicated action plan. Whilst we continued to make progress in FY22 against our 'Emerging' maturity of putting customers at the centre of our business and energy system, we have identified focus areas to target being 'Evolved' by end FY23.

### Progress on FY22 commitments and customer & community outcomes

Principle 1: We will put customers at the centre of our business and energy system					
FY22 focus area	FY22 commitment	Commitment purpose	FY22 performance	Customer & community impacts / outcomes achieved	FY22 status
<b>Culture</b>	<p>Develop culture dashboard, including customer focus, for reporting to the Board.</p> <p>Conduct APA's FY22 culture survey and report results to the Board. Action areas and baseline to be established from APA's Behaviours.</p> <p>Launch revised APA Behaviours and embed our new Culture Program of Work and high-performance goals into the business.</p>	To enhance community outcomes to be more focused on being proactive and relationship centred.	<p>Culture Dashboard delivered to the Board, November 2021 and periodical updates on Culture provided to the Board in the monthly MDs report. The culture dynamic dashboard is an ongoing resource for leaders.</p> <p>Continued delivery on APA's culture program, including a culture survey with the entire employee group, followed by an organisation-wide action planning process. Survey results showed that the majority of APA's people understand our new APA Behaviours and their role in the delivery of our strategy.</p> <p>APA Behaviours continue to be embedded in the employee lifecycle. Senior leadership performance was measured via a behaviour modifier tool. This will be cascaded to other leaders' levels in FY23.</p>	<p>Increased awareness of APA's culture through data driven insights which have helped APA to continue to embed a customer-focused culture in the workplace.</p> <p>An organisation-wide action plan was agreed and sponsored by the Executive Leadership Team to enable a focused approach on three key themes deemed critical to enhancing engagement:</p> <ul style="list-style-type: none"> <li>• career development</li> <li>• systems and process improvement</li> <li>• senior leadership visibility</li> </ul>	●
<b>Community &amp; social performance</b>	Finalise a Community and Social Performance plan to strengthen social performance capability and outcomes across the business.	To enhance community outcomes to be more focused on being proactive and relationship centred.	APA's Community and Social Performance Strategy has been developed and implementation has commenced. Alongside the Strategy, a Sustainable Development Investment Framework was developed in FY22 to guide more effective outcomes through social investments.	Improved community and social performance approaches implemented across APA major projects leading to a more consistent and stakeholder centred approach to engagement. In particular this has included better consideration of First Nations People in major projects.	●
<b>Local engagement</b>	Embed local content and community and social performance principles in our procurement and contracting processes, including entering into First Nations individual relationship agreements on major	Positively impact social and economic opportunities for communities.	Implemented Relationship Agreements for each of the First Nations groups along the 580km Northern Goldfields Interconnect (NGI).	Relationship Agreements for NGI have been negotiated between APA and each of the parties and includes financial support, heritage project funding, job opportunities and the continuation of regular interactions between APA and the First Nations groups post construction to continue	●

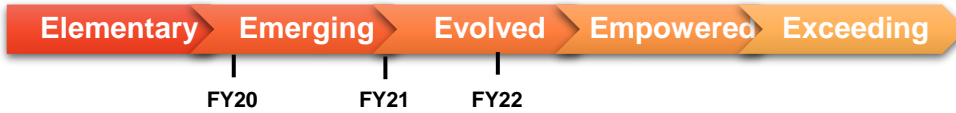
	projects where appropriate.			to highlight and discuss opportunities to work together across the region.	
<b>Stakeholder engagement</b>	Survey of APA stakeholders to gauge sentiment and get feedback on ways to improve.	Feedback on stakeholder engagement performance will ensure a continuous improvement feedback loop.	Continued delivery of APA's Stakeholder Advisory Panel and Stakeholder Engagement Forum in FY22.  Annual Customer Experience Survey completed. Customer Experience Survey identified a drop in the experience of our customers (down to 6.3). Whilst partly due to COVID-19 restrictions limiting scope for face-to-face engagement with our customers, the survey also uncovered some shortcomings in APA's communication with customers on aspects such as personnel changes. An action plan has been successful in lifting customer satisfaction ratings back to the long-term average CES score of 7.1 out of 10.	Stakeholder feedback from Panels and Forums has been a consideration in APA business planning.  Addressing customer concerns with an action plan that has been successful in lifting customer satisfaction ratings back to the long-term average CES score of 7.1 out of 10.	

**Maturity focus for FY23**

Principle 1: We will put customers at the centre of our business and energy system		
FY23 focus area	FY23 commitment	Purpose / expected customer & community outcome
<b>Culture</b>	Regular reporting to the Board on a number of culture measures with relevant personnel accountable for embedding the culture.	Drive continuous improvement and accountability for embedding customer-centred culture in APA.
<b>Community &amp; social performance</b>	Continued implementation of the Community and Social Performance Strategy.  Improved capability across the business.	Increased outcomes extended from major projects to other parts of the business.  APA teams more supported to work with customers and community.
<b>Stakeholder engagement</b>	Continue Stakeholder Advisory Panel and Stakeholder Engagement Forums.  Progress implementation of action plan developed in response to Customer Experience Survey.	Feedback continues to be considered as part of business activities.

## Principle 2 - Improve energy affordability for customers

### FY22 maturity assessment



In FY22, APA continued to work with energy partners and customers on projects to bring more energy supplies to market. This included projects to help soften the impact of depleting southern gas supply sources and ease wholesale prices through the East Coast Gas Grid expansion, and to support variable renewable energy with the provision of firm generation capacity. APA's business decisions recognise cost implications in the supply chain and considered improved energy affordability for customers. APA believes that incremental expansion of existing infrastructure is the most efficient and lowest cost solution to ensure that energy is delivered when and where it is needed. We continued to work with our customer advocacy processes to address key issues raised by consumers during regulatory processes, including affordability and the need to avoid price shocks with energy transitions.

We consider our prudent and innovative approach to investment meets customer needs. We are 'Evolved' in our maturity assessment of improving energy affordability for customers and have identified FY23 focus areas with commitments to help us mature towards a medium-term target 'Empowered' by FY23.

### Progress on FY22 commitments and customer & community outcomes

Principle 2: We will improve energy affordability for customers					
FY22 focus area	FY22 commitment	Commitment purpose	FY22 performance	Customer & community impacts / outcomes achieved	FY22 status
<b>New projects</b>	<p>Continue to work with energy partners and customers on projects to increase energy supply into the markets.</p> <p>Projects currently committed include:</p> <ul style="list-style-type: none"> <li>• East Coast Gas Grid (ECGG) expansion</li> <li>• South West Pipeline (SWP) expansion.</li> <li>• Northern Goldfields interconnect Pipeline (NGI)</li> <li>• Mica Creek Solar Farm</li> <li>• Kurri Kurri Lateral Pipeline (KKLP).</li> </ul>	<p>Expansion of east coast gas grids will increase winter gas transmission capacity mitigating shortfalls projected by AEMO.</p> <p>Increasing new gas supply from existing fields in Queensland and the Northern Territory will help to alleviate a potential gas shortfall in southern states in 2024 and potential price spikes.</p> <p>The Northern Goldfields Interconnect in Western Australia will increase gas infrastructure capacity for customers and open new regions for development supporting thousands of jobs.</p> <p>The Mica Creek Solar Farm will reduce emission with the addition of 88MW of renewable capacity in the Mt Isa region.</p> <p>The KKLP will connect the Hunter Power Project and support energy security across the east coast.</p>	<p>The East Coast Gas Grid (ECGG) expansion Stage 1 commenced construction during the year. The project will increase capacity of the South West Queensland Pipeline and the Moomba Sydney Pipeline prior to Winter 2023 to meet peak gas supply demand in southern states and alleviate concerns of potential shortfalls of gas over this time. We also committed to Stage 2 of this project that will further increase capacity of these pipelines prior to winter 2024, leading to a total increase in pipeline capacity to serve southern markets of 25%.</p> <p>Design and procurement commenced on the MSP and SWP expansion and construction is well underway and Stage 1 is expected to be completed in Q1 2023.</p> <p>Construction commenced during the year on the NGI, which is a new 580km pipeline in Western Australia's Mid-West region. NGI is expected to be operational in early 2023.</p>	<p>The expansion of the East Coast Gas Grid allows customers to manage their gas portfolios and meet the opportunities offered by the significant and ongoing changes in the industry. The additional capacity increases security of gas supply to southern markets.</p> <p>Once completed, the NGI will create a 'West Coast Grid' and will provide reliability and optionality to the Goldfields region with existing infrastructure nearing capacity in the region, along with opening up a broader availability across the mid-west region of Western Australia where the pipeline traverses.</p>	●
<b>Australia's gas supply hubs</b>	<p>Continue to work on reforms to enhance gas trading at Wallumbilla Hub as part of the</p>	<p>Greater liquidity in the East coast gas market will help to facilitate trading between market participants.</p>	<p>APA has taken an active and solution focused role in the Federal Government's gas led recovery plan, being shortlisted for a number of projects under</p>	<p>APA is in the process of working with the Australian Energy Market Operator (AEMO) designing</p>	●

<b>(Wallumbilla Gas Hub)</b>	Federal Government's gas led recovery plan.	<p>APA proposes market-led enhancement to Wallumbilla and other Gas Supply Hub markets operated by AEMO to facilitate greater liquidity in the east coast gas market.</p> <p>Wallumbilla Hub comprises the intersection of nine interconnecting pipelines with ~2,500TJ/d of gas transport capacity and ~1,000 TJ/d of compression capacity, collectively owned and operated by five independent entities.</p>	<p>the Future Gas Investment Framework. Of the projects shortlisted, APA has now committed to ECGG Stage 2 and the SWP expansion.</p> <p>Specifically, APA proposed Anonymous Trading at AEMO's Gas Supply Hub which has been endorsed by Energy Ministers. Anonymous Trading is designed to enable trades to occur on the Gas Supply Hub without the counterparties being discoverable thereby enabling enhanced trades and liquidity of gas through the Gas Supply Hub by participants who wish to remain anonymous.</p>	<p>Anonymous Trading principles and functionality.</p> <p>Once implemented, Anonymous Trading is anticipated to promote increased gas trades on the Gas Supply Hub at Wallumbilla and ultimately enhanced liquidity of gas for the east coast gas markets.</p>	
<b>Efficient investment</b>	Embed efficient investment principles (efficient expansion and utilisation of existing infrastructure) into investment decisions to minimise costs and help with energy affordability for customers as the energy market transitions to renewables.	<p>A focus on efficient investment will help with energy affordability for customers as the energy market transitions to renewables.</p> <p>In the current complex energy market, the most efficient and lowest cost long-term infrastructure solution is based on the efficient expansion and utilisation of existing infrastructure.</p>	<p>APA has undertaken a number of projects which utilise and expand existing infrastructure aligning with APA's commitment of delivering reliable and responsible energy. These include:</p> <ul style="list-style-type: none"> <li>• East Coast Grid through enhanced compression over two stages on the South West Queensland and Moomba to Sydney Pipelines increasing Queensland and Northern Territory gas flows into southern markets by 25%</li> <li>• Wallumbilla Compression through leveraging the opportunity of major equipment overhaul to increase firm compression by 130TJ/d</li> <li>• South West Pipeline capacity expansion with an additional compressor facility at Winchelsea Compressor Station, recognising the critical importance of storage and access to natural gas to Victoria's energy system.</li> </ul>	<p>Compression expansion is the most cost effective solution to expansion of capacity. This utilisation of existing infrastructure not only maximises the benefits to consumers of minimising costs and enhancing energy affordability, but also helps minimise social impacts with the avoidance of building new infrastructure.</p>	●
<b>Tariffs</b>	Advocate (where appropriate) during regulatory processes for the smooth transitioning of tariffs for regulated assets, to avoid price shocks for customers as the economy transitions to lower emissions pathways.	Address key issues raised by consumers during regulatory processes, including affordability and the need to avoid price shocks with energy transitions.	Regulated revenue components for VTS & RBP were viewed through the lens of affordability and the impact on consumers. Energy affordability was number one concern expressed by consumers during the engagement process.	Tariff impacts on customer bills minimised and smoothed over regulatory period.	●



**Maturity focus for FY23**

<b>Principle 2: We will improve energy affordability for customers</b>		
<b>FY23 focus area</b>	<b>FY23 commitment</b>	<b>Purpose / expected customer &amp; community outcomes</b>
<b>New projects</b>	APA will continue to work with energy partners and customers on projects to increase energy supply into the markets.	To increase energy supply into the markets.
<b>Australia's gas supply hubs</b>	<p>APA will continue to collaborate with AEMO to design and implement Anonymous Trading at Wallumbilla's Gas Supply Hub.</p> <p>Equally APA will maintain an active and solution focused partner in designing incremental improvements to Australia's gas markets.</p>	Facilitating greater liquidity in the east coast gas markets and enhanced flows to southern markets.
<b>Efficient investment</b>	APA will continue to challenge and look for opportunities to maximise existing infrastructure to meet the needs of gas consumers throughout Australia. This includes investigating future fuels such as Hydrogen in our existing transmission pipelines as part of our Pathfinder Program and investigating integrity and suitability for hydrogen blending in APA's Victorian Transmission System (VTS) should this be approved in APA's Access Arrangement submission.	Utilise existing infrastructure to its maximum extent whilst minimising social impacts, support for Southern markets' need for reliable and affordable gas supply, readiness and conversion of existing infrastructure to accommodate future fuels as part of Australia's decarbonisation efforts.
<b>Tariffs</b>	Continue to advocate (where appropriate) during regulatory processes for the smooth transitioning of tariffs for regulated assets, to avoid price shocks for customers as the economy transitions to lower emissions pathways.	Address key issues raised by consumers during regulatory processes, including affordability and the need to avoid price shocks with energy transitions.

## Principle 3 - Safe, reliable and sustainable energy

### FY22 maturity assessment



In FY22, we made investments and progress on our sustainability initiatives to further improve outcomes for our host communities, customers, and Security Holders, consistent with our Sustainability Roadmap. We completed the final year of APA's three-year Health, Safety, Environment and Heritage (HSEH) Strategy Plan in FY22. Despite the challenges of COVID-19 restrictions, APA implemented several initiatives during the year that drove continuous improvement and improved safety performance, contributing to safer environments for our people and host communities. APA again remained employee and contractor fatality free in FY22.

During the year we also made important progress towards realising our ambition of net zero operations emissions with the development and publication of our Climate Transition Plan. The plan outlines our tailored targets, goals and commitments for gas infrastructure and power generation, and electricity transmission, recognising that different sectors decarbonise at different rates. It also outlines APA's commitments in managing climate change risks and opportunities. We have 'Evolved' to providing energy safely, sustainably and reliably in FY22, and are focussed on maturing towards 'Empowered' by end FY23.

### Progress on FY22 commitments and customer & community outcomes

Principle 3: We will provide energy safely, sustainably and reliably					
FY22 focus area	FY22 commitment	Commitment purpose	FY22 performance	Customer & community impacts / outcomes achieved	FY22 status
Health, Safety, Environment & Heritage (HSEH)	<p>Continue to implement HSEH Plan with increased leadership focus and involvement in safety and operational activities.</p> <p>Improve year-on-year Health, Safety, Environment &amp; Heritage performance indicators, culture and leadership. Implement our Health &amp; Wellbeing program.</p>	<p>Ongoing improvements to HSEH and across APA will benefit health, safety environment and heritage for our people and communities hosting our assets and will help us to model and drive the right behaviour to improve overall HSEH performance.</p>	<p>Completed our final year of APA's three-year HSEH Strategy Plan in FY22. Despite the challenges of COVID-19 restrictions, APA implemented several initiatives during the year that drove continuous improvement. During the year we developed and implemented a Leading Wellbeing training module. This training module is designed to help leaders have important conversations around wellbeing, recognise the early signs of mental illness and provide informed guidance so people can access the help they need, when they need it. This initiative is the start of a larger health and wellbeing program that is vital to our HSEH Strategy.</p> <p>APA personnel and contractors collectively identified and reported 3,954 hazards. At a rate of 546.2 per million hours worked, this was a slight decrease on FY21. Hazard reporting will be a focus for next year with the introduction of the High Potential Hazard Frequency Rate.</p> <p>APA's combined Total Recordable Injury Frequency Rate (TRIFR) for FY22 of 3.25 equates to 23 persons injured requiring medical intervention during the reporting period, down 43% on FY21 (39 people).</p> <p>APA ended the year with a combined employee/contractor Lost Time Injury Frequency Rate (LTIFR) of 0.85, below the year-end target of &lt;1.0 and a decrease from our FY21 LTIFR of 1.62.</p>	<p>Improved safety leadership and performance has been recognised in FY22. There were 3,842 Management Interactions during the year that showed active and visible leadership in managing safe outcomes for APA's people and the environment. To support our leaders and improve the quality of these interactions, APA introduced a learning module based on relevant skills and rolled it out to all our people leaders.</p> <p>Improved safety performance has also contributed to safer environments for our people and host communities, APA again remained employee and contractor fatality free in FY22.</p> <p>APA leaders played a vital role in supporting our people's mental health and wellbeing, their training in Leading Wellbeing helped them to have important conversations around wellbeing, recognise the early signs of mental illness and provide informed guidance so our people could access the help they need, when needed.</p>	●

<p><b>Process safety</b></p>	<p>Develop and roll out Process Safety Fundamentals training and systems (including Management of Change) for APA's Power assets.</p>	<p>Continually improve process safety for the benefits of our people and communities with the aim to reduce harm to people, asset damage and maintaining continuity of supply.</p>	<p>Delivered Process Safety Fundamentals awareness material to APA employees and contractors at Power and Networks assets, completing the work that began in FY21 for those working on Transmission and Midstream assets.</p> <p>Revised the Process Safety Fatal Risk Protocol following consultation, clarifying and itemising minimum mandatory requirements.</p> <p>Achieved more than a 90% completion rate for the new Process Safety eLearning module; it was also included in the APA induction package and competency matrix requirements for new hires.</p> <p>Commenced the Process Hazards Analysis Program with major Hazard &amp; Operability and Layer of Protection Analysis studies for the Wollert Hub station and Brooklyn Hub transmission pipeline.</p> <p>Established an Alarm Technical Excellence Forum where more than 20 cross-discipline and cross-department specialists meet regularly to share learnings and insights to improve alarm management.</p>	<p>The continuous improvement of process safety contributed to improved safety performance and the reliable supply of energy to customers. There was one Tier 1 and one Tier 2 process safety incident in FY22.</p>	
<p><b>Climate Transition Plan</b></p>	<p>Develop a detailed plan to achieve net zero, and set interim targets to 2030 to support net zero ambition.</p>	<p>Net Zero goals, and interim targets and goals, signals APA's commitment to playing our part towards decarbonisation.</p>	<p>In August 2022, we published our Climate Transition Plan (aligned with to the recommendations of the Taskforce on Climate-related Financial Disclosures) including 2030 targets, goals and commitments:</p> <p>Gas Infrastructure:</p> <ul style="list-style-type: none"> <li>• Goal: Net zero operational emissions by 2050</li> <li>• Target: Reduce operational emissions by 30% by 2030</li> </ul> <p>Power generation and electricity transmission infrastructure:</p> <ul style="list-style-type: none"> <li>• Goal: Net zero operational emissions by 2040</li> <li>• Goal: Reduce emissions intensity for power generation by 35% by 2030</li> </ul> <p>In FY22 we published our Climate Change Policy that informs our approach to addressing the global challenge of climate change and Australia's energy transition.</p>	<p>These are significant milestones for our business and demonstrate to our customers, communities and investors that we're committed to have a meaningful role in the pathway to net zero.</p>	
<p><b>Sustainability Roadmap</b></p>	<p>Develop key supporting plans and deliver an Environmental Social Governance Scorecard by FY22.</p>	<p>Implementation of the Sustainability Roadmap over three years will help us to continually improve our sustainability performance and create value for our stakeholders.</p>	<p>Climate Plan and Community and Social Performance Plan developed.</p> <p>APA's new Sustainable Development Investment Framework developed.</p> <p>APA's new FY22 Sustainability Data Book developed and published to support APA's Annual Sustainability Report. APA's Sustainability Data Book provides transparent and credible information on APA's ESG performance, and is a precursor to the development of an ESG Scorecard.</p>	<p>Demonstrates APA's commitment to ensuring people and planet are considered in the way we undertake business and provides transparency through improved disclosed information relating to how APA does business sustainably.</p>	

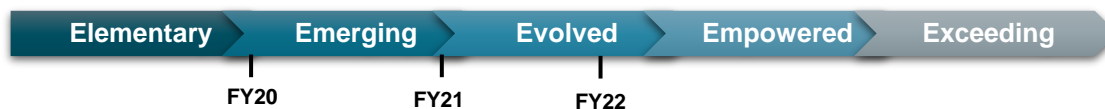
<p><b>Technology</b></p>	<p>Continue to actively investigate new technologies through the Pathfinder program.</p> <p>The Pathfinder program will involve pilot projects, equity investments in technology with clear market potential and R&amp;D that builds on our core competencies.</p>	<p>The Pathfinder program will allow APA to keep pace with our customers' entry into new technology.</p>	<p>Completed Phase 1 of the Parmelia Gas Pipeline hydrogen conversion study and commenced Phase 2.</p> <p>Joined the Central Queensland Hydrogen consortium and the Mid-West Blue Hydrogen consortium, both undertaking feasibility studies into new projects.</p> <p>Transitioned battery storage work stream out of the Pathfinder work and into business as usual.</p> <p>Added Carbon Capture and Storage to the Pathfinder program.</p>	<p>APA's landmark Parmelia Gas Pipeline (PGP) conversion project in Western Australia has continued to provide insights into the potential role of natural gas transmission pipelines in transporting hydrogen and progressing decarbonisation.</p>	
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**Maturity focus for FY23**

<p><b>Principle 3: We will provide energy safely, sustainably and reliably</b></p>		
<p><b>FY23 focus area</b></p>	<p><b>FY23 commitment</b></p>	<p><b>Purpose / expected customer &amp; community outcomes</b></p>
<p><b>Health, Safety, Environment &amp; Heritage</b></p>	<p>Develop and implement the supporting project plans for initiatives within the HSEH Strategy. The strategy is comprised of six strategic pillars which include:</p> <ul style="list-style-type: none"> <li>- Leadership, Collaboration &amp; Learning</li> <li>- Serious Harm Prevention</li> <li>- Health and Wellbeing</li> <li>- Systems, Technology and Innovation</li> <li>- Environment and Heritage</li> <li>- Process Safety</li> </ul>	<p>Leaders, employees, and contractors are trained, competent and demonstrate responsible decision making for HSEH.</p> <p>Critical Risks are identified and where appropriate, eliminated or managed to an acceptable level of risk.</p> <p>APA is a learning organisation that applies the lessons from proactive interactions with our people and other industries, incidents, assurance activities and stakeholders.</p> <p>Our management systems, processes and procedures are streamlined, provide clear direction and allow leaders to maintain a focus in the field.</p>
<p><b>Process safety</b></p>	<p>Performance Metric (KPI) Integration: Review existing lagging and leading indicators and develop new leading indicators.</p> <p>Critical Control functionality and effectiveness: continue to establish requirements for designing, managing and maintaining Critical Controls, with the goal of having correct classification, Work Orders and records for all operating assets in our asset management system.</p> <p>Process Hazards Analysis (PHA) uplift: A program to build and embed an ongoing, repeatable, reproducible suite of PHA studies for all projects across the asset lifecycle.</p> <p>Management of Change (MoC): The MoC Improvement Program consists of: (i) discrete improvements to the current process in our asset management system, and (ii) review and overhaul the current management change process to effectively support current APA work demands.</p>	<p>Lead indicators (Tier 3 and 4) give better insights into where to focus resources to ensure process safety barriers are effective.</p> <p>Having critical controls functioning and effective ensures that process safety outcomes are achieved minimising Tier 1 and 2 process safety events.</p> <p>PHA tools allow the identification of process safety risks and effective controls to prevent incidents. They are performed continuously through the lifecycle of the asset.</p> <p>MoC is essential to ensure that asset changes are appropriately managed to prevent incidents and to ensure efficient operation.</p>
<p><b>Climate Transition Plan</b></p>	<p>Progress our Climate Transition Plan in line with commitments and embed proactive emissions management and reduction activities to support targets into 100% of asset management plans.</p>	<p>Net Zero goals, and interim targets and goals, signals APA's commitment to playing our part towards decarbonisation.</p>
<p><b>Sustainability Roadmap</b></p>	<p>Continue the implementation of the Sustainability Roadmap and develop a supporting plan to ensure continued stakeholder engagement in APA's sustainability objectives and road map delivery.</p>	<p>ESG performance continues to mature in line with customer and community expectations.</p>
<p><b>Technology</b></p>	<p>Continue to actively investigate new technologies through the Pathfinder program. The Pathfinder program will involve pilot projects, equity investments in technology with clear market potential and R&amp;D that builds on our core competencies.</p>	<p>Pathfinder will allow us to keep pace with our customers' entry into new technology.</p>

## Principle 4 - Customer experience

### FY22 maturity assessment



Feedback from APA customers has been used to drive ongoing improvements in the customer experience in all aspects of interactions with APA including engaging with customers, outage management, capacity planning and other areas. This work, together with progress on the executive contact program, account management, and customer-driven development of services is seeing real improvements in the customer experience. Pleasingly, we have received positive feedback from customers on our enhanced services. APA's customer driven approach has matured and we are maturing towards Empowered in FY23.

### Progress on FY22 commitments and customer & community outcomes

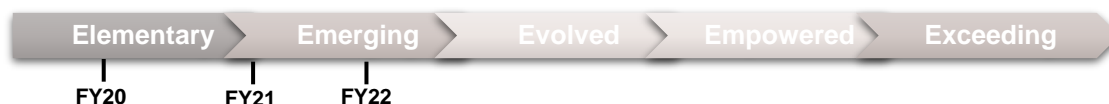
Principle 4: We will improve the customer experience					
FY22 focus area	FY22 commitment	Commitment purpose	FY22 performance	Customer & community impacts / outcomes achieved	FY22 status
<b>Network customer communication</b>	Improve communications with customers for planned activities such as meter changes and mains replacement.	It ensures customers receive clear and timely messages to help to manage impacts when we are performing work at their property.  With the upcoming industry changes for a B2B transaction for customer data, this will improve our ability to improve our communication with Customers. We will roll out an SMS process progressively in each state for the planned activities.	As an operator of the distribution networks, customer contact details are often held by Retailers and not Distributors. We are working with the industry on introducing a B2B transaction to improve the customer details in order to provide improved communication on all activities.  We have started using SMS notifications for unplanned interruptions where applicable.	Implementing an SMS system in addition to the letter drop/mail is helping improve the communication of advice to consumers of intended planned activities and to receive clear and timely messages to help to manage impacts.	●
<b>Commercial customer survey</b>	From FY22, the Voice of Customer survey will be completed with commercial customers annually to ensure we obtain feedback on a regular and ongoing basis.	The implementation of annual surveys as business as usual for commercial customers will provide an ongoing way to measure customer satisfaction, highlight emerging issues and obtain insights for developing new customer centric initiatives.	APA completed an annual commercial customer survey and then implemented a detailed action plan responding to customer feedback. A pulse check in June 2022 indicated the action plan was working with results tracking back towards the long-term average. Customer decarbonisation needs and hydrogen readiness were also assessed through a separate series of interviews.	Commercial customer feedback considered in an established detailed action plan responding to customer feedback.  Customer decarbonisation needs and hydrogen readiness assessed.	●
<b>Account management</b>	Continue to rollout and improve customer-focused account management, including through the better use of data.  Development of common customer performance measures and metrics for the industry through the EC Measures, Metrics and Maturity (MMM) WG.	Customer-centric decision making and proactive customer issue resolution.  Improve customer service and experience for the benefit of our customers.	The MMM Working Group has discussed common customer performance measures for the different sectors of the energy supply chain.  The MMM working group concluded that customer satisfaction was the most useful measure across the supply chain, noting the differences that can exist between consumer and commercial customer ratings.	Customer-centric decisions making and proactive customer issue resolution through account management initiatives that include: <ul style="list-style-type: none"> <li>• allocation of dedicated account managers</li> <li>• monthly key account review meetings</li> <li>• upgrades to and automation of supporting data</li> <li>• implementation of a quarterly customer experience dashboard</li> </ul>	●

**Maturity focus for FY23**

FY23 focus area	FY23 commitment	Purpose / expected customer & community outcomes
<b>Network communication</b>	Continue to work towards industry changes and leverage new technologies to improve the way in which we communicate with customers.	To ensure customers are provided with timely information regarding impacts to their properties.
<b>Network customer experience</b>	Continue to measure the Customer experience via a program of work to ensure we are continually improving.	Improve customer service and experience for the benefit of our customers.
<b>Account management</b>	Maintain our customer-focussed account management approach, looking to automate and improve supporting data where possible.	Maintain and improve our customer focus, ensuring customer-centric decision making and proactive customer issue resolution.
<b>Commercial customer survey</b>	Undertake an annual survey of commercial customers and develop an action plan in response to insights obtained.	Ensure APA remains focussed on customer satisfaction and the customer experience.

## Principle 5 - Supporting customers in vulnerable circumstances

### FY22 maturity assessment



APA's awareness and understanding of customers and communities in vulnerable circumstances continues to mature. We continued to monitor impacts on customers from the COVID-19 pandemic, and market volatility for commercial customers. Our Network business continued to implement COVID measures such as no disconnections and contact free meter reading during lockdown periods. At a community level, we commenced implementation of our new Community and Social Performance Strategy to further improve the way we support our host communities. Consistent with that strategy, we committed more than \$1 million to support sustainable development, sponsorships and donations and employee-driven initiatives during FY22. We are maturing in our 'Emerging' support to customers facing vulnerable circumstances and have clear focus areas on our aim to be 'Evolved' in FY23.

### Progress on FY22 commitments and customer & community outcomes

Principle 5: We will support customers facing vulnerable circumstances					
FY22 focus area	FY22 commitment	Commitment purpose	FY22 performance	Customer & community impacts / outcomes achieved	FY22 status
<b>Sustainable development</b>	APA will make financial contributions to support organisations that help people and communities in vulnerable circumstances and in times of need.	To support communities and help people and communities in vulnerable circumstances.	In FY22, APA continued to support communities by contributing over \$1 million in social investments and donations. Key partnerships which demonstrate this include our ongoing partnership with Clontarf Foundation and the Fred Hollow's Indigenous Australia Program.	Benefiting organisations were supported to deliver their purpose through APA's contributions. Our focus is on strengthening communities, including times of need.  Where possible, we looked to encourage sustainable development outcomes through our support including: <ul style="list-style-type: none"> <li>supported sustainable outcomes for Indigenous health, wellbeing and education</li> <li>built socio-economic outcomes through and increased focus on local, Indigenous and female participation in major projects</li> <li>built resilience of regional communities to deal with natural disasters through counselling services</li> <li>supported economic development of flood impacted communities through business recovery and job creation</li> </ul>	
<b>Vulnerable Commercial customers</b>	Monitor impacts on customers from the COVID-19 pandemic and market volatility for commercial customers.	To support the most vulnerable in our community especially during mandated COVID-19 lockdowns	APA has continued to monitor impacts on customers from the COVID-19 pandemic and market volatility for commercial customers. Our Network business continued to implement COVID-19 measures such as no disconnections and contact free meter reading during lockdown periods. Processes imbedded and workforce trained. We worked closely with Retailers to ensure Life Support customers are managed ensuring appropriate measures taken to ensure no disruption to their gas supply. All field personnel and contact centre staff are provided with training to ensure the	Working with commercial customers, APA has undertaken: <ul style="list-style-type: none"> <li>Monthly meetings focussed on early identification of vulnerable customers and opportunities to assist</li> <li>Small retailer check-in, to understand the impact of unprecedented spot market prices together with opportunities to assist.</li> </ul> The measures are aimed to support the most vulnerable in our community especially during mandated COVID-19 lockdowns.	

			interaction with customers are undertaken prior and post works.		
<b>Priority Network customers</b>	Networks will work with other distributors to identify vulnerable customers to improve our service when performing work at their property.	These measures are intended to help reduce stress for customers who may be in vulnerable circumstances and assist customers in vulnerable circumstances to ensure minimal impact when we are performing work at a customer's property.	APA has continued to monitor customers who were subject to mandated lockdowns to help ensure these customers were not disconnected or subject to meter changes, and that contactless meter reading were in place where applicable.	Assisted customers in vulnerable circumstances to ensure minimal impact when performing work at a customer's property.	

**Maturity focus for FY23**

<b>Principle 5: We will support customers facing vulnerable circumstances</b>		
<b>FY23 focus area</b>	<b>FY23 commitment</b>	<b>Purpose / expected customer &amp; community outcomes</b>
<b>Sustainable development</b>	Continue to make financial contributions to support organisations that help people and communities in vulnerable circumstances.	Supporting sustainable outcomes for Indigenous health, wellbeing and education.  Building socio-economic outcomes through increased focus on local, Indigenous and female participation in major projects.  Building resilience of regional communities to deal with natural disasters.  Supporting economic development of flood impacted communities through business recovery and job creation.
<b>Vulnerable commercial customers</b>	Maintain monthly meetings to facilitate early identification of vulnerable commercial customers.	Identification of emerging customer vulnerabilities increases the scope of opportunities for APA to assist.
<b>Priority Network customers</b>	Networks will continue to work with other distributors to identify priority customers to improve our service when performing work at their property.	Assist customers in vulnerable circumstances to ensure minimal impact when we are performing work at a customer's property.

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