



APA FY23 Energy Charter Disclosure Report

30 September 2023





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At APA, we acknowledge the Traditional Owners and Custodians of the lands on which we live and work throughout Australia. We acknowledge their connections to land, sea, and community. We pay our respects to their Elders past and present and commit to ensuring APA operates in a fair and ethical manner that respects First Nations peoples' rights and interests.



Adam Watson
CEO and Managing Director

Message from the CEO

APA Group is committed to ongoing strong, inclusive engagement with all our stakeholders, working closely with our communities, customers, First Nations people and our employees.

We have a customer-led strategy to be the partner of choice in delivering infrastructure solutions for the energy transition. Key to our success is our ability to be proactive in anticipating and meeting the needs of our customers and partnering with them to deliver their energy solutions.

We own and operate some of Australia's most critical electricity transmission interconnectors and most efficient gas fired power generators, which play an important role in supporting renewable power generators with grid stability. And we own over 15,000 kilometres of gas pipelines, which deliver energy to families and industries across every corner of Australia.

As a result of this experience, and as a proudly Australian business listed on the Australian Securities Exchange, we know the importance of energy infrastructure and our role in providing reliable, affordable, and low emissions energy.

A recent example of this was in January when there was a 25 per cent drop in gas supply across Western Australia for reasons not related to APA. Fortunately, APA's customers were able to rely on our Mondarra gas storage facility to provide critical capacity and help bridge the supply gap.

The Mondarra facility's total storage capacity is the energy equivalent of about 11,000 Victorian Big Batteries and was critical to ensuring Western Australia's energy network kept the lights on during these shortages.

In FY23 we again demonstrated our commitment to operational excellence and to listening, engaging, and responding to all our stakeholders.

From a safety perspective, we recorded zero fatalities or serious harm incidents in 2023. Our overall TRIFR is around the same level as last year, however, we've made significant progress in working with our contractors on safety and will continue to focus on improving these results.

We've also made solid progress toward our sustainability objectives.

The implementation of our Climate Transition Plan has continued, and we have also set a new target to reduce our methane emissions by at least 30% by 2030 compared with a FY21 base year. We've also increased our support to communities, delivered environment and heritage improvement programs and developed APA's first Reconciliation Action Plan.

As a truly nation-wide business, we own and operate energy infrastructure across many lands of our country's First Nations People. This alone emphasises the significant role we must play in advancing reconciliation and creating opportunities for prosperity for all Australians.

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

Adam Watson
Chief Executive Officer and Managing Director

Our customers and communities

APA Group is a leading Australian energy infrastructure business, owning, operating, and managing a diverse \$22 billion portfolio. We have a presence in every State and Territory spanning metropolitan, regional, and remote Australia.

Our role is critical to Australia's energy supply. It is our commitment to fulfill this role responsibly and with knowledge and consideration of how business activities can impact a broad range of stakeholders. For APA, understanding who our stakeholders are and how we impact each other is vital to achieving operational excellence.

APA is focused on being the partner of choice in delivering infrastructure solutions for the energy transition, across four customer segments:

- Resource Industry
- Energy Supply & Wholesale
- Government
- Large Commercial & Industrial.

We have over 100 direct customers, often very large businesses, using the assets we own. But we have a much broader impact in terms of our customers' customers and the energy-related services we provide across gas pipelines and networks, and electricity transmission and generation including a growing renewables portfolio.

Striving to be the energy solutions partner of choice, we are customer-led, listening to our customers to deliver reliable, affordable, and lower emission solutions that meet their needs.

Our FY23 Energy Charter Disclosure Report 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.

Further information relating to our outcomes or more general sustainability and community objectives can be found in [APA's 2023 Annual Report](#).

Engaging with communities

Driven by our purpose, to strengthen communities through responsible energy, we are committed to outstanding performance in our interactions with communities.

We strive to engage in a culturally appropriate way, work to understand the needs and aspirations of our host communities and contribute to their sustainable development.

APA's community and stakeholder engagement programs connect and work with local landholders, Traditional Owners, communities, governments, and industry. Our programs are tailored to meet the broad needs of our stakeholders and range from simple awareness of our activities to involvement in the design of new infrastructure.

First Nations engagement

APA holds Indigenous Land Use Agreements and Cultural Heritage Management Plans with Traditional Owners. These set out processes and plans for protecting Aboriginal cultural heritage and engaging with Traditional Owners in areas where we operate.

We are committed to continually improving processes which guide First Nations engagement and Aboriginal cultural heritage management. Our aim is to drive improved land use and benefit sharing with First Nations groups and contribute to community capacity through training and employment in the energy sector.

Our future engagement will focus on improving the quality and depth of our relationships with First Nations groups to ensure we continue to respect their rights and interests and adequately build in the priorities of Traditional Owners and host communities throughout our assets' lifecycle.

Landholder Contact Program

With easements across many properties throughout the country, landholders are a key partner in our operations and are an essential part of maintaining and developing our infrastructure.

In FY23, we continued to run the annual APA Landholder Contact Program, sharing operational and safety information with landholders, and providing Before-You-Dig information. This Program also allows landholders to update APA about their activities, access, and notification requirements, and to raise any concerns.

The Landholder Contact Program aims to contact at least one representative from each parcel every year, preferably face-to-face. Over the past few years, we have consistently contacted at least 80% of our landholders and in FY23, we successfully contacted 11,271 landholders out of a total 13,822 - which represents 81.54%.

In recent years we have conducted a popular APA Landholder Photo Competition, with entries used in our annual calendar to highlight the stunning and diverse landscapes in which we operate.

APA continues to receive positive feedback from landholders and our proactive engagement with landholders is seen as a point of difference compared with other similar companies.

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. With the refresh of our company strategy in FY23, we will continue to refresh and uplift our stakeholder engagement approach, including our Stakeholder Advisory Panel and associated forums, to ensure alignment to our strategy and continued impactful outcomes for our customers, communities, and partners.

Customer performance

APA's annual commercial customer feedback survey was completed in November 2022. It involved a quantitative survey administered by an independent external agency, True North. The key deliverable from 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 6.7 out of 10, representing an improvement from our 2021 score of 6.3. The result was driven by improvements in customer relationships with our key commercial counterparts. This reflected the success of our 2022 action plan which focused on re-invigorating relationships, re-establishing APA's industry leadership

and re-prioritising face-to-face meetings after COVID.

The survey also highlighted the opportunity to better engage senior representatives within our customer groups and work harder with specific accounts. This means prioritising key attributes such as ease of doing business and innovation, whilst also delivering on commitments, and continuing to work on improved communications and understanding of customers' concerns. The survey informed our updated 2023 action plan which has now been in implementation for six months.

Customer complaints

We also maintain a commercial customer complaints process with four complaints received during FY23 – this compares with 10 complaints in FY22, so a significantly better performance. The complaints related to land access, metering, processes around rejection of non-firm nominations, and the scope of protection works. We are also working to understand how we can better monitor and respond to customer impacts related to power outages as we grow our portfolio of electricity assets.

As well as working to resolve each complaint, we conducted 'lessons learnt' reviews to ensure any underlying issues driving the complaint do not recur.

FY23 Highlights

FY23 was another dynamic year for the energy sector. The energy transition continued at pace with decarbonisation a key driver for our customers. With the conclusion of pandemic restrictions, APA continued to prioritise customer engagement and communications, innovation, and customer experience. We sought to put customers at the centre of our decisions, activities and planning as we worked to deliver on our Energy Charter commitments.

We continued to take a customer-led approach to the development of new offers, working to meet our customers' needs by delivering reliable, affordable, and low emissions solutions. We sought to better inform our customers to help them deal with the volatility of peak winter/summer markets as well as new regulatory requirements that might affect day-to-day operations. Finally, we worked to ensure we supported our customers where they faced temporary hardships through natural disasters.



Developed our inaugural
**RECONCILIATION
ACTION PLAN**

for Reconciliation Australia
endorsement in FY24



Increased our
**CUSTOMER EXPERIENCE
SCORE (CES)**

from 6.3 in 2021 to 6.7 out of 10 in 2022



Contributed
\$1.2M TO COMMUNITIES

through discretionary social investment



Recorded
ZERO FATALITIES

or Actual Serious Harm Incidents



Supported
**MORE THAN 84
ORGANISATIONS**

through our social investment programs



Set a
METHANE TARGET

aligned with the Global Methane Pledge
(GMP): At least 30% reduction in our
operational methane emissions by 2030
(FY21 base year)

Principle 1 – Customer at the centre

FY23 maturity assessment



In FY23 we refreshed our strategy to focus on being the partner of choice in delivering infrastructure solutions for the energy transition. This puts the customer at the centre of what we do, meeting their current needs and anticipating their future requirements.

This refreshed focus has been demonstrated in our half-year and full-year results presentations which opened with practical examples of where we've been able to respond effectively to deliver better customer outcomes. This focus is being embedded through the organisation with a growing number of examples of customer focus and delivering positive outcomes for customers being recognised at all levels. APA expects that this will build over time and is committed to ongoing focus in this area.

At a community level, we commenced the design of a new Community and Social Performance Management System to further improve the way we support our host communities.

Stakeholder feedback from our customers 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 'Evolved' maturity of putting customers at the centre of our business and energy system, we have identified focus areas to target being 'Empowered' by end FY23.

Progress on FY23 commitments and customer & community outcomes

Principle 1: We will put customers at the centre of our business and energy system				
FY23 focus area	FY23 commitment	Commitment purpose	FY23 performance	Customer & community impacts / outcomes achieved
Culture	<p>Implement regular reporting to the Board on culture measures, including Engagement Capital & Gender Targets.</p> <p>Ensure relevant personnel are accountable for embedding the culture.</p>	<p>Increased customer centricity, a focus on alignment of our culture with customer and community.</p>	<p>Both Engagement Capital and Gender Targets form part of the CEO and GE People Safety & Culture FY23 KPI Scorecard.</p> <p>Continued focus on our APA Behaviours, embedded within our Code of Conduct, onboarding, and learning and development programs, with the behaviour modifier put in place in FY22 for Senior Leaders, extended to Level 4 leaders in FY23.</p> <p>Annual Culture Survey and internal audit was completed. Employee engagement was at 71%, a 7% increase from FY22.</p> <p>Refreshed I&D Policy including updated content for our inclusive Leader's program, successfully rolled out to executive leadership in March 2023.</p> <p>Improved gender-neutral parental leave policy and practices.</p> <p>Launched APA's Respect@Work procedure, in alignment with the I&D Strategy and Code of Conduct.</p> <p>Focused on Gender Diversity across APA, with overall total female representation at 31.8%, and, senior female leadership at 31.4% for FY23.</p>	<p>Early talent strategy – increased graduate intake with 46% female cohort and 53% female Intern cohort.</p> <p>Industry recognition of graduate program, #1 in Oil, Gas, Energy & Resource Sectors for 2023 (AAGE).</p>
Community & social performance	<p>Continued implementation of the Community and Social Performance Plan.</p> <p>Improved capability across the business.</p>	<p>Improved outcomes extended from major projects to other parts of the business.</p> <p>APA teams are more supported to work with customers and community.</p>	<p>Recruitment of a dedicated social performance team (4 central roles and 1 ID role).</p> <p>Development of APA's inaugural RAP.</p>	<p>Improved community and social performance approaches implemented across APA major projects leading to a more consistent and stakeholder centred approach to engagement. This has included better consideration of First Nations People in major projects.</p>
Stakeholder engagement	<p>Continue Stakeholder Advisory Panel and Stakeholder Engagement Forums.</p> <p>Progress implementation of action plan developed in response to Customer Experience Survey.</p>	<p>APA's engagement spans a diverse range of stakeholders (e.g., across State and Federal Government agencies, community, landholders, customers, suppliers, investors, and employees) who hold different perspectives and objectives.</p>	<p>Feedback regarding the aims, governance structures and membership of the Stakeholder Advisory Panel continues to be considered to better engage our diverse stakeholder groups.</p> <p>Continued investment in core capability across the workforce.</p> <p>In FY23, we continued to run the annual APA Landholder Contact Program, sharing operational and safety information with landholders, and providing Before-You-Dig information. This Program also allows landholders to update APA about their activities, access, and notification requirements, and to raise any concerns.</p>	<p>APA's community and stakeholder engagement programs connect and work with local landholders, Traditional Owners, communities, governments, and industry. Our programs are tailored to meet the broad needs of our stakeholders and range from simple awareness of our activities to involvement in the design of new infrastructure.</p>

		<p>The need to better engage and inform our customer groups and work in a more targeted way across specific accounts.</p>	<p>APA's annual commercial customer feedback survey was completed in November 2022. It involved a quantitative survey administered by an independent external agency, True North. The key deliverable from the survey is APA's Customer Experience Score (CES), an average performance score across attributes such as trust, responsiveness, value, ease, rapport, and innovation.</p> <p>Our CES was 6.7 out of 10, representing an improvement from our 2021 score of 6.3. The result was driven by improvements in customer relationships with our key commercial counterparts. This reflected the success of our 2022 action plan which focused on re-invigorating relationships, re-establishing APA's industry leadership and re-prioritising face-to-face meetings after COVID.</p> <p>The survey informed our updated 2023 action plan which has now been in implementation for six months.</p>	<p>Improved customer experience that enables us to keep customers at the heart of what we do and ensure that customers are better informed and supported, particularly when faced with hardships.</p>
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Maturity focus for FY24

Principle 1: We will put customers at the centre of our business and energy system		
FY24 focus area	FY24 commitment	Purpose / expected customer & community outcome
Culture	<p>Refresh the Culture Program to elevate customer centricity and align to our refreshed strategy.</p> <p>Culture Engagement KPI in FY24 scorecard, extended from CEO and GE PSC, to include whole Executive Leadership Team (ELT).</p> <p>Culture goal for all General Managers FY24 Scorecard.</p> <p>Inclusive Leadership Development Program implemented with General Managers and broader leader population, commencing August 2023. The program reviews unconscious bias, everyday sexism and the link between diversity and performance.</p>	<p>Increase focus on customer at the centre of our culture.</p> <p>Clear and personal accountability on cultural engagement for Executive Leaders.</p> <p>The application of learnings from the inclusive leadership training will be applied with employees, customers, and community in mind.</p> <p>An Early Talent pipeline focussed on gender, First Nations and regional and remote communities</p>
Community & social performance	<p>Launch APA's first Reconciliation Action Plan.</p> <p>Prioritise development of Community and Social Performance framework.</p>	<p>To contribute to positive First Nations outcomes because of APA's business activities.</p> <p>To further define APA's requirements for social performance.</p>
Stakeholder engagement	<p>Continuing to deliver a refreshed approach to stakeholder engagement.</p>	<p>To support an integrated, coordinated and more structured approach to stakeholder engagement.</p>

Principle 2 - Improve energy affordability for customers

FY23 maturity assessment

Elementary

Emerging

Evolved

Empowered

Exceeding

FY20

FY21

FY22

FY23



In FY23, APA continued its momentum, investing in growth opportunities and completing several major projects. This included the delivery of the largest remote-grid solar farm in Australia, the Dugald River Solar Farm; the acquisition of the Basslink interconnector which further expands our electricity transmission business; delivery of the first stage of the East Coast Gas Grid expansion and commissioning of the Winchelsea-2 compressor as a part of the South West Pipeline (SWP) expansion; investment in the Western Outer Ring Main Project; completed the Gruyere Power Station Expansion and Hybrid Energy Microgrid; and the northern Goldfields Interconnect (NGI) pipeline, providing greater energy security and supporting growth and transition in the Western Australian resources sector.

Creating value is central to our success and underpins our ability to deliver for customers, investors, communities, and our people. APA continued to take a customer-led approach to development, working to meet our customers' needs by delivering reliable, affordable, and low emissions solutions as we look to support the decarbonisation ambitions of our priority customer groups – including governments, resource companies, energy supply and wholesale customers, and large commercial and industrial customers.

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 of 'Empowered' by FY24.

Progress on FY23 commitments and customer & community outcomes

Principle 2: We will improve energy affordability for customers.

FY23 focus area	FY23 commitment	Commitment purpose	FY23 performance	Customer & community impacts / outcomes achieved
New projects	<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"> • East Coast Gas Grid (ECGG) expansion; • Kurri Kurri Lateral Pipeline (KKLP); and • Western Outer Ring Main (WORM) and Winchelsea-2 Compressor. 	<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 Kurri Kurri Lateral Pipeline will connect the Hunter Power Project and support energy security across the east coast.</p> <p>The Western Outer Ring Main and Winchelsea-2 additional compressor on South West Pipeline will enhance gas security of supply by supporting higher withdrawals in winter and injections in summer from the Iona Underground Storage Facility in Victoria's west.</p>	<p>The East Coast Gas Grid (ECGG) expansion Stage 1 was completed during the year, increasing the capacity of the South West Queensland Pipeline and the Moomba Sydney Pipeline to support peak gas supply demand in southern states. Stage 2 of this project 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>The Western Outer Ring Main Project has been steadily progressing and is expected to be completed in FY24. The Winchelsea-2 compressor installation scope was successfully completed in Q4FY23.</p> <p>Construction of the Northern Goldfields Interconnect (NGI), a new 580km pipeline in Western Australia was completed during the year, connecting the Perth Basin to APA's Goldfields Gas Pipeline and APA's Eastern Goldfields network. The Gruyere Hybrid Energy Microgrid and the Dugald River Solar Farm (previously referred to as Mica Creek) were both completed and commissioned during the year, optimising efficiency, and maximising the use of renewable generation.</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>The completion of the Northern Goldfields Interconnect (NGI) has created a 'West Coast Grid' providing reliability and optionality to the Goldfields, along with opening a broader availability across the mid-west region of Western Australia where the pipeline traverses. The completion of the Gruyere Microgrid and Dugald River Solar Farm have provided reliable energy solutions that assist our customers' climate transition.</p>
Australia's gas supply	<p>Working with the Federal Government and Australian Energy Market Operator (AEMO) on anonymous trading initiatives to improve the gas market liquidity.</p>	<p>Greater liquidity in the east coast gas market will help to facilitate trading between market participants.</p>	<p>APA proposed Anonymous Trading at Wallumbilla 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>APA is in the process of working with AEMO, designing 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 enhance liquidity of gas for the east coast gas markets.</p>
Efficient investment	<p>Embed efficient investment principles (efficient expansion and utilisation of existing pipeline infrastructure) 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.</p> <p>In the current complex energy market, the efficient expansion and utilisation of existing pipeline infrastructure is often the lowest cost long-term pipeline infrastructure solution. This may involve either compression or partial looping of existing pipeline infrastructure which APA seeks to optimise based on lowest lifecycle costs.</p>	<p>APA has undertaken projects which utilise and expand existing pipeline infrastructure aligning with APA's commitment of delivering reliable and responsible energy. These include:</p> <ul style="list-style-type: none"> • 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%; • South West Pipeline capacity expansion with an additional compressor facility at Winchelsea Compressor Station; and • Western Outer Ring Main Project, recognising the critical importance of storage and access to natural gas to Victoria's energy system. 	<p>Compression expansion or partial looping of existing pipelines is often the most cost-effective solution for expansion of capacity. This helps to minimise costs and enhance energy affordability for consumers and to minimise social impacts by reducing the footprint of new pipeline infrastructure.</p>

Tariffs	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 Victorian Transmission System (VTS) were viewed through the lens of affordability and the impact on consumers. Energy affordability was the number one concern expressed by consumers during the engagement process.	Tariff impacts on customer bills minimised and smoothed over regulatory period.
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Maturity focus for FY24

Principle 2: We will improve energy affordability for customers		
FY24 focus area	FY24 commitment	Purpose / expected customer & community outcomes
New Projects	APA will continue to work with energy partners and customers on projects to increase energy supply, delivering affordable and reliable energy.	To increase energy supply into the markets, delivering affordable and reliable energy.
Australia's gas supply hubs	APA will continue to collaborate with AEMO to design and implement Anonymous Trading at Wallumbilla's Gas Supply Hub.	Facilitating greater liquidity in the east coast gas markets and enhanced flows to southern markets.
Efficient investment	APA will continue to challenge and look for opportunities to expand or re-purpose existing pipeline 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.	Utilise existing pipeline 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 pipeline infrastructure to accommodate future fuels as part of Australia's decarbonisation efforts.
Tariffs	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, sustainable and reliable energy

FY23 maturity assessment



At APA we are committed to working with our customers, communities, and governments to deliver an energy transition that prioritises reliable, affordable, and low emissions energy for all Australians.

Across FY23, we continued to make targeted investments and delivered initiatives that supported the delivery of our sustainability roadmap. APA's new Health, Safety, Environment, and Heritage (HSEH) Strategy commenced in FY23, and all initiatives were delivered in accordance with the schedule. We implemented a diverse range of initiatives during the year with the aims of improving the overall health, safety, and wellbeing of our workforce and our communities and their respective environments. APA once again remained fatality free across FY23.

APA has made clear progress delivering on the Climate Transition Plan (CTP) since its release in August 2022. Our focus has been on embedding the necessary structures, processes, and systems to ensure our approach to climate is integrated across the business.

Through our program of work, public commitments, the setting and tracking of relevant sustainability targets and reporting tools, and the regular tracking and reporting of sustainability and safety performance to senior management, APA has continued to mature its approach and transition from "Evolved" in FY22 to "Empowered" in FY23.

Progress on FY23 commitments and customer & community outcomes

Principle 3: We will provide energy safely, sustainably and reliably				
FY23 focus area	FY23 commitment	Commitment purpose	FY23 performance	Customer & community impacts / outcomes achieved
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 & Heritage performance indicators, culture, and leadership. Implement our Health & 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>A Health and Safety survey was undertaken across the business in December 2022, with a participation rate of 70%, 1% above the industry benchmark. Safety engagement, safety leadership, and health and wellbeing scores exceeded the benchmark. The results have been used to inform improvement opportunities which will be incorporated into APA's Culture Action Plan.</p> <p>In line with our Serious Harm Prevention initiatives, APA recorded 33 Potential Serious Harm Incidents versus 46 in FY22. The Potential Serious Harm Incident Frequency Rate for FY23 was 3.74, compared to 6.51 in FY22 – a 42% decrease.</p> <p>APA's combined employee and contractor TRIFR was 3.4 which represents a slight increase of 3% from FY22.</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 FY23.</p> <p>Progressed our four-year Environment Improvement Program in line with the HSEH Strategy schedule. Processes, tools and templates for 3 of 8 environment risks areas have now been developed/ refined, integrated and implemented across the business. Uplifted our heritage practices at targeted assets and recruited an additional Heritage specialist.</p>	<p>APA's new HSEH Strategy commenced in FY23 and all initiatives have been delivered in line with the schedule.</p> <p>Improved safety leadership and performance have been recognised in FY23. There were 4224 HSEH Interactions during the year that showed active and visible leadership in managing safe outcomes for APA's people and the environment.</p> <p>We rolled out a HSEH digital dashboard and detailed reports to provide the business with a consolidated view of APA's leading and lagging indicators.</p> <p>We have implemented the evidence-based framework, Thrive at Work, which has been adapted to include all health-related initiatives. The framework provides for a balanced approach to Health and Wellbeing prioritisation and management.</p> <p>Integrated and implemented improved environment & heritage processes across the organisation.</p>
Process safety	<p>Enhance Process Safety maturity, as a strategic pillar in APA's HSEH Strategy, by progressing active Process Safety initiatives to support the journey towards sustainable Process Safety Management (PSM) and performance.</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>In FY23 we made progress against our process safety improvement initiatives identified in the HSEH Strategy. This included commencement of the Management of Change (MOC) Uplift initiative where we have:</p> <ul style="list-style-type: none"> conducted a thorough current state MOC review; and developed and received endorsement for a Business Requirements document. <p>The next stage of the MOC Uplift initiative is to implement the specification requirements in our Enterprise Asset Management System prior to rolling out to the business in the second half of FY24.</p> <p>The Process Hazard Analysis (PHA) Revalidation Uplift initiative progressed in FY23 by completing the Moomba Hub and Dalby Compressor Station HAZOP Studies. In FY24 we will continue to revalidate PHAs on critical operating assets.</p> <p>The Safety Critical Element (SCE) Management and Assurance initiative has delivered and published SCE dossiers for all transmission assets and developed a draft SCE performance standard. In FY24 we will revise the SCE Lifecycle Process Standard and implement this in our Enterprise Asset Management System.</p>	<p>The continuous improvement of process safety contributed to sustained safety performance and the reliable supply of energy to customers. In Transmission Operations there were two Tier 1 and zero Tier 2 process safety incidents in FY23</p>

<p>Climate Transition Plan</p>	<p>Progress against our interim and long-term targets, goals, and supporting actions under our Climate Transition Plan.</p>	<p>Delivery against our interim and long-term targets, goals, and supporting actions under our Climate Transition Plan demonstrates how we are playing our part in Australia's energy transition.</p>	<p>In September 2023, APA published its inaugural Climate Report, detailing our progress against the Climate Transition Plan in FY23. Key performance highlights included:</p> <p>Gas infrastructure:</p> <ul style="list-style-type: none"> • 6.7% net emissions reduction (relative to FY21 base year), progressing APA towards our interim target of a 30% net emissions reduction. This result included a 3.7% gross emissions reduction, with the remaining abatement delivered through the procurement of offsets in line with our offset criteria. • Set methane target of at least 30% reduction in our operational methane emissions by 2030 (FY21 base year). We also progressed incorporation of the Methane Guiding Principles and completed several methane measurement and mitigation initiatives, including a leak survey on the Goldfields Gas Pipeline. • Progressed feasibility work on compressor electrification and commenced a compressor efficiency optimisation initiative to minimise fuel gas consumption on the South West Queensland and Moomba to Sydney Pipelines. <p>Power generation:</p> <ul style="list-style-type: none"> • 5.3% reduction in emissions intensity relative to FY21. • Commissioned Dugald River Solar Farm, Australia's largest off-grid solar farm. Looking forward, we expect Dugald River and other investments to support further reductions in emissions intensity. We remain confident of achieving our 2030 goal of a 35% reduction in emissions intensity relative to FY21. <p>Electricity transmission:</p> <ul style="list-style-type: none"> • Established a dedicated Electricity Transmission Division and continued to grow our capability in this area, in line with our commitment to enable renewables through new transmission investment. <p>Cross-cutting commitments:</p> <ul style="list-style-type: none"> • Achieved 100% renewable electricity procurement through the purchase of large-scale generation certificates from Daydream Solar Farm. • Initiated a zero direct emissions vehicle (ZDEV) fleet strategy and commenced procurement of ZDEVs and installation of charging infrastructure. • Achieved a 79% security holder approval for our 2022 Climate Transition Plan at our October 2022 AGM. <p>Scope 3 and value chain:</p> <ul style="list-style-type: none"> • Developed Scope 3 emissions reduction pathways, supporting our commitment to establish a Scope 3 goal by 2025. • Established a new commitment to fully offset business travel. • Commissioned the Gruyere Hybrid Energy Microgrid. • Completed the Parmelia Gas Pipeline hydrogen feasibility study, showing that it is technically feasible to convert a section of the pipeline to 100% hydrogen. <p>Governance and risk management:</p> <ul style="list-style-type: none"> • Established Board and management governance structures to support delivery of the Climate Transition Plan • Linked executive remuneration to climate-related performance • Completed a portfolio physical risk assessment to identify and prioritise assets for further deep-dive physical risk assessments • Implemented an East Coast Gas Model, which will support transition risk analysis for our gas assets 	<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>
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<p>Sustainability Roadmap</p>	<p>Continued implementation of APA's Sustainability Roadmap and the development of relevant plans, targets, and metrics to increase sustainability maturity across the business.</p>	<p>APA's Sustainability Roadmap aligns to the UN Sustainable Development Goals and ensures that we can address and are responsive to the needs of our people, customers, and communities.</p>	<p>Released our Climate Transition Plan that set interim targets and goals for 2030 and the pathway to net zero by 2050.</p> <p>Developed a Reconciliation Action Plan (RAP) in consultation with APA's RAP Working Group, for approval by Reconciliation Australia in early FY24.</p> <p>Contributed \$1.2 million through discretionary social investment to communities via targeted community grants programs, corporate partnerships with charitable organisations and local sponsorships and donations.</p> <p>1,294 employees completed the online "Being Heritage Aware" module, driving awareness of heritage responsibilities.</p> <p>Ongoing identification and monitoring of ESG risks.</p>	<p>APA's Sustainability Roadmap and associated targeted areas of work continues to demonstrate both the appetite and commitment of the business to increasing its sustainability maturity and profile both within the business and with the stakeholders that we work with.</p>
<p>Technology</p>	<p>APA is investing in future fuels through our Pathfinder Program to understand the requirements to support clean molecules in either existing or new Infrastructure.</p>	<p>The Pathfinder program will allow APA to service its customers' entry into new energy markets by developing impactful future energy solutions.</p>	<p>In May 2023, our landmark Parmelia Gas Pipeline (PGP) conversion project in Western Australia, confirmed via pressurised hydrogen laboratory testing the technical feasibility of converting a 43km section of the PGP to carry 100% hydrogen.</p> <p>Off the back of this research, APA has developed a Pipeline Screening Tool (PST) that provides a high-level assessment of the hydrogen readiness of its national pipeline assets.</p> <p>Supporting the PGP conversion project is a Memorandum of Understanding between APA and Wesfarmers Chemicals, Energy and Fertilisers (WesCEF). As part of this, we committed to a pre-feasibility study to assess the viability of producing and transporting green hydrogen via the PGP to WesCEF's production facilities in Kwinana. The findings were promising, demonstrating that the PGP study area is likely to be suitable for green hydrogen development.</p> <p>Pathfinder is investigating other hydrogen and Carbon Capture and Storage (CCS) project opportunities where APA can bring its market-leading energy infrastructure expertise and experience to large-scale projects.</p>	<p>APA's landmark Parmelia Gas Pipeline (PGP) conversion project in Western Australia has continued to provide insights into the role of gas transmission pipelines in the emerging hydrogen industry.</p> <p>When the findings of this research were applied across APA's pipeline network, initial assessments using the Pipeline Screening Tool indicates there was a high likelihood that around half of APA's natural gas pipeline assets could be used for hydrogen transportation, in 100% pure or blended form, with no, or small, changes to their current operating profile.</p> <p>The PGP conversion project results supported the development of Australian standards for hydrogen pipelines.</p>

Maturity focus for FY24

FY24 focus area	FY24 commitment	Purpose / expected customer & community outcome
Health, Safety, Environment & Heritage	<p>Continue to 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"> • Leadership, Collaboration & Learning; • Serious Harm Prevention; • Health and Wellbeing; • Systems, technology, and innovation; • Environment and Heritage; and • Process Safety. 	<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>
Process safety	<p>Continue to implement the following and progress multi-year Process Safety initiatives in the HSEH strategy:</p> <ul style="list-style-type: none"> • Management of Change (MOC) Uplift initiative; • Process Hazard Analysis (PHA) Revalidation Uplift initiative; and • Safety Critical Element (SCE) Management and Assurance initiative. <p>Additionally, the following HSEH strategic initiatives will also be initiated or progressed in FY2024:</p> <ul style="list-style-type: none"> • Performance Metric Integration – implement more leading metrics and focus on driving systematic process safety management improvements. • Process Safety Management (PSM) Framework - complete an APA board endorsed Process Safety maturity benchmarking exercise, in partnership with dss+, to establish maturity across divisions/ assets and develop a future state roadmap to establish an improved PSM Framework. 	<p>MOC is essential to ensure that asset changes are appropriately managed to prevent incidents and to ensure efficient operation.</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>Having critical controls functioning and effective ensures that process safety outcomes are achieved minimising Tier 1 and 2 process safety events.</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>Since the rollout of the Process Safety Fundamentals a few years ago, we have completed a process safety industry benchmarking exercise that aims to assess maturity and support the development of a roadmap that improves APA's Safety Management Framework.</p>
Climate Transition Plan	<p>Continue to progress delivery against our Climate Transition Plan targets and goals.</p>	<p>Continued progress against our climate goals, targets and supporting actions will demonstrate to our customers, communities, and investors that we're committed to playing a meaningful role in Australia's energy transition.</p>
Sustainability Roadmap	<p>Commence work to prepare a refreshed Sustainability Roadmap (which currently runs through to June 2024), including the delivery of an impact-based sustainability materiality matrix. The materiality assessment will be guided by the Global Reporting Initiative (GRI 3: Material Topics 2021).</p>	<p>Continue to progress and deliver sustainability improvements in line with the Build, Accelerate and Maintain categories of the Sustainability Roadmap and support the monitoring and reporting of sustainability performance.</p>
Technology	<p>Pathfinder Program will involve hydrogen and a carbon, capture, utilisation, and storage (CCUS) project development, building capability and presence in future energy markets, and investments in technology R&D with clear market potential.</p>	<p>Continue to work with customers to develop sustainable energy pathways and future energy infrastructure.</p>

Principle 4 - Customer experience

FY23 maturity assessment

Elementary

Emerging

Evolved

Empowered

Exceeding

FY20

FY21

FY22

FY23



APA has continued to place the customer at the heart of what we do, working with our customers to deliver a better customer experience. We completed an annual commercial customer feedback survey, implementing an action plan to make improvements. We maintained our account management approach to deliver more timely resolution of issues and better follow up of opportunities. We sought to better inform our customers to help them deal with the volatility of peak winter/summer markets as well as new regulatory requirements that might affect day-to-day operations – we did this through regular communications on APA asset capacities, constraints, and developments ahead of both winter and summer peak periods, and a dedicated Customer Forum for east coast gas transport customers ahead of winter 2023.

APA's customer driven approach has continued to mature and our focus on customer experience has helped us move to the cusp of Empowered in FY23.

Progress on FY23 commitments and customer & community outcomes

Principle 4: We will improve the customer experience				
FY23 focus area	FY23 commitment	Commitment purpose	FY23 performance	Customer & community impacts / outcomes achieved
Network customer communications	Improve communications with customers.	Leverage new technologies to improve the way we communicate with customers.	<p>We have implemented a new mobility solution which enables completion of the work to be sent back to the requesting retailer quickly as the paperwork is completed electronically in the field. For planned periodical meter change work we have enabled appointments for customers to book a suitable time to complete the meter change at their property.</p> <p>Implementation of a new phone system enables us to handle calls and review quality to ensure we are delivering a high level of customer service</p>	<p>We have visibility of work completed in the field in real time. Having this helps us better service customers with accurate information on the status of their request.</p> <p>Completed field work is returned to the requesting retailer within hours completion, which also improves visibility for retailers to service their interaction with the customer. Enabling customers to make appointments improves their experience as work is completed when it's convenient for them.</p>
Commercial customer survey	Undertake an annual survey of commercial customers and develop an action plan in response to insights obtained.	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>APA completed an annual commercial customer survey in November 2022.</p> <p>The survey informed our updated 2023 action plan, responding to customer feedback, with this plan now in implementation for six months.</p>	<p>Our CES was 6.7 out of 10, representing an improvement from our 2022 score of 6.3.</p> <p>This reflected the success of our 2022 action plan which focused on re-invigorating relationships, re-establishing APA's industry leadership and re-prioritising face-to-face meetings after COVID.</p>
Account management	Maintain our customer-focused account management approach, looking to automate and improve supporting data where possible.	Ensuring customer-centric decision making and proactive customer issue resolution.	<p>Regularly monitored and managed the customer experience through:</p> <ul style="list-style-type: none"> • dedicated account managers assigned to all commercial customers; • a quarterly customer experience dashboard focused on practical elements contributing to customers' experience of APA; and • key account management with a monthly review meeting to monitor customer feedback, service delivery and performance across APA's key customers. 	Clear responsibilities, data-driven decision-making and a consistent account management cadence delivered better and more timely outcomes for customers.

Maturity focus for FY24

Principle 4: We will improve the customer experience		
FY24 focus area	FY23 commitment	Purpose / expected customer & community outcomes
Network customer communications	Continue to utilise the mobility solution to further improve customer communication.	To ensure customers are provided with timely information regarding impacts to their properties.

<p>Network customer experience</p>	<p>Continue to measure the Customer experience via a program of work to ensure we are continually improving.</p> <p>Continue to utilise the Call Centre phone functionality to improve customer engagement experience.</p>	<p>Improve customer service and experience for the benefit of our customers.</p>
<p>Account management</p>	<p>Maintain our customer-focused account management rhythm, automating and improving access to data to deliver more efficient customer outcomes.</p>	<p>Maintain a clear focus on customer needs through regular engagement and internal sharing of our customers' issues, challenges, and opportunities to deliver better and more responsive customer outcomes.</p>
<p>Commercial customer survey</p>	<p>Undertake an annual survey of commercial customers and develop an action plan in response to insights obtained.</p>	<p>Track the implementation of key actions responding to customer feedback, to help position APA as the partner of choice in delivering infrastructure solutions for the energy transition.</p>

Principle 5 - Supporting customers in vulnerable circumstances

FY23 maturity assessment



APA's awareness of and focus on customers and communities in vulnerable circumstances has continued to mature. For commercial customers, we employ a monthly cadence supporting the early identification of hardship, and for our Networks customers we are well integrated into broader distribution network initiatives. We are also doing a better job of understanding our potential impact and reach, linking in our sustainable development initiatives to invest in the communities where we operate and engaging our staff in this work.

We have more to do but are on the cusp of 'Evolved' at the end of FY23.

Progress on FY23 commitments and customer & community outcomes

Principle 5: We will support customers facing vulnerable circumstances				
FY23 focus area	FY23 commitment	Commitment purpose	FY23 performance	Customer & community impacts / outcomes achieved
Sustainable development	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 FY23 we invested \$1.2 million in our communities in the categories of 'rural and regional communities' and 'First Nations Peoples'. APA continued our long-standing corporate partnerships with the Clontarf Foundation and The Fred Hollows Foundation in FY23. APA also recommitted to another year of funding with three corporate partners who we began working with in FY22 – the Stars Foundation, Rural Aid and Uniting. Our corporate partnership with Uniting is derived from our membership of the Energy Charter and provides energy literacy support to individuals and households suffering energy hardship.	Benefiting organisations were supported to deliver their purpose through APA's contributions. Our focus is on strengthening communities, particularly in times of need and/or crisis. Where possible, we looked to encourage sustainable development outcomes through our support including: <ul style="list-style-type: none"> supported sustainable outcomes for Indigenous health, wellbeing and education; built socio-economic outcomes through an increased focus on local, Indigenous and female participation in major projects; built resilience of regional communities to deal with natural disasters through counselling services; and supported economic development of flood impacted communities through business recovery and job creation.
Vulnerable Commercial customers	Maintain monthly meetings to facilitate early identification of vulnerable commercial customers.	Early identification of emerging customer vulnerabilities increases the scope of opportunities for APA to assist.	In keeping with our Energy Charter commitments, a monthly 'Vulnerable Customer' review meeting was held, monitoring commercial customers who may be facing hardship or credit issues and identifying opportunities for early assistance.	During the year, two customers were provided with assistance to help them deal with the impacts of significant flooding, with one entering into a deferred payment program and the other provided with a temporary extension of payment terms. The monthly meeting also helped identify a number of other customers at an early stage of hardship, allowing coordination of a measured and consistent response.
Priority Network customers	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 recently worked with Australian Gas Infrastructure Group (AGIG) on their Priority Service Program working together in SA and QLD to implement a support program.	Assisted customers in vulnerable circumstances to ensure minimal impact when performing work at a customer's property. Working with Australian Gas Infrastructure Group (AGIG) to refer customers for additional support services.

Maturity focus for FY24

Principle 5: We will support customers facing vulnerable circumstances		
FY23 focus area	FY23 commitment	Purpose / expected customer & community outcomes
Sustainable development	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.

<p>Vulnerable commercial customers</p>	<p>Maintain monthly meetings to facilitate early identification of vulnerable commercial customers.</p>	<p>Early identification of emerging customer vulnerabilities increases the scope of opportunities for APA to assist.</p>
<p>Priority Network customers</p>	<p>Networks will continue to work with other distributors to identify priority 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>



Contact us

A full list of APA contacts are available on
APA's website:

www.apa.com.au/contact

APA Energy Charter signatory enquiries:

Corinne Schoch

Sustainability Manager

corinne.schoch@apa.com.au