



Alinta Energy Sustainability Report 2022/23 Summary



alintaenergy

That's better™

From our MD and CEO

Defining better energy

I've spent 30 years in the energy industry, and I can't remember a busier time. Every energy company, every level of government, and almost everyone in the community is wrestling with so many critical questions, decisions, and challenges surrounding our future energy supply and system.

While we actively contribute to public debate on Australia's energy challenges and opportunities, we're also focused on our own progress and confident about achieving our goal to make energy better.

Confident, because we spent a significant amount of time this year defining what 'better energy' might look like for our customers, for the reliability of our energy system and for the environment over the coming decade. We believe our plan is balanced, pragmatic, and sustainable.

Our Sustainability Report 2022/23 provides an overview of that plan and our key projects, delving more deeply into what 'better energy' looks like to us. We've summarised the highlights in this document. In short, it's a responsible and sustainable transition to net zero, that retains a customer's perspective at all times.

Making progress in safety and sustainability

We're proud of our team's achievements this year. Safety is always our highest priority, and we couldn't be happier with the team's result this year, with zero class 1 injuries across the board and recordable injuries staying under the more challenging target we set for this year.

Sale of our Pilbara assets

In November 2023 we completed the sale of our Pilbara assets to APA Group. It was another big moment and was significant for three reasons:

- 1** We gained world-leading skills, experience and insights across the energy supply chain through our efforts to decarbonise the region. Only a handful of companies anywhere have developed and built large microgrids (+100 MW) that can operate on 100% renewables – and we're pleased to be one of them. Our proven ability to deliver large-scale projects that increase capacity, reliability and sustainability shows what we're capable of achieving and supports our next ambitious plans.
- 2** The sale validated our vision to decarbonise the region, and the progress we achieved in connecting customer loads from different mines and displacing diesel with, initially, gas, battery and solar storage and generation (with plans to include wind). We congratulate APA Group for buying in to that vision and wish them every success in their efforts to further decarbonise the Pilbara.
- 3** The proceeds from the sale put us in a strong position to continue investing in the transition. This includes jointly funding our renewables and storage megaprojects which are at the heart of our transition to net zero.

Next year's report will show the impact of the sale on our business.

A system and customers under strain

The energy crisis on the east coast in winter 2022 sharpened our thinking on how we define better energy through the transition. It highlighted the impact of price rises on our most vulnerable customers.

While we were proud that our generation fleet remained fully available through the crisis, we don't want to see a repeat of the sustained high prices and shortage of dispatchable generation. The impacts have been reverberating through our energy system ever since, with customers facing successive price rises and many struggling in a cost-of-living crisis.

We've increased our financial support for vulnerable customers to its highest ever level – with \$7.1 million distributed through payment support programs during 2022 and 2023 year to date. But to be frank, treating a symptom of a system that is not adequately providing for its most vulnerable is not an achievement or a cause for celebration.

These were timely reminders of the need to get the balance right as we move towards net zero.

A change of reporting approach

As sustainability reporting becomes broader and more sophisticated, we are exploring how to meet the needs of our different stakeholders. In addition to this summary, our full report concentrates on the most significant issues, key results, and major changes during the year.

More detailed data from our operations is now included in our online data centre which is part of the Alinta Energy website.

We would love your feedback on our new approach and how well it meets your own needs and interests. Our contact details and links to our website, where you can access the full Sustainability Report 2022/23, our online data centre, and other sustainability-related reports, are listed on the back page.

Jeff Dimery
MD and CEO



Hear more about Jeff's thoughts about how sustainability is integral to our future by scanning the code.

Our approach to sustainability

We use the triple bottom line interpretation of sustainability which encompasses the environment (planet), society (people) and the economy (prosperity). Sustainability occurs where all three overlap and are in balance. We report in accordance with the Global Reporting Initiative (GRI) Standards. You'll find more information about our approach to reporting, our stakeholders and how we define materiality in the Our Reporting section of our full report.

Vision

To be the best energy company.

Purpose

We're determined to make energy better.

Values

Our values underpin everything we do.



Safety

Safety will always be our highest priority and comes first when making choices in our business.



One Alinta

We are one team that works together for the same purpose.



People Matter

Our people are our greatest asset. We are committed to a culture where how we deliver is as critical as what we deliver.



Respect & Integrity

We value diversity and treat people with respect. We are true to our word and take personal responsibility for our actions.



Customer Focus

We are a business focussed on the customer, providing great service externally and internally. Our goal is to be the customer's first choice.



Commercial Leadership

We act like business owners, committed to industry leadership and the achievement of superior results.

Alinta Energy at a glance (at 30 June 2023)

Planet

1,045,155 tCO_{2-e}

Scope 1 greenhouse gas emissions

2,543 ML

water used by our power stations

3,531 tCO_{2-e}

Net scope 2 greenhouse gas emissions

999 MW

operational or committed renewable energy and storage capacity

11,258,053 tCO_{2-e}

Material scope 3 greenhouse gas emissions^a

People

1.17

million customers

1,130

employees

48%

Women

52%

Men

<1%

Non-binary

Prosperity

3,537 MW

operational capacity

\$3.98 billion

revenue

45,984 TJ

gas sold

8,554 GWh

electricity sold

\$491 million

EBITDA

8

thermal power stations^b

7

wind farms^c

6

solar farms^d

1

large scale battery^e

a. From contracted electricity generation, owned but not operated electricity generation and gas sales to end use customers

b. Owned, operated and contracted

c. Six contracted, one operated

d. Five contracted, one operated

e. Owned and operated



FY23 highlights

Greenhouse gas emissions

- **16% increase** in renewable energy generation and storage capacity (operational and committed).
- **5.6% reduction** in net scope 1 emissions intensity (and a cumulative reduction since FY18 of 37%).
- **50%** of our total scope 2 emissions now offset using ACCUs.

Clean energy investment

- **66.6%** of the way towards our FY25 clean energy investment target (999MW reached against a target of 1,500MW – up from 860MW last year).

Reporting

- Launched our first Task Force on Climate-Related Financial Disclosures Report and Decarbonisation strategy.

New products and services

- Launched a new team to provide innovative products including behind-the-meter solar PV and battery energy storage solutions for our commercial and industrial customers; and invest directly in projects that create high-quality offset certificates.
- Commenced pre-sales on our new Carbon Balance plan (launched August 2023) which enables customers to offset carbon emissions associated with their electricity or gas usage.

885 MW current renewable energy generation and storage capacity.

This makes up 25% of our total operating capacity at 30 June 2023.

Greenhouse gas emissions and intensity

1,045,155 tCO_{2-e}

Scope 1 greenhouse gas emissions

3,531 tCO_{2-e}

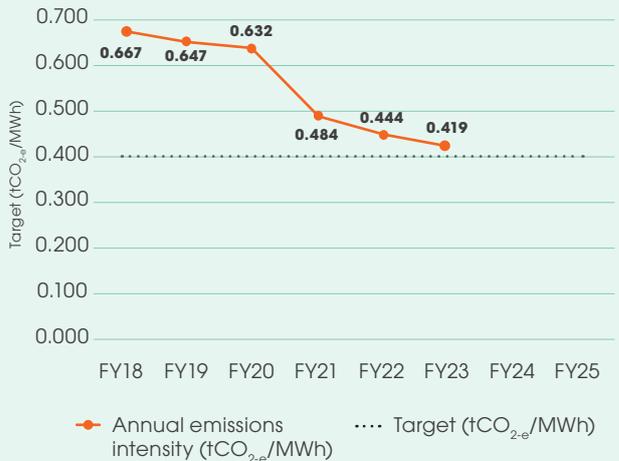
Net scope 2 greenhouse gas emissions

11,258,053 tCO_{2-e}

Material scope 3 greenhouse gas emissions^a

a. from contracted electricity generation, owned but not operated electricity generation and gas sales to end use customers.

Progress towards achieving net scope 1 emissions intensity target



Pathway to achieving net zero by FY50

Strategies

1 Invest in clean energy technologies

2 Establish and track against interim emission reduction targets

3 Help customers meet their climate ambitions

4 Commit to no new coal assets

You can find out more about our Decarbonisation strategy and initiatives to achieve net zero by FY50 in our full report.

Growing our renewable energy capacity, expertise, products and services

Oven Mountain pumped hydro storage project

Momentum for our proposed Oven Mountain pumped hydro energy storage project in NSW's Renewable Energy Zone continued to increase throughout the year. The project team grew significantly, conducted a market sounding of European-based equipment manufacturers, and completed the Environmental Impact Statement (EIS) after years of site and field investigations and community consultation. The EIS was submitted to the NSW Government in August 2023.

We anticipate reaching a final investment decision by mid 2025 with construction commencing in late 2025. When built, the project will provide up to 900 MW of dispatchable capacity over 8 to 12 hours and help to stabilise the grid during the transition to renewables in NSW. The project is also critical to meeting our interim renewable energy target of 1,500 MW.

Amanda Weston, the Planning & Environment Manager for the Oven Mountain project, talks about why she wanted to be part of this project. You can hear more by scanning the QR code below.



Spinifex off-shore wind project

This project near Portland Victoria, still in the pre-planning phase, represents a transformational opportunity to dramatically increase our renewable energy capacity and build expertise with technology that is still new to Australia. Once built, this wind farm would deliver up to 1,000 MW of power – enough to supply about 10% of Victoria's energy needs. It could also support the nearby Alcoa aluminium smelter, the state's largest energy consumer, with decarbonisation.

With the Australian government having announced the proposed Southern Ocean declared area, we are in the process of assessing potential locations to develop. Once a decision on the declared area has been made by the Australian government, we will be able to apply for a feasibility licence to develop inside this area.

Spinifex's Community & Engagement Specialist, Darcy Wall, is passionate about talking with the community to understand how this project can support it. You can hear more by scanning the QR code below.



New Markets team

Another highlight this year was the formation of a new team created to support our customers with their decarbonisation journeys.

The New Markets team is comprised of two parts which can come together to provide a holistic decarbonisation solution. One part leverages our expertise in developing microgrids to provide behind-the-meter solar PV and battery energy storage solutions for our commercial and industrial customers. The service will be provided on a build, own and operate basis, optimised against customer demand side response capabilities as well as their energy contract. Negotiations with several major clients have commenced.

The other service will be working with landholders to invest in projects which restore degraded agricultural land and generate quality carbon offset certificates.

Meet Mark Barrington, our General Manager New Markets, by scanning the QR code below.



Introducing Carbon Balance

Our new Carbon Balance product enables our customers to offset the carbon emissions associated with their electricity or gas usage. It's available to our residential and business customers for both electricity and gas.

Under the plan, carbon offsets 'balance out' the amount of greenhouse gas emissions from the energy customers purchase from us. The offsets we buy to support this product are Australian Carbon Credit Units (ACCUs). They all come from projects in Australia that reduce or remove greenhouse gases from the atmosphere.

Alinta Energy's Carbon Balance product is certified under the Climate Active Carbon Neutral Product Standard. Find out more about it on our website.

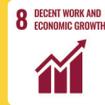
Launched in August 2023, Carbon Balance achieves our goal to introduce a certified carbon neutral product for mass market and commercial and industrial customers.



You can learn more about what drives our employees in their quest to make Alinta Energy more sustainable by scanning this code.



People



FY23 highlights

Safety

- **Zero** Class 1 injuries.
- Total recordable injury frequency rate (TRIFR) of 2.71, below our target of 3.
- All safety targets met in FY23.

Gender equity

- **40% increase** in ratio of female managers, from 26% to 37%.
- **46%** of promotions to women.

Customer satisfaction

- **89%** customer satisfaction nationally (**93%** west coast, **88%** east coast).
- **+61** Net Promoter Score nationally (**+77** west coast, **+56** east coast).
- Maintained very low levels of ombudsman complaints – 0.01 complaints per 1,000 customers on West Coast and 0.34 per 1,000 customers on East Coast.
- Two Readers Digest Quality Service Awards.
- One Canstar Blue Most Satisfied Customers Awards.

Customer support

- Payment support provided to 22,125 hardship and non-hardship customers.

First nations reconciliation

- Commenced the development of our first Reconciliation Action Plan.
- Key staff attended a 3 day cultural immersion in remote Australia.

Helping with hardship

It's been a difficult time for many Australians with a cost of living crisis. We are supporting our customers with various payment support programs for hardship and non-hardship customers. We are also partnering with other organisations that can support our customers in financial difficulty. These are:

- HelpPay – which offers a free app which allows friends and family to contribute to people's bills
- Uniting – who offer an Energy Support Program offering free tailored one-on-one advice to customers under financial pressure
- Thriving Communities Partnership – which brings together business, government, academia, charities and people with lived experience of vulnerability to promote fair access to essential services.

Equity, diversity and inclusion

Research shows that diverse workplaces perform better. We continue to implement initiatives to increase diversity and inclusion and to promote gender equity and family-friendly work practices.

This year our MD and CEO joined the Champions of Change program and we celebrated International Women's Day with a workshop focussed on equalising superannuation for women. We were also thrilled to be recognised as a WORK180 Endorsed Employer for All Women.

Where we excel

99%

The business cares about physical safety (67% strongly agree)

Opportunities to improve

1 in 10

Are unsure we always have enough people to get the job done safely

99%

My manager cares about physical safety (69% strongly agree)

1 in 10

Feel we can minimise the unnecessary stress at work

Our Head of Health & Safety, Camilla Windfeld-Khanna, gives an insight into why she pursued a career in health and safety in this year's report.

You can also hear her thoughts on safety opportunities at Alinta Energy by scanning this code.



Prosperity



FY23 highlights

Value distributed to our stakeholders

Employees

- **\$166 million** in wages and benefits to our employees.

Government

- **\$172 million** in income tax paid to government.

Community

- **115** staff volunteered for community activities in paid time.
- **\$538,010** in community grants and donations.

Customers

- **\$4 million** in payment support to hardship and non-hardship customers.

Suppliers

- Supported over **400 small businesses** nationally.
- **\$578 million** contributed to the Australian small business community.
- **98.5%** of invoices paid within 30 days of invoice date, confirming our commitment to supporting small businesses.

Investments

- **\$109 million** spent on maintenance CAPEX to ensure the reliability of the energy system.
- **\$78 million** spent on growth CAPEX to invest for the future.

Community partnerships

During FY23 we maintained our ongoing collaboration with our three community partners to achieve longer term outcomes. Our partners are Salvation Army, Foodbank and Conservation Volunteers. In addition to our financial support, we also engage with these organisations through employee volunteering programs and other opportunities to contribute, such as donating unneeded IT equipment.



Community grants

During FY23, we provided grants of up to \$20,000 to the following small and medium-sized not-for-profit organisations:

- Aspire Cairns Community Limited, Empower Me Program
- Bundjalung Tribal Society, Youngman Creek corridor rehabilitation
- The Bower Reuse and Repair Centre, House to Home Program
- Chelsea Community Support Services, Taking Control financial capability program
- Eating Up Australia, Fresh fruit program
- Empowered Women in Trades, Tool skills day programs
- Gunawirra, Art Therapy to heal children
- Prepare Produce Provide, Dijinda Ngarak 4 WITS
- Port School, Emergency relief funds
- Rottnest Foundation, Woodland restoration and expansion project
- The Shoreline Foundation Ltd, Perth program expansion
- WA Youth Jazz Orchestra, Eastern corridor training band

Community Development Program

Our program contributes \$500,000 each year to support organisations that alleviate social disadvantage and/or promote environmental sustainability.

The program has three elements:

1. Community partnerships
2. Community grants
3. Site donations

These are outlined in more detail in our FY23 Sustainability Report.

Site donations

Our power stations can each donate to a charity or community organisation which supports its local community. This year's recipients included:

- Lisa's Kangaroo Retreat (Port Hedland power station, WA)
- Newman Women's Shelter (Newman power station, WA)
- Kup of Kindness (Braemar power station, Qld)
- Graeme Dingle Foundation (Glenbrook power station, NZ)

Melissa Galland, our First Nations and Community Manager, shares what she loves about her role in this year's full report. You can also hear her elaborate on some of the year's achievements by scanning this code.



Find out more

Scan the code to view our full Sustainability Report and related reports including our Modern Slavery Statement and Task Force on Climate-related Financial Disclosures Report. You can also access our new online Alinta Energy Sustainability Data Centre which contains supplementary data.



Scan me

Report feedback

We welcome feedback and suggestions regarding our sustainability reporting program and performance, which can be submitted via the following contact details:

Sustainability Manager

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