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powering
ahead

apa

September 30, 2021

FY2021 Energy Charter Disclosure. Report to the Energy Charter Independent Accountability Panel



Joint message from the CEO and Chairman

APA's success has always been underpinned by our strong focus on people, communities, and customers and other stakeholders. Listening to our stakeholders and responding to their needs is key to our purpose to strengthen communities through responsible energy.

Accordingly, in FY2021 as we marked our twenty-first birthday, we also evolved our stakeholder engagement framework to explore new ways to 'bring the outside in' when it comes to the ways we make decisions and execute on our strategy.

This includes through the establishment of a Stakeholder Advisory Panel, bringing together senior representatives from a range of high-profile and diverse Australian organisations to advise APA on their areas of interest, concern and expectation for our business.

We also established a bi-annual Stakeholder Engagement Forum to inform stakeholders on APA business strategy, policies and programmes like our net zero ambition, our sustainability commitments and how we are managing our regulated assets.

This new framework is among a number of initiatives we have undertaken this year to progress towards the Energy Charter's principles and, pleasingly we have achieved several vitally important milestones that better put the customer and community at the centre of everything we do.

This includes being more nimble in providing products and services to meet the changing needs of customers and we have implemented initiatives to drive ongoing improvements in our customer experience.

During the year we announced our ambition for net zero operations emissions by 2050 and we continue to invest in new capability to support sustainability and climate risk management. And we have strengthened our commitment and approach to sustainability, with a new Sustainability Roadmap, now in place to guide our direction, focus and ambition.

We believe we have a critical role to play in helping our customers and communities manage the energy market transition today, while investing in the energy solutions that will be so important to tomorrow.

While we have made good progress in FY2021, we know that the expectations of our customers and communities are evolving and we are determined to continually improve when it comes to our environmental, social and governance performance, consistent with our purpose and our vision to be world-class in energy solutions.

Of course, our success in FY2021 is testament to the hard work and commitment of APA's leadership team and approximately 2000 people who work hard every day to deliver responsible energy solutions for communities across Australia.

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



Michael Fraser
Chairman



Rob Wheals
CEO & Managing Director

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 respect 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.



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About this disclosure

FY2021 saw APA make headway to better meet the needs of customers and community. APA's refreshed corporate strategy recognises changing customer and community expectations and pathways towards decarbonisation.

APA's energy infrastructure assets span mainland Australia and we have an impact on the economies of many communities. We provide energy services to a diverse range of customers from large shippers, manufacturers through to residential customers. APA has a workforce of more than 2,000 people providing services to customers and communities across Australia.

We have achieved much of what we said we would do in FY2021 with more work to do. The key outcomes for customers and community are set out below.

Strengthening community and stakeholder engagement

APA is engaging with a wider stakeholder base reflecting a more expansive view of customers and communities impacted by what we do. Our new refreshed approach to stakeholder engagement is a significant milestone for APA and represents a step-change in how we work with customers, consumers and the communities. These improvements will enable us to better understand what is important to our customers, communities and stakeholders and to get their feedback on expectations, what we do and the way we do it.

Meeting changing customer needs

In recent years, APA has become more innovative and adaptable in meeting the needs of customers and communities. We have embarked on new projects that will increase pipeline capacity on the east coast and play an important role delivering additional energy security for gas markets. The east coast expansion will improve the ability of gas producers, industrial users and retailers to transport energy and help alleviate potential supply shortfalls and volatile pricing. We have invested in hybrid energy solutions in response to demands from customers for lower emissions energy solutions.

This nimbleness has been complemented by customer-driven enhancements to improve the customer experience in the way we deliver services. These improvements help customers more efficiently manage their energy positions. We continue to monitor and take

measures to support customers who may be in vulnerable circumstances- especially during mandated Covid lockdowns.

Sustainability Roadmap & Net Zero ambition

In FY2021, we established a new Sustainability & Community team demonstrating APA's commitment to take a responsible approach to energy solutions. APA has developed a comprehensive, three-year Sustainability Roadmap to bring APA's vision and purpose to life. Further in FY2021, we developed a board-approved Climate Change Management Framework which supports delivery of our ambition to achieve net zero operations emissions by 2050, embedding consideration for climate risks and opportunities in corporate strategy and decision-making.

Pathfinder program

APA unveiled the Pathfinder program designed to identify opportunities to extend our core business as the market decarbonises. The first Pathfinder pilot program is an Australian first to research 100 per cent hydrogen-ready gas pipelines. The Pathfinder program will help unlock new cleaner technologies that will benefit customers and community.

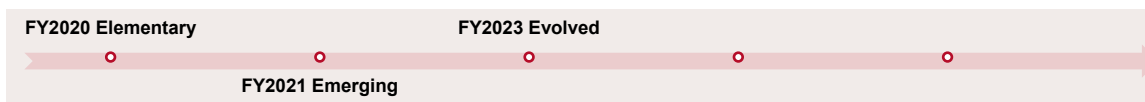
For the FY2021 Disclosure, we assessed how we went meeting our Energy Charter FY2021 commitments as well as the FY2020 commitments that we did not achieve last year. We have identified where outcomes have aligned with Independent Accountability Panel FY2020 recommendations. To give a fuller picture, we have included other notable initiatives that we did not include as commitments in FY2020. We have adopted the same assessment approach as last year with a traffic light assessment and then assessed our maturity against the Energy Charter Maturity Model. This assessment has been prepared with people accountable for the commitments and the Executive Leadership Team and approved by the Board. We also sought views from members of APA's new Stakeholder Advisory Panel on our Disclosure]. APA has met (or partially met) most of the FY2021 commitments. We are committed to doing better in FY2022 and have set out how we'll do this.

A more expansive view of our performance against more general sustainability and community objectives can be found in APA's FY2021 Sustainability Report.

Principle 1. Customer at the centre

Maturity assessment

In FY2021 we went through a culture planning program involving more than 150 people from across APA. The bottom up approach was supported with top down support from the APA Executive Leadership and Board. The refresh of our culture and new behaviours will support APA's new business strategy that firmly puts responding to the needs of customers as a top priority. In line with APA's expanded view of customers and community and taking on board IAP Recommendation 9 we have expanded our approach to stakeholder engagement above and beyond business as usual which has helped us better understand and respond to stakeholder needs. We have achieved most of the things said we would and we have assessed ourselves as a firm Emerging in FY2021. Continuing to embed the culture behaviours and stakeholder engagement will see us reach Evolved by end of FY2023.



Progress on FY2021 commitments and customer & community impacts

FY2021 commitments	Performance	Customer & community impacts
KPIs. A number of executives and line leaders to have KPIs linked to their remuneration that relate to customer and stakeholder outcomes.	<p>● Commitment delivered</p> <p>Customer and stakeholder focused KPIs are in place for CEO and Executive General Managers - Strategy & Commercial; Operations; Governance & External Affairs; and Infrastructure Development and their General Managers & Managers who work with customers and stakeholders.</p>	<p>Customer and stakeholder incentives embedded into culture and behaviours will see benefits to customer service and strengthening relationship with customers and stakeholders.</p> <p>Aligns with IAP Recommendation 8.</p>
Culture plan. APA is preparing a top/down, bottom/up culture plan to build on strengths and address the areas for improvement raised in the 2019 organisational Culture Survey and the 2020 ways we work survey.	<p>● Commitment delivered</p> <p>Culture Planning Committee (CPG) comprising 15 GMs/SMEs from across APA developed draft behaviours using feedback from company-wide culture surveys. Behaviours were tested in workshops by 140 participants across The result of this lengthy in-depth consultation process is our five new behaviours: Courageous, Accountable, Nimble, Collaborative and Impactful.</p>	<p>The culture behaviours have evolved from existing cultural tools guiding how APA conducts its business and helping shape culture.</p> <p>The new culture behaviours will be viewed through a customer lens and embedded into systems, processes, programs and frameworks including performance development. These behaviours set the benchmark for how APA operates, interacts with customers, communities and each other.</p>
Board involvement. Culture dashboard will be developed for reporting culture outcomes, including customer focus, to the Board on a regular basis.	<p>● Commitment partially delivered</p> <p>The Board is presented with customer outcomes every six months and a monthly update on culture. In light of the culture planning during the year, the culture dashboard initiative was put on hold until implementation of the new culture behaviours.</p>	<p>Ongoing reporting to the Board on culture and customer outcomes will improve incentives and accountability that will embed a customer-focused culture.</p> <p>Aligns with IAP Recommendation 8.</p>
Customer and community engagement. APA will develop and Implement stakeholder engagement plans to better understand and be able to deliver on customer/community needs, and to strengthen relationships for ongoing	<p>● Commitment delivered</p> <p>APA has expanded its stakeholder engagement framework including establishing a Stakeholder Advisory Panel consisting of a wide range of representatives. We will also be holding two Stakeholder Forums each year. Our first Forum was held in June 2021.</p>	<p>APA's enhanced stakeholder engagement approach provides a forum, where we can share information with stakeholders and the broader community, and also gain insights about their interests, concerns and expectations. It will help us deliver better outcomes for those we impact by better understanding their needs. For further information: https://www.apa.com.au/about-</p>

<p>collaboration and shared value.</p>		<p>APA is strengthening the way it recognises and works with First Nations People. This has been reflected through APA's approach on the proposed Northern Goldfields Interconnect (NGI) Project which passes through the traditional lands of multiple Traditional Owners. APA is entering into individual 'Relationship Agreements' with each Traditional Owner, which are over and above the regulatory requirements and consider core human rights principles of Free, Prior and Informed Consent.</p>	<p>apa/sustainability/apa-stakeholder-engagement/</p> <p>Engagement on NGI provides opportunity for APA to strengthen communities and be a positive agent of social change. Outcomes for Traditional Owners include opportunities to improve employment and business opportunities for Traditional Owners; and supply chain support for Traditional Owners' businesses.</p> <p>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 protection.</p> <p>Aligns with IAP Recommendations 9 & 11.</p>
<p>Best practice stakeholder engagement in regulatory processes. Improvement of our stakeholder engagement in regulatory processes by adopting recognised stakeholder engagement principles, formal training of our people and embedding a feedback loop to stakeholders about how we have considered feedback into our plans.</p>	<p>●</p>	<p>Commitment delivered</p> <p>APA continues to embed and improve stakeholder engagement on regulatory processes. As part of the process, we provide a feedback loop on what we heard from stakeholders and how we responded. For example, we heard that stakeholders are concerned about affordability and economic development.</p> <p>Key Regulatory & Policy people undertook formal stakeholder engagement training in FY2021.</p>	<p>Better understanding and collaboration with customers and stakeholders during regulatory processes helps APA to determine how best to provide services that align with interests of customers and consumers. For example we are more mindful of cost impacts and energy affordability for customers.</p> <p>In FY2021, APA was congratulated by the Australian Energy Regulator on our stakeholder engagement approach. For further information: https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/amadeus-gas-pipeline-access-arrangement-2021-26/draft-decision</p>

Focus areas for FY2022

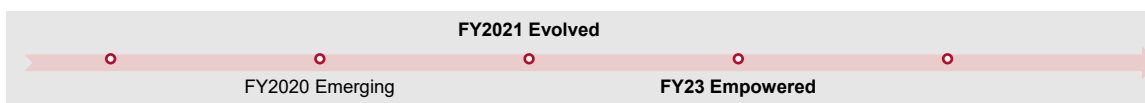
Focus for FY2022	Customer & community impacts
<p>Culture. Launch our new APA Behaviours and embed our new Culture Program of Work and high-performance goals.</p>	<p>Embedding of new culture behaviours will continue to strengthen customer centric culture across APA.</p>
<p>Culture dashboard & Culture survey. The Culture Dashboard is currently being developed. APA will also be conducting a culture survey in FY2022 and will assess progress against the 2019 survey. We are reporting results of the Culture Survey to the Board in October. Action areas and a baseline to be established in terms of the APA Behaviours launched in June 2021.</p>	<p>Regular monitoring and reporting to the Board on culture will strengthen focus and accountability for improving customer centric culture.</p>
<p>Community & social performance. As part of delivering the Sustainability Roadmap, we will finalise a Community and Social Performance plan to strengthen social performance capability and outcomes across the business. This includes a focus on enhancing consultation techniques to be more focused on being proactive and relationship centred.</p>	<p>Development of the Community & Social Performance Plan will build capability and shape our approach to positively managing impacts and outcomes for communities.</p>
<p>Local engagement. 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 projects where appropriate.</p>	<p>Positively impact social and economic opportunities for communities.</p>
<p>Stakeholder engagement. Undertake survey of APA stakeholders to gauge sentiment and get feedback on ways to improve.</p>	<p>Feedback on stakeholder engagement performance will ensure a continuous improvement feedback loop.</p>

Principle 2. Improve energy affordability for customers

Maturity assessment

APA is working to bring more energy supplies to market, including 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 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. Increasingly, we are finding APA's customers are interested in energy solutions that involve hybrid energy sources and we are implementing a more customer-driven approach to the development of new products and services as the energy market transitions.

We consider our prudent and innovative approach to investment meets customer needs and puts us at Evolved in the Maturity Assessment. We are setting a medium-term target of getting to Empowered by FY2023.



Progress on FY2021 commitments and customer & community impacts

FY2021 commitments	Performance	Customer & community impacts
<p>New projects. We will continue to work with energy partners and customers on projects to increase gas and energy supply into the market.</p>	<p>● Commitment delivered</p> <p>East coast expansion. The East Coast Grid links Queensland with southern markets and the proposed expansion project will support the gas transportation needs of our customers.</p> <p>Dandenong LNG new services. APA has engaged with customers to provide solutions to help mitigate the risk of supply disruptions or shortfalls. In conjunction with our customers, we have redesigned our services on the Dandenong LNG Facility with these issues front of mind.</p> <p>Gruyere Hybrid Energy Microgrid. In response to meeting customer needs, APA will build, own and operate a 13MWp solar farm backed-up by a 4.4MW/4.4MWh battery energy storage system.</p>	<p>APA has fully developed plans for the expansion of the East Coast Grid in an efficient and flexible manner informed by customer needs and input. Incremental expansion can be staged to optimise cost, timing and risk outcomes for the market.</p> <p>The first expansion stage will increase Wallumbilla to Wilton capacity by 12 per cent and is targeted for commissioning in the first quarter of calendar year 2023, ahead of AEMO forecast southern state winter supply risks.</p> <p>APA's East Coast Grid Expansion and refreshed services at the Dandenong LNG facility will likely support energy security and reduce pressure on energy prices.</p> <p>The Gruyere Hybrid Energy Microgrid is an example of APA working with its customer to deliver a project that combines energy security with emissions reduction.</p>
<p>Gas transparency. We will support reforms to improve information transparency in the gas market that are in the long-term interests of customers. We will continue our involvement with the Australian Pipeline and Gas Association and other pipeliners in the Energy Charter #BetterTogether – gas pipeline information disclosure. Following feedback from a series of industry-led workshops held</p>	<p>● Commitment delivered in part (proposed course deferred by AEMO)</p> <p>APA co-led "Better Together" initiative on information transparency and held customer-led workshops to engage on their information needs. The workshops revealed that customer customers struggled to find publicly available pipeline information. To address this, a webpage on APGA's website was developed to provide a one-stop-shop for all pipelines.</p> <p>Customer feedback also called for help to better understand and access the Gas Bulletin Board (GBB) information. We</p>	<p>The APGA webpage helps to streamline information searches by customers, reducing search costs and allowing easier comparison of prices and services and contacts for pipelines across Australia.</p> <p>The link to the gas pipeline information can be found on APGA website here Pipeline information for users - Australian Pipelines and Gas Association (apga.org.au)</p>

<p>in FY2020, the initiative is working towards:</p> <ul style="list-style-type: none"> • providing a more streamlined information platform by September 2021 • co-designing Gas Bulletin Board training with the Australian Energy Market Operator. 	<p>embarked on helping AEMO to develop a “Gas Bulletin Board 101” training course. This was put on hold in light of changes being made to the Bulletin Board.</p>	
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Focus for FY2022

Focus for FY2022	Customer & community impacts
<p>New Projects. We will continue to work with energy partners and customers on projects to increase energy supply into the markets. For example, APA is considering options to cost effectively debottleneck its existing pipelines in the Surat Basin and to provide greater connectivity between pipelines to maximise capacity out of the Surat Basin and into Wallumbilla, and also increase the capacity of pipelines in Western Australia through the Northern Goldfields Interconnect project.</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 up new regions for development supporting thousands of jobs.</p>
<p>Wallumbilla Gas Hub. 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. As part of the Federal Government’s gas led recovery plan, APA is working on reforms to enhance gas trading at Wallumbilla Hub. 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>Greater liquidity in the East coast gas market will help to facilitate trading between market participants.</p>
<p>Efficient investment. 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. We will embed these principles into investment decisions to minimise costs and help with energy affordability for customers as the energy market transitions to renewables.</p>	<p>A focus on efficient investment will help with energy affordability for customers as the energy market transitions to renewables.</p>
<p>Tariffs. During regulatory processes APA will advocate, where appropriate, for the smooth transitioning of tariffs for regulated assets to avoid price shocks for customers as the economy transitions to lower emissions pathways.</p>	<p>During regulatory processes, affordability and the need to avoid price shocks with energy transitions is a key issue raised by stakeholders. We acknowledge this concern and will advocate consistent with it.</p>

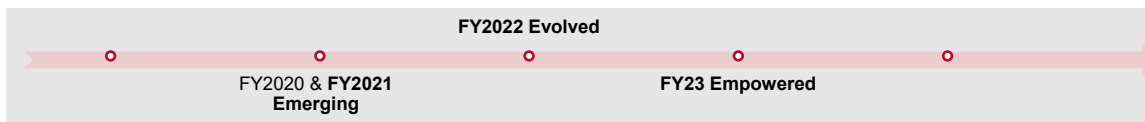
Principle 3. Safe, reliable and sustainable energy

Maturity assessment

APA is now two years into a three-year HSEH Strategic Plan. During 2021 we kept striving to make improvements in our HSEH Leadership and Culture, Contractor Safety, Technology, Systems and Analytics, Process Safety and Health & Wellbeing. This year we made meaningful improvements in our safety record largely due to safety performance improvement in our contractor workforce with more still to do.

APA's approach to sustainability has matured and we have committed to net zero operations emissions and to be part of the global transition. APA supports efforts towards decarbonisation of the energy system, and the development and deployment of new technologies to support this transition.

APA's focus on sustainability and net zero ambition has shown that we have matured but our need to improve contractor safety influenced our maturity assessment to remain as Emerging in FY2021 and target Evolved by FY2022.



Progress on FY2021 commitments and customer & community impacts

FY2021 commitments	Performance	Customer & community impacts
<p>Health, Safety, Environment & Heritage. Safety and Environment. Continue to implement HSEH Plan with increased leadership focus and involvement in safety and operational activities to model and drive the right behaviours so as to improve overall safety and environmental performance.</p>	<p>● Commitment delivered and ongoing</p> <p>In FY2021, APA continued to focus on visible safety leadership across our operations and we conducted a Health, Safety, Environment & Heritage (HSEH) leadership survey to benchmark APA against industry peers and use the insights to develop a Safety Improvement Program. The senior leaders of each business area are now working with their teams to address identified areas for improvement. In FY2021 we conducted a Wellbeing Survey to develop a baseline understanding of the health and wellbeing of our employees. This has been especially important with the ongoing COVID-19 pandemic to encourage the emotional, social and physical wellbeing of our people.</p>	<p>Following inconsistent safety results in FY2020, APA's primary focus in FY2021 was to close the gap between employee and contractor safety performance lag indicators.</p> <p>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.</p> <p>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 a designated, cross functional working group was established to work towards this new relationship style.</p>
<p>Process safety program. Continue implementing Process Safety processes including embedding process safety behaviours in our transmission and midstream (gas storage and processing) divisions and rolling out process safety to the remainder of our operations areas.</p>	<p>● Commitment delivered and ongoing</p> <p>Process Safety Fundamentals were rolled out to all frontline employees and contractors working on Transmission and Midstream assets. The application of the process safety fundamentals are embedded as part of the APA asset management process for transmission and midstream assets.</p> <p>Proudly, APA was the recipient of the APGA 2020 Safety Award for the APA's Process Safety Fundamentals.</p>	<p>The process safety program will continually improve how we manage and operate our assets, and is critical to ensuring the safety of our people and nearby communities.</p>
<p>Sustainability. With the establishment of a new Sustainability & Community</p>	<p>● Commitment delivered</p>	<p>The Sustainability Roadmap supports the refreshed corporate strategy and will bring APA's vision and purpose to life.</p>

<p>function, we will develop a comprehensive Sustainability Roadmap that will set the sustainability direction for APA and help continually improve our sustainability performance and disclosure. The Sustainability Roadmap will address all aspects of sustainability and align to UN Sustainable Development Goals.</p>		<p>In FY2021, we developed a comprehensive, three-year Sustainability Roadmap to bring APA's vision and purpose to life. Our Sustainability Roadmap creates a step-change in the way we look at sustainability.</p> <p>In FY2021, we conducted a stakeholder-centric materiality assessment to identify the core sustainability-related issues that APA should be monitoring and preparing for.</p>	
<p>Climate Management Plan & Net Zero by 2050 ambition. APA announced our ambition to achieve Net Zero operations emissions by 2050.</p>	<p>NA</p>	<p>New.</p> <p>On 23 February 2021, we announced our ambition to achieve net zero operations emissions by 2050. This is an important step to ensure we embed consideration for climate risk and opportunities in corporate strategy and business decisions.</p> <p>During FY2021, we developed a board-approved Climate Change Management Framework to define how we will achieve our net zero ambition and assess climate risk and opportunity as part of business as usual. This framework will also support the establishment of interim targets on our pathway to 2050. The new framework reflects our commitment to the Task Force Recommendations for Climate-related Disclosures.</p>	<p>Net Zero ambition signals APA's commitment to playing its part towards decarbonisation.</p> <p>Aligns with IAP Recommendation 4.</p>
<p>Technology. Continuing to explore the intersection of our existing assets with new energies such as renewable methane and hydrogen, improving our understanding of the role of carbon capture utilisation and sequestration technology and looking at how energy storage technologies such as batteries could complement renewables generation and support gas in firming of future energy networks.</p>	<p>●</p>	<p>Commitment delivered and ongoing</p> <p>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 renewable microgrids supporting pilot projects, equity investments and research and development.</p> <p>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.</p>	<p>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.</p> <p>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.</p>

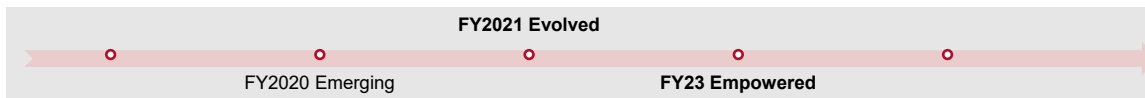
Focus for FY2022

Focus for FY2022	Customer & community impacts
<p>Safety. Improve year-on-year Health, Safety, Environment & Heritage performance indicators, culture and leadership. Implement our Health & Wellbeing program.</p>	<p>Ongoing improvements to HSEH and across APA will benefit health and safety for our people and communities hosting our assets.</p>
<p>Process safety. 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.</p>
<p>Sustainability Roadmap. Develop key supporting plans and deliver an Environmental Social Governance Scorecard by FY2022.</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>Net Zero. Develop a plan to achieve net zero and set interim targets to 2030 to support net zero ambition.</p>	<p>Net Zero ambition signals APA's commitment to playing its part towards decarbonisation.</p>
<p>Technology. Continue to actively investigate new technologies through the Pathfinder program. Pathfinder Program will involve pilot projects, equity investments in technology with clear market potential and R&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

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 is maturing and we assess ourselves as Evolved at the end of FY2021.



Progress on FY2021 commitments and customer & community impacts

FY2021 commitments	Performance	Customer & community impacts
<p>Grid enhancement. APA will continue to work on the grid enhancement program including improving the accuracy and timing of invoicing; and an improved customer information portal and make 90-day and 12-month pipeline capacity forecast reports available to customers in an easy-to-interpret graphic format (dashboard reporting).</p>	<p>● Commitment delivered</p> <p>APA Grid is the platform customers use to request gas transmission products and services from APA. The Grid Enhancement is a multi-year program and in FY2021 we met targets to upgrade the platform’s access portal technology to allow improved user navigation and security features, and a new modern design that improves the overall user experience. Improvements were made to the APA Grid platform contract entry and testing processes to improve system accuracy and improve implementation times.</p> <p>The new APA Grid 90-day Planned Maintenance visualisation is an online tool that provides a simple, visual way for customers to identify capacity-impacting planned maintenance.</p>	<p>These projects will help to improve customers’ ability to access information as well as improving timing and accuracy of invoicing.</p> <p>Customer feedback on the new online maintenance tool includes “<i>The new report looks good, very easy to use</i>” and “<i>The new “restricted capacity” feature of the maintenance report allows shippers to plan their portfolio</i>”.</p>
<p>Red Dot initiatives. We will continue to implement Red Dot initiatives including the Executive customer contact program involving direct customer engagement, point of contact, and increased collaboration in service design and improvement; and the Grid enhancement program (as discussed above).</p>	<p>● Commitment delivered</p> <p>The Red Dot initiatives have been implemented and integrated into business as usual. The Executive customer contact program was reinvigorated with the easing of COVID restrictions and involves senior leaders taking part in regular, planned discussions with customers regarding their energy needs and opportunities for improvement projects. We have implemented designated account managers for all customers and a cadence of monthly reviews of customer feedback and service delivery across APA’s top 20 customers. External experts were contracted to provide dedicated customer-centric account management training for frontline people in Strategy & Commercial.</p>	<p>The Red Dot program has now been successfully transitioned to a business as usual account management cadence that focuses APA on the needs of customers.</p> <p>The output from the monthly meeting forms the basis of the monthly Executive Leadership Team customer health report, helping identify and address emerging customer issues. This allows APA to identify issues that need to be addressed at an early stage.</p> <p>The outcome is better collaboration with customers ensuring we are developing solutions to meet their evolving needs and addressing system and service improvement suggestions.</p>

<p>Networks service improvement. Roll out of the next phase of the #BetterTogether – gas connections initiative, a trial in collaboration with Origin Energy to improve Site Ready dates processes.</p>	<p>●</p>	<p>Commitment delivered</p> <p>APA operates the Australian Gas Networks (AGN)-owned gas distribution networks. We are responsible for the mains in the street, the service to the property and the meter. AGN, Multinet Gas Networks and AusNet Services in Victoria have collaborated with retailers Origin Energy, AGL and EnergyAustralia to trial and now implement a single gas connection process with all retailers.</p>	<p>The new streamlined approach improves information on timing of planned activities for customers and reduces inconvenience.</p> <p>Builders in Victoria will now only need to follow a single standard gas connection process irrespective of the Distribution Networks business they are working in. Builders and customers will be asked to send applications no more than 10 days before the site is ready for connection (short timeframes are more easily managed and generally lead to far fewer delays).</p>
<p>Network customer communications. Improve communications with customers for planned activities such as meter changes and mains replacement.</p>	<p>●</p>	<p>Commitment ongoing</p> <p>As operator of the distribution networks, customer contact details are often held by Retailers and not Distributors. We have worked with the industry on introducing a B2B transaction to improve the customer details in order to provide improved communication on both planned and unplanned activities. The changes to B2B protocols are intended to be implemented November, 2021.</p> <p>We have undertaken a pilot to prove improved notification of upcoming works - , we sent SMS messages for a sample of customers in Victoria relating to proposed meter change.</p>	<p>Implementing an SMS in addition to the letter drop/mail – will improve the communication of advice to consumers of the intended planned activity.</p> <p>It ensures customers receive clear and timely messages to help to manage impacts</p>
<p>Measures and metrics. Development of common customer performance measures and metrics for the industry through the Energy Charter Measures, Metrics & Maturity (MMM) working group.</p>	<p>●</p>	<p>Commitment partially delivered</p> <p>MMM Working Group has discussed common customer performance measures for the different sectors of the energy supply chain.</p>	<p>The MMM working group concluded that customer satisfaction was the most useful measure across the supply chain.</p> <p>APA customer satisfaction results are shown below.</p>
<p>Customer satisfaction (Networks) metrics (CSAT). Continue to measure Customer satisfaction CSAT and customer experience pain points to identify further improvement initiatives.</p>	<p>●</p>	<p>Commitment ongoing</p> <p>Networks undertakes customer satisfaction surveys on a monthly basis.</p>	<p>Annual CSAT score of 8.6. This result was above target of 8.3.</p> <p>This was an improvement on FY2020 CSAT score of 8.4 (above target of 8.2).</p>
<p>Power customer satisfaction survey.</p>	<p></p>	<p>Commitment ongoing</p> <p>The first survey of Power customers (generators) was undertaken in FY2021.</p>	<p>Power survey in first half FY21 recorded Customer Experience Score (CES) of 7.1.</p>

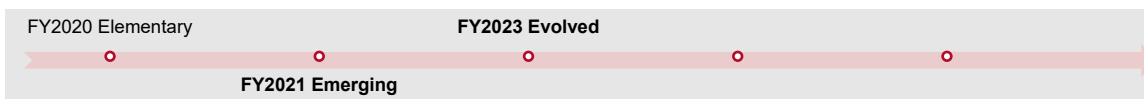
Focus for FY2022

Focus for FY2022	Customer & community impacts
<p>Account management. Continue to rollout and improve customer-focussed account management, including through the better use of data.</p>	<p>Customer centric decision making and proactive customer issue resolution.</p>
<p>Customer survey. From FY2022, the Voice of Customer survey will be completed with commercial customers annually to ensure we obtain feedback on a regular and ongoing basis.</p>	<p>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.</p>
<p>Network communication. 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 SMS process progressively in each state for the planned activities.</p>	<p>It ensures customers receive clear and timely messages to help to manage impacts when we are performing work at their property.</p>
<p>Network customer experience. We will continue to measure the Customer experience via a program of work to ensure we are continually improving.</p>	<p>Improve customer service and experience for the benefit of our customers.</p>

Principle 5. Supporting customers in vulnerable circumstances

Maturity assessment

APA's awareness and understanding of vulnerability of customers and community has greatly matured. To some extent, this greater awareness has been accelerated by the wave of natural disasters in Australia and global Covid-19 pandemic. These significant events placed the spotlight on big business and community expectations for supporting people in need. In another challenging year, we have continued to monitor network customers to prevent disconnection and put in place contactless meter reading. During these challenging times, we have continued to support our community including through targeted donations to vulnerable communities. In FY2021, we assess ourselves as Emerging and aiming to be Evolved by FY2023.



Progress on FY2021 commitments and customer & community impacts

FY2021 commitments	Performance	Customer & community impacts
<p>Social performance. We will prepare a program to strengthen social performance capability across the business; identify required social performance standards and procedures; and an evaluation of community investment and partnership approach.</p>	<p>● Commitment ongoing</p> <p>Development of the Sustainability Roadmap was a priority for 2021. Community and Social Performance was identified as a key focus area for the next three years. Whilst the Roadmap was under development, an interim community and social performance plan to leverage existing capability and support existing business activity was introduced during FY2021. The full plan has carried over as a focus area to FY2022.</p>	<p>The interim community and social performance plan has supported: an increase in local, Indigenous and female participation outcomes for key APA projects; building on existing community and social performance strengthen and taking a more participatory and inclusive approach to working with stakeholders.</p> <p>Aligns with IAP Recommendation 11.</p>
<p>Customers in vulnerable circumstances & Covid response</p>	<p>NA</p> <p>Ongoing and as required</p> <p>APA has continued to monitor impacts on customers from the COVID-19 pandemic and general market for wholesale customers.</p> <p>Our Network business continued to implement COVID measures such as no disconnections and contact free meter reading during lockdown periods. Processes imbedded and workforce trained.</p> <p>We work 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 interaction with customers are undertaken prior and post works.</p>	<p>The measures are aimed to support the most vulnerable in our community especially during mandated Covid lockdowns.</p> <p>Aligns with IAP Recommendation 12.</p>
<p>Supporting communities in times of need. APA continue to make financial contributions to support organisations that help</p>	<p>NA</p> <p>Ongoing initiative</p> <p>In FY2021, APA continued to support communities by contributing over \$730,000 in social investments and</p>	<p>Benefiting organisations were supported to deliver their purpose through APA's contributions. Our focus is on strengthening communities, including times of need.</p>

<p>people and communities in vulnerable circumstances.</p>	<p>donations. Key partnerships which demonstrate this include our ongoing partnership with Clontarf Foundation and the Fred Hollow's Indigenous Australia Program.</p> <p>APA also donated \$50,000 to Rural Aid in response to the devastation wrought by flooding in NSW and Queensland; and a further \$25,000 to the Business Council's BizRebuild initiative and the Community Rebuilding Trust. This has been further supported by an employee matched giving initiative to the Red Cross Natural Disaster Fund</p> <p>Additionally, as part of our Christmas appeal, we donated \$60,000 to Beyond Blue, OzHarvest, The Salvation Army, Mission Australia and the Benevolent Society.</p>	<p>Where possible, we looked to encourage sustainable development outcomes through our support. Examples of this include:</p> <ul style="list-style-type: none"> • Supporting sustainable outcomes for Indigenous health, wellbeing and education • Building socio-economic outcomes through and increased focus on local, Indigenous and female participation in major projects • Building resilience of regional communities to deal with natural disasters through counselling services • Supporting economic development of flood impacted communities through business recovery and job creation.
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Focus for FY2022

Focus for FY2022	Customer & community impacts
<p>Vulnerable customers. Networks will work with other distributors to identify vulnerable customers to improve our service when performing work at their property.</p>	<p>Assist customers in vulnerable circumstances to ensure minimal impact when we are performing work at a customer's property.</p>
<p>Network COVID response. Continue to monitor customers who are subject to mandated lockdowns and ensure that these customers are not disconnected, not subject to meter changes and that contactless meter reading is in place.</p>	<p>These measures are intended to help reduce stress for customers who may be in vulnerable circumstances.</p>
<p>Community & social performance. In developing the community and social performance plan, we will strengthen our approach to managing impacts and delivering mutual value for communities through sustainable development.</p>	<p>The community and social performance plan will identify and deliver more meaningful and impactful outcomes in communities.</p>

For further information

Contact Nives Matosin
t +61 2 9693 0081
e nives.matosin@apa.com.au
w apa.com.au