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APA FY22 Energy Charter Disclosure Report

Feedback from members of APA's Stakeholder Advisory Panel

December 2022



Background

APA has been a signatory to the Energy Charter since its inception. As one of 20 Australian energy businesses, signatories commit to publicly disclose their progress against the Energy Charter Principles through the release of an annual disclosure report. APA's annual disclosure report details the actions, investments, partnerships and programs that have been delivered and demonstrates the alignment to the five Energy Charter Principles.

In 2022, the disclosure report review process progressed to a decentralised accountability framework. Signatories are now leveraging their business' stakeholder advisory structures and community groups to assess and challenge existing activities and commitments. This process aims to place customer experience at the heart of the dialogue and ensure that their insights and feedback continue to shape the ways in which signatories operate.

Gaining an understanding of the interests, concerns and expectations of our stakeholders is important to APA. The use of platforms such as the Stakeholder Advisory Panel and Stakeholder Engagement Forum are conduits through which to support those engagements. This document summarises the discussions and feedback shared by members of our Stakeholder Advisory Panel.



Feedback from members of the Stakeholder Advisory Panel

Feedback and commentary was requested from members of the Stakeholder Advisory Panel. Notably, their feedback appreciated the transparency that came through APA's Energy Charter disclosure.

That said, our stakeholders would like to see shifts in the reporting structure to engage the customer and draw out the "human side" of the activities reported in the Disclosure. Our stakeholders also stressed the importance of customer centricity and asked that APA engage them more regularly throughout the development of the report. And whilst our stakeholders welcomed the inclusion of our newly released Climate Transition Plan, they wanted to gain an understanding of the challenges and opportunities that would emerge for customers as a result of the energy transition.

At APA we welcomed the feedback from members of the Stakeholder Advisory Panel and will work across the business and with the Energy Charter to address their questions and comments. Some key insights APA has gained from this process include:

- Customers are keen to understand the work we do in a more relatable and accessible way. There is an opportunity to present the 'human side' and draw out the stories from our activities, through the inclusion of case studies and the development of a more visual, educational and accessible format.
- Recognition that the Disclosure reads as a business report. This underscores the need to work with Energy Charter members to ensure that structure and reporting requirements support information being presented in a way that is focused on the customer as the reader.
- The need to increase levels of diversity across the Stakeholder Advisory Panel was highlighted, as it reduces a possible "echo chamber" effect. There was also acknowledgement that input and feedback from stakeholders should be included throughout the Disclosure development process.
- The need to continue to work with our fellow Energy Charter members to ensure that measures and metrics relate to and adequately communicate the outcomes being achieved for customers.

An overview of the themes and responses from our consultation with Panel members are summarised in the table below.

Feedback Summary

Theme	You said	We heard	We did (will do)
Case Studies	<p>Stakeholders would like to see APA draw out the “human side” of the activities reported in the Disclosure.</p> <p>The report needs to tell a story - this is what will engage the customer over the longer term.</p>	<p>Our stakeholders understand the importance of reporting and the need to illustrate our performance against a maturity assessment. However, they would like to see the report brought to life through the development of a series of case studies that exemplifies APA’s initiatives and activities.</p>	<ul style="list-style-type: none"> • APA will work with key business representatives to develop a series of case studies that illustrates our progression against the Five Principles.
Diversification of the Panel	<p>Signatories are often seen talking to the same stakeholder groups and this leads to an echo chamber effect.</p>	<p>The collaboration that takes place between signatory and stakeholder/customer group is not under question. The relationships and discussions that exist between these groups is critical. That said, it is recognised that existing stakeholders and customer representatives sit across multiple signatory panels/forums. This overlap could stymie progress and limit diversity of thought.</p>	<ul style="list-style-type: none"> • APA will focus on bolstering the diversity, expertise and understanding of APA’s stakeholder advisory panel to support in the delivery of more tangible outcomes for our customers.
Energy Transition	<p>There is an understanding that customers will be impacted by the energy transition. What is less well understood is the nature of the challenges and when they will emerge.</p> <p>As a business that is at the centre of the energy transition, it is important for APA to show transparency and clearly articulate the role that it will play during the transition by asking and answering the hard questions.</p>	<p>The Disclosure Report references our Climate Transition Plan (CTP), and whilst the plan clearly outlines APA’s targets and goals for gas infrastructure and power generation, and electricity transmission this information is difficult to digest and not easily accessible for none subject matter experts.</p> <p>Our customers need to understand how the plan relates to them and their business activities, what challenges exist today and into the future and where the opportunities might exist.</p>	<ul style="list-style-type: none"> • APA will work with key business representatives and explore how we make our information and data more accessible and relatable to our customers. And we will explore what types of case studies or stories would best suit our audience.

<p>Engagement Process</p>	<p>It is important to engage your stakeholders early and often. Stakeholder groups can provide invaluable feedback throughout the development of the Disclosure Report by ensuring that selected activities and initiatives are targeted and respond to customer expectations.</p>	<p>Our stakeholders want to be seen and heard from inception through to completion of the Disclosure Report. Ensuring that our existing forums support sustained feedback loop opportunities will not only strengthen reporting outcomes but also increase the levels of buy-in.</p>	<ul style="list-style-type: none"> • APA will look at how to ensure the stakeholder panel/forum structure and its initiatives are targeted and respond to customer expectations. • This will be an opportunity to build greater input and feedback loops into the Disclosure Report process.
<p>Measures and Metrics</p>	<p>Measures and metrics play an important role across reporting but are often most relevant to a business audience. If measurement tools are to be used across the report, they should be relatable for the customer.</p>	<p>There was no objection to the incorporation of an assessment model but it needs to be relevant to our customers.</p> <p>Ultimately, the question here is whether the measurement and metrics fulfil a need and expectation set by our customers or by the Energy Charter and signatories.</p>	<ul style="list-style-type: none"> • APA will need to work with our broader stakeholder group, the Energy Charter and the signatories to understand how we tackle this fundamental pillar of the report.
<p>Report Architecture</p>	<p>A rich narrative exists across the report but it is clear that the audience is the Energy Charter and not the customer.</p> <p>This could become an opportunity to explore what elements of the report work well and what shifts are necessary to support a more visual, educational and forward looking document.</p>	<p>The Disclosure Report predominantly speaks to a business audience. It is important that we not lose sight of our key audience and work with our key stakeholders and customers to ensure information is relevant, tangible and relatable.</p>	<ul style="list-style-type: none"> • APA will work closely with the Energy Charter as we explore how best to present our activities and initiatives in a more visual and story-based way without losing the richness of detail that was so positively received by our stakeholders.
<p>Vulnerability</p>	<p>The report reads as a management and compliance tool. It is important that the human face of APA's activities and initiatives shine through in the report. This subtle shift would further humanise the report and demonstrate a level of vulnerability that would be welcomed and appreciated.</p>	<p>It is important that our report not be viewed solely as a response to a compliance requirement. Our customers want to hear the good news stories as well as the challenges encountered by APA.</p>	<ul style="list-style-type: none"> • APA will work internally and with the Energy Charter to assess how we strike a better balance between our reporting needs and showing who we are as a business.

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